Business activity and results

January-March

2021

Contents

Note: The financial information contained in this document is unaudited and, accordingly, is subject to change. The consolidated income statement and the consolidated balance sheet and the corresponding breakdowns of those statements provided in this report, are presented under management criteria, but have still been prepared in accordance with International Financial Reporting Standards (IFRS-EU) as adopted by the European Union under the terms of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, as subsequently modified. In preparing these statements, Circular 4/2017 of the Bank of Spain of 6 December, as subsequently modified, has also been taken into due account in that it adapts IFRS-EU to Spanish credit institutions.
This report has been prepared from the accounting records of CaixaBank, S.A. and the other Group companies, and includes certain adjustments and reclassifications required to apply the policies and criteria used by the Group companies on a consistent basis with those of CaixaBank. For this reason, and specifically in the case of BPI, the information contained in this document does not coincide with certain aspects presented in BPI's publication of financial information. Likewise, the financial information regarding investees has been prepared primarily on the basis of estimates made by CaixaBank, hereinafter the "Company".
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. Certain financial information in this report was rounded off and, specifically, the figures shown herein as totals may differ slightly from the arithmetic sum of the individual figures given before them.

In accordance with the Guidelines on Alternative Performance Measures (APMs) published by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057), the appendices hereto provide the definition of certain alternative financial measures and, where appropriate, the reconciliation with the items contained on the financial statements for the period in question.

In accordance with the Amendments to IFRS 4 and subsequent reviews, the Group has decided to apply temporary exemption from applying IFRS 9 to the financial investments of the Group's insurance firms for all periods that come before 1 January 2023, aligning its first application with the entry into force of the new IFRS 17: Insurance Contracts (expected on 1 January 2023), which will govern the presentation and measurement of insurance contracts (including technical provisions). Accordingly, these investments are measured in accordance with IAS 39 and grouped under the heading "Assets under the insurance business" on the balance sheet. To make the information more readily comparable, the Group has also grouped together the technical provisions corresponding to Unit Link and Flexible Investment Life Annuity (the part managed), which are now reported jointly under 'Liabilities under the insurance business'.

Commercial positioning

CLIENTS

21.1
million

BUSINESS ACTIVITY

663,569
in total assets (€ million)

579,934
in customer funds (€ million)

363,821
in loans and advances to customers (€ million)

Balance sheet indicators

RISK MANAGEMENT

3.6%
NPL ratio

67%
NPL coverage ratio

0.61%
Cost of risk (12 months)

CAPITAL ADEQUACY

14.1%
CET1

18.9%
Total capital

26.3%
MREL

LIQUIDITY

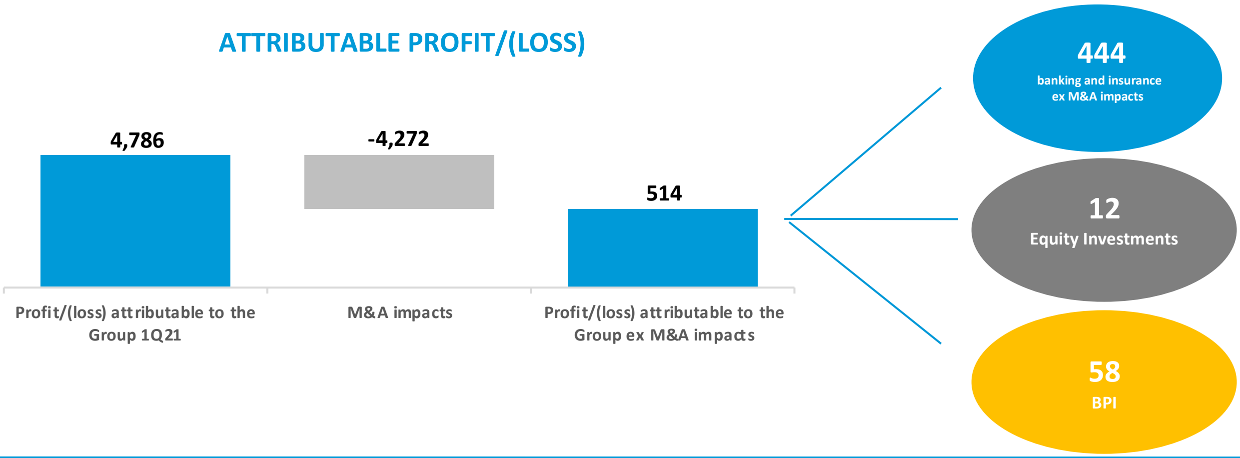
147,146
in total liquid assets (€ million)

273%
liquidity coverage ratio (LCR), trailing 12 months

146%
NSFR

Results, profitability and cost-to-income

ATTRIBUTABLE PROFIT/(LOSS)



MAIN RATIOS

53.5%
cost-to-income ratio stripping out extraordinary expenses (12 months)

8.0%
12-month ROTE ex M&A impacts

7.1%
12-month ROTE for the banking and insurance business ex M&A impacts

Key Group figures

€ million / %	January - March 2021	January - March 2020	Change
PROFIT/(LOSS)			
Net interest income	1,191	1,200	(0.7%)
Net fee and commission income	659	658	0.2%
Core income	2,066	2,045	1.0%
Gross income	2,063	1,983	4.0%
Recurring administrative expenses, depreciation and amortisation	(1,149)	(1,188)	(3.3%)
Pre-impairment income	874	796	9.8%
Pre-impairment income stripping out extraordinary expenses	914	796	14.9%
Profit/(loss) attributable to the Group	4,786	90	-
Profit/(loss) attributable to the Group stripping out merger impacts	514	90	-
MAIN RATIOS (last 12 months)			
Cost-to-income ratio	54.0%	67.6%	(13.7)
Cost-to-income ratio stripping out extraordinary expenses	53.5%	56.1%	(2.6)
Cost of risk[1] (last 12 months)	0.61%	0.31%	0.29
ROE [1]	6.6%	4.5%	2.1
ROTE[1]	8.0%	5.4%	2.6
ROA[1]	0.4%	0.3%	0.1
RORWA[1]	1.1%	0.8%	0.4

	March 2021	December 2020	Change
BALANCE SHEET			
Total assets	663,569	451,520	47.0%
Equity	35,552	25,278	40.6%
BUSINESS ACTIVITY			
Customer funds	579,934	415,408	39.6%
Customer funds, excluding the Bankia integration	*419,335*	*415,408*	*0.9%*
Loans and advances to customers, gross	363,821	243,924	49.2%
Loans and advances to customers, gross, excluding the Bankia integration	*242,805*	*243,924*	*(0.5%)*
RISK MANAGEMENT			
Non-performing loans (NPL)	14,077	8,601	5,476
Non-performing loans (NPL), excluding the Bankia integration	*8,650*	*8,601*	*49*
Non-performing loan ratio	3.6%	3.3%	0.3
Non-performing loan ratio, excluding the Bankia integration	3.3%	3.3%	0
Provisions for insolvency risk	9,415	5,755	3,660
Provisions for insolvency risk, excluding the Bankia integration	*5,797*	5,755	*42*
NPL coverage ratio	67%	67%	-
NPL coverage ratio, excluding the Bankia integration	67%	67%	0
Net foreclosed available for sale real estate assets	2,469	930	1,539
Foreclosed available for sale real estate assets, excluding the Bankia integration	*1,084*	930	*154*
LIQUIDITY			
Total Liquid Assets	147,146	114,451	32,695
Liquidity Coverage Ratio (last 12 months)	273%	248%	25
Net Stable Funding Ratio (NSFR)	146%	145%	1
Loan to deposits	97%	97%	
CAPITAL ADEQUACY			
Common Equity Tier 1 (CET1)	14.1%	13.6%	0.5
Tier 1	16.1%	15.7%	0.4
Total capital	18.9%	18.1%	0.8
MREL	26.3%	26.3%	-
Risk-Weighted Assets (RWAs)	208,498	144,073	64,425
Risk-Weighted Assets (RWAs), excluding the Bankia integration	*142,333*	*144,073*	*(1,740)*
Leverage ratio	5.5%	5.6%	(0.1)
SHARE INFORMATION[2]			
Share price (€/share)	2.639	2.101	0.538
Market capitalisation	21,259	12,558	8,701
Book value per share (€/share)	4.41	4.22	0.19
Tangible book value per share (€/share)	3.78	3.49	0.28
Net income (ex M&A impacts) attributable per share (€/share) (12 months)	0.28	0.21	0.07
PER (Price/Profit, ex M&A impacts ; times)	9.43	10.14	(0.72)
Tangible PBV (Market value/ book value of tangible assets)	0.70	0.60	0.10
OTHER DATA (units)			
Employees[3]	51,227	35,434	15,793
Branches[3]	6,298	4,208	2,090
Of which: retail branches in Spain	5,552	3,571	1,981
ATMs[3]	15,372	10,283	5,089

(1) These ratios do not include in the numerator the results generated by Bankia in 1Q21 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.

(2) See the methodology used in the calculation and breakdown in 'The CaixaBank share' and 'Glossary'.

(3) At 31 March 2021, 15,911 employees, 2,101 branches (of which 2,013 retail) and 5,156 ATMs have been integrated from Bankia. Does not include branches outside Spain and Portugal or representative offices.

Key information

Our Bank

The merger between CaixaBank and Bankia was materialised in the first quarter of 2021, consolidating **CaixaBank's leadership in the Spanish financial system**.

Following this operation, the CaixaBank Group exceeds €660,000 million in assets and serves over 21.1 million customers through a network of almost 6,300 branches in Spain and Portugal.

CaixaBank's vision is to be a **leading and innovative financial group** with the **best customer service,** while making it a **benchmark for socially responsible banking**.

CaixaBank was named **Best Bank in Spain** for the seventh consecutive year by the magazine Global Finance and **Best Bank in Western Europe** for the third consecutive year for its social responsibility, financial robustness and leadership position following the merger with Bankia.

Customer experience

- With a basis of **19.3 million customers in Spain**, CaixaBank provides a unique omnichannel distribution platform with multi-product capabilities that continuously evolves to anticipate customer needs and preferences.

  Our service vocation helps us establish solid market shares[1], which have been reinforced following the merger with Bankia:

Loans to individuals and business	Consumer lending	Deposits by individuals and business	Investment funds	Long-term saving	Pension plans	Card turnover
25.3%	22.2%	25.2%	24.9%	29.2%	33.5%	33.7%

- BPI boasts a customer base of over **1.9 million clients in Portugal**, with a market share[2] of 10.7% in lending activity and 11.4% in customer funds.

  In 2021, BPI was acknowledged with the ***Five Stars* Award** in the category of Major Banks and in the category of *Conta Ordenado* for its customer satisfaction and acknowledgement and the simplicity of Cuenta Valor, which is exempt from fees and offers free cards and transfers in digital channels. In addition, it has been selected **Brand of Confidence** in the banking sector for the eighth consecutive year by the magazine *Selecções do Reader's Digest*, improving its performance in all evaluated attributes: service quality, cost-benefit ratio and customer service.

Digital transformation

- CaixaBank continues to strengthen its **leadership of the digital banking market**, with a proportion of digital customers[3] of 70.5%, maintaining a firm commitment towards digital transformation and supporting innovative companies with a potential for growth.

CaixaBank was named the **Best Consumer Digital Bank in Spain** for the fifth consecutive year by the magazine *Global Finance*.

(1) Latest available information. Market shares in Spain. Proforma calculated internally by aggregating CaixaBank and Bankia market shares. Source: Bank of Spain, Social Security, INVERCO, ICEA and Sistemas de tarjeta y medios de pago. Lending and deposits market share corresponding to the resident private sector.

(2) Latest available information. Data prepared in-house (includes deposits, investment funds, capitalisation insurance, PPRs and OTRVs). Source: Banco de Portugal, APS, APFIPP.

(3) Private individual customers between 20-74, with at least one access to CaixaBank and/or Bankia digital banking in the last 12 months.

People centric culture

- CaixaBank is included in the ***Bloomberg* Gender-Equality Index**, a selection that acknowledges the companies that are most committed to gender equality, through their policies, and transparency in disseminating their gender-related programmes and data. In 2021, *Bloomberg* position **CaixaBank as the world's leading company in gender equality**.

Responsible management and social commitment

- The CaixaBank Group **is firmly committed to being a key figure in helping alleviate the effects** caused by the **Covid-19 health crisis** by providing all its human, technological and financial resources in awarding loans, as well as other actions to help families, companies and society as a whole.
- CaixaBank, through its subsidiaries VidaCaixa and CaixaBank Asset Management, has revalidated the **highest rating (A+) in responsible investment according to the Principles for Responsible Investment (PRI)** in recognition of the institution's firm commitment to boost **sustainable investment**, via the integration of social, environmental and good governance criteria in its investment decisions and products. BPI Gestao de Activos has obtained the same rating for the first time.
- Within the environmental scope, the Carbon Disclosure Project includes **CaixaBank on its A- list of leading companies fighting climate change**. CaixaBank is *carbon neutral* since 2018.
  CaixaBank is **included in the UN Collective Commitment for Climate Action**.

  In 2021 CaixaBank **joined the Net Zero Banking Alliance**, an initiative that promotes zero net emission by 2050. Joining this initiative strengthen the Bank's commitment to sustainability, positioning CaixaBank as one of the most renowned in the sector, in line with our stakeholder's expectations.
- Additionally, **BPI was rewarded** Deloitte´s **National Sustainability Award.**

CaixaBank and Bankia merger

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).

This Shared Merger Project was approved by the General Shareholders' Meetings of CaixaBank and Bankia, which were held in the beginning of December 2020, agreeing the following:

- The takeover merger of Bankia (absorbed company) by CaixaBank (absorbent 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.

Considering Bankia's share capital at this date, the Exchange Ratio and the closing price of the CaixaBank share at such date, the total value of the capital increase and, accordingly, the **cost of acquisition of the business combination amounted to €5,314 million** (the par value of the newly issued shares was €2,079 million and the increase of issue premium was €3,235 million).

The assets, liabilities and contingent liabilities of the acquiree were measured in the **Purchase Price Allocation (PPA) process**, establishing their fair value, and the corresponding deferred tax asset or liability was recognised, where applicable. The **adjustments totalled a net amount of €-3,474 million (€-4,029 million, gross).**

The Group recognised a positive amount equivalent to the **negative difference arising on consolidation of €4,300 million** under Gains/(losses) on disposal of assets and others of the consolidated income statement (before and after tax), the calculation of which is detailed below:

Bankia Group equity at 31 Mar. 2021 (a)	**13,088**
Fair value adjustments and other, net (b)	**(3,474)**
Loans and advances (1)	*(710)*
Real estate tangible assets (2)	*(140)*
Other financial instruments (3)	*(254)*
Tax assets and liabilities (4)	*(2,241)*
Other assets and liabilities (5)	*(129)*
Acquisition price (c)	**5,314**
Negative consolidation difference (a+b-c)	**4,300**

1- Including the fair value adjustments on the lending portfolio classified at amortised cost compared with the provisions constituted by the Bankia Group at 31 March 2021. This adjustment includes the effect of adjusting the lifetime expected loss.
2- The value of the portfolio of real estate assets has been adjusted considering appraisals available and other parameters.
3- Mainly includes the adjustments of financial assets and liabilities at amortised cost, as a result of measuring them at their listed price or using methodologies based on market assumptions.
4- 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 2019[1], it has deemed appropriate not to recognise tax loss carryforwards for an amount of €2,023 million. Thus, on 31 March the CaixaBank Group has unrecognised tax loss carryforwards for a total amount of €2,909 million. The current recovery period for on-balance sheet tax assets is under 15 years.
5- Including, among others, the book value adjustment of non-controlling interest in associates based on generally accepted methodologies; compensations linked to certain commercial arrangements; the recognition of intangible assets that meet the criteria of separability or contractual legality; the derecognition of intangible assets that have not been assigned a market value; adjustments linked to the unification of assumptions on the value of defined benefit pension commitments and other long-term obligations with employees, as well as the measurement of contingent liabilities of a legal, fiscal or employment nature from past events in which Bankia is involved.

The recognition date for accounting purposes is 31 March 2021. Therefore, the attached financial statements include Bankia's assets and liabilities on that date at fair value. The results generated by Bankia in the quarter have no impact on the various lines of CaixaBank's income statement.

(1) Statement on the recognition of deferred tax assets of July 2019: "Considerations on recognition of deferred tax assets arising from the carry-forward of unused tax losses".

Attractive return and solid financials

Results and business activity

- **Attributable profit in the first quarter of 2021 reached €4,786 million,** after including the one-off impacts related to the merger with Bankia.

  The **result in the first quarter, without considering these extraordinary aspects** (negative consolidation difference for €4,300 million and extraordinary expenses for €-28 million, net) **stands at €514 million**. The result in the same quarter of 2020 was €90 million, impacted by the provisions made to anticipate future impacts associated with Covid-19.

- **Total loans and advances to customers, gross** stands at €363,821 million, up 49.2% in the quarter (-0.5% ex Bankia).

- **Customer funds** increased by 39.6% in the quarter (+0.9% ex Bankia).

Risk management

- The **NPL ratio** stands at **3.6%** and the **coverage ratio** at **67%**[1] (3.3% and 67%, respectively ex Bankia).

- The **cost of risk**[2] **(last 12 months)** came to **0.61%**.

Liquidity management

- **Total liquid assets** amounted to **€147,146 million**, up €32,695 million in the first quarter, mainly due to the integration of Bankia.

- The Group's **Liquidity Coverage Ratio** (LCR) was at 31 March 2021 **309%**, showing an ample liquidity position (273% LCR average last 12 months) well clear of the minimum requirement of 100%.

Capital management

- The **Common Equity Tier 1 (CET1)** ratio **stands at 14.1%**.

  The first quarter includes the one-off impact of Bankia's integration for +77 basis points and -89 basis points from the effect of the Purchase Price Allocation (PPA).

  The organic evolution in the quarter was of +30 basis points and +32 basis points caused by the performance of the markets and other, of which the improved data quality in relation to the prudential calculation of credit risk stand out. The impact of IFRS 9 phasing was of -2 basis points.

- The CET1 ratio without applying the IFRS 9 transitional period stands at 13.6%.

- The **Tier 1** ratio reaches **16.1%**, the **Total Capital** ratio **18.9%** and the **leverage** ratio **5.5%**.

- The MREL ratio stood at 26.3% on RWAs, already reaching the level required for 2024.

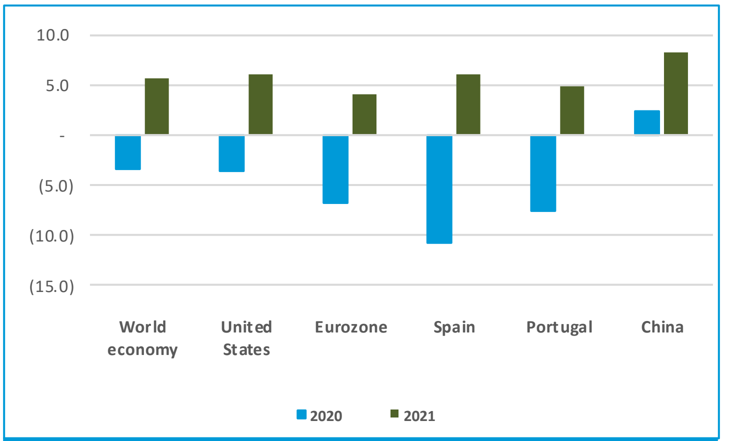
(1) Includes the PPA arising from the fair value adjustments of loans and contingent liabilities on Bankia's integrated portfolio (€1,016 million, gross).

(2) It does not include the loans and contingent liabilities contributed by Bankia at the end of the quarter in the denominator balancing the numerator.

Macroeconomic trends and state of the financial markets

Global economic outlook

In 2020, the **global economy**, affected by the shock of Covid-19, fell by 3.3%, a bloated figure surpassing that of the Great Recession of 2009. The year ended with a new wave of the pandemic in many countries, although the global economy was affected to a lesser extent than the first wave in the spring of 2020. This lower impact is, in great measure, the result of the application of pandemic containment measures that are more targeted and less invasive for economic activity. The first months of 2021 began with the same tone as at the close of 2020, accompanied by a new wave in the northern hemisphere, and the end of the previous wave in the southern hemisphere, which will unquestionably have stalled the global recovery process.



GDP[1], main economies
Annual change (%)

In the coming months, the macroeconomic scenario will continue to move in line with potential further outbreaks of the virus. In this context, the vaccination process, which is currently being implemented globally at an asymmetric speed (faster in the United States and the United Kingdom, slower in the EU), should allow for a gradual easing of activity restriction and mobility measures in the coming months. Similarly, the deployment of vaccines is diluting the odds associated with extremely severe scenarios.

In an environment in which pandemic swings still hamper a major advance of global economic recovery, fiscal and monetary authorities have unveiled new stimulus measures. These include the strong fiscal stimulus approved in the United States, equivalent to about 9.0% of the country's GDP. This stimulus package largely comprises direct aid and is expected to be spent for the most part during 2021. Stimuli of this extent can be expected to have international implications and support growth in America's major trading partners, Europe being one of them.

(1) CaixaBank Research forecasts for 2021.

The increase in fiscal stimulus has been accompanied by more concern of a possible rise in inflation. Despite this concern, and in view of the reading that the tightening of prices should be temporary, central banks have reiterated their intention to maintain an environment of accommodative financial conditions for an extended period of time, thereby giving priority to consolidating an economic expansion that is still in the making.

Ultimately, the evolution of the pandemic and the medical advances will continue to be the main determining factor of this scenario in the coming months. The first quarter of 2021 has already been marked by the impact of the third wave of the virus. Following the first quarter, the deployment of vaccines, especially among the highest-risk groups, should relieve pressure on the health system and allow for a gradual withdrawal of restriction measures on mobility and activity. As a result, a substantial rebound of the economic activity is expected for 2021 (worldwide growth of 5.9%). However, the future scenarios remain more open than usual, particularly because the strictly epidemiological evolution — as evidenced by the emergence of new variants — remains uncertain.

Economic scenario - Europe, Spain and Portugal

In the **eurozone**, following the slight decline in activity in the fourth quarter of 2020, the measures implemented to address new outbreaks of the virus and the slow progress of the vaccination provoked a new fall in GDP, 0.6% quarter on quarter. All in all , this decline should not compromise the improvement in growth forecast for the coming quarters, although this may differ significantly among Member States. Economies that have been affected by the pandemic to a lesser extent, and those with an economic structure less sensitive to the restrictions on mobility and/or more able to take action with regard to fiscal policy will respond better to this situation. However, we expect the recovery to pick up in the second half of the year and — together with the vaccination of the main risk groups — to bring overall growth for 2021 to 4.1%.

In this area of economic policy, the approval of the Recovery Plan proposed by the European Commission (the NGEU), which will favour a synchronised reactivation at a European level, is particularly noteworthy. The funds (€360,000 million in loans and €390,000 in transfers) are a sufficiently significant amount to support the short-term economic recovery. In addition, the Plan provides incentives aimed at transforming and modernising the economies (placing special emphasis on the environmental and technological transitions) and includes elements, such as issuing a significant amount of common bonds, which could lay the foundations for a leap forward in building Europe.

The indicators available to date indicate that the **Spanish** economy is following a momentum similar to that of Europe. Thus, the impact of the third wave of the virus caused GDP to contract 0.5% quarter on quarter in the first quarter of 2021. Subsequently, the scenario remains closely linked to the evolution of the pandemic. While the rate of vaccination is expected to increase resolutely during the second quarter, vaccine deployment among the major risk groups is not expected to be completed until the middle or end of the quarter. Thus, the economy could still be affected by new outbreaks of the virus. However, the economic impact of these new waves should continue to decline and lead to a strong economic recovery that we expect to result in 6.0% growth overall for the year.

In light of the prolonged impact of the pandemic, the Government has introduced new measures to support the economy. Most noteworthy is the €11,000 million package of aid to companies to prevent temporary liquidity problems from unnecessarily leading to solvency problems.

In **Portugal**, the acerbity of the third wave of infections forced the implementation of much more severe containment measures than those implemented in Spain. The impact of the measures has already been reflected in falling contagion rates, but they have affected much of the first quarter of the year. Consequently, there was a much sharper fall in GDP than in Spain in the first quarter of 2021, -3,3%. In fact, the worst registered in the EU in this quarter.

State of the financial markets

In the year to date, **financial asset prices** have been adjusting to what has been called a reflation scenario, that is, the expectation that global economic activity will enjoy a sustained revival and that inflation will leave its weakness behind and become more buoyant, both backed by the recent fiscal and monetary stimuli. Thus, on the one hand, optimism about economic growth has driven up stocks and other risk assets, such as raw materials, while on the other hand, expectations of higher inflation have led to a rise in market interest rates in the long tranches of the curves. In the stock markets this readjustment favoured the sectors most sensitive to the economic cycle, which pushed up the major stock market indices.

Initially, the major central banks did not appear to be concerned about the rise in market interest rates, noting that the movement reflects an improvement in the economic outlook. However, when rates also began to be stressed in real terms, the central banks reaffirmed their commitment towards maintaining an accommodating financial environment. Thus, the Fed reaffirmed its priority of achieving maximum employment and reiterated that while figures do not provide evidence to the contrary, the risk of inflation will be pushed into the background. The ECB announced that it would accelerate its net purchases within the framework of the PEPP in the second quarter of 2021.

Results

The Group's income statement

Year-on-year and quarterly performance

€ million	2021	M&A one offs	2021 ex M&A	2020	Change %	4Q20	Change %
Net interest income	**1,191**		**1,191**	**1,200**	**(0.7)**	**1,253**	**(4.9)**
Dividend income				1	(75.0)	52	(99.5)
Share of profit/(loss) of entities accounted for using the equity method	77		77	56	36.5	88	(13.0)
Net fee and commission income	659		659	658	0.2	671	(1.8)
Trading income	42		42	(20)		56	(24.7)
Income and expense under insurance or reinsurance contracts	164		164	150	9.3	156	4.9
Other operating income and expense	(70)		(70)	(62)	13.1	(127)	(44.5)
Gross income	**2,063**		**2,063**	**1,983**	**4.0**	**2,149**	**(4.0)**
Recurring administrative expenses, depreciation and amortisation	(1,149)		(1,149)	(1,188)	(3.3)	(1,095)	5.0
Extraordinary expenses	(40)	(40)					
Pre-impairment income	**874**	**(40)**	**914**	**796**	**14.9**	**1,055**	**(13.3)**
Pre-impairment income stripping out extraordinary expenses	**914**		**914**	**796**	**14.9**	**1,055**	**(13.3)**
Allowances for insolvency risk	(174)		(174)	(515)	(66.3)	(321)	(45.9)
Other charges to provisions	(49)		(49)	(144)	(65.9)	(40)	22.9
Gains/(losses) on disposal of assets and others	4,303	4,300	3	(31)		25	(88.9)
Profit/(loss) before tax	**4,954**	**4,260**	**694**	**106**		**718**	**(3.4)**
Income tax expense	(168)	12	(180)	(16)		(62)	
Profit/(loss) after tax	**4,785**	**4,272**	**513**	**90**		**656**	**(21.7)**
Profit/(loss) attributable to minority interest and others						1	
Profit/(loss) attributable to the Group	**4,786**	**4,272**	**514**	**90**		**655**	**(21.6)**

Core income	2021	2020	Change %	4Q20	Change %
Net interest income	1,191	1,200	(0.7)	1,253	(4.9)
Income from Bancassurance equity investments	52	37	39.2	72	(27.3)
Net fee and commission income	659	658	0.2	671	(1.8)
Income and expense under insurance or reinsurance contracts	164	150	9.3	156	4.9
Total core income	**2,066**	**2,045**	**1.0**	**2,152**	**(4.0)**

Year-on-year performance:

- **Attributable profit for the first quarter of 2021 amounts to €4,786 million**.

  The result in the first quarter, **stripping out the extraordinary aspects** related to the merger (negative consolidation difference for €4,300 million and extraordinary expenses for €-28 million), **stands at €514 million.** In the same quarter of 2020 the result was €90 million, impacted by the provisions made to anticipate future impacts associated with Covid-19.

Core income grows 1.0% to reach €2,066 million.

The lower **Net interest income** (-0.7%) are compensated by the growth of **Fee and commission income** (+0.2%), **Income from Bancassurance equity investments** (+39.2%) impacted in 2020 by the pandemic, and **Income and expenses under insurance or reinsurance contracts** (+9.3%).

Following the increase of **Trading income**, the **Gross income grew 4.0%.**

Recurring administrative expenses, depreciation and amortisation (-3.3%) show the savings associated with the early retirements of 2020, the management of the cost base and lower expenses incurred in the context of Covid-19. The core cost-to-income ratio improved by 2.5 percentage points.

Extraordinary expenses includes €40 million in 2021 in connection with the integration of Bankia.

The performance of **Allowances for insolvency risk** (-66.3%) is impacted, among others, by the increased provisions for credit risk established in the first quarter of 2020, aimed to anticipate future impacts associated with Covid-19 (€400 million).

Other charges to provisions includes in 2020 the recognition of €109 million in connection with early retirements.

Gains/losses on disposal of assets and others is impacted mainly by the recognition in 2021 of the negative consolidation difference for an amount of €4,300 million.

Quarterly performance:

- The **result in the quarter excluding the extraordinary income** related to the merger **dropped 21.6%** with respect to the previous quarter.

Core income dropped 4.0% mainly due to the positive seasonal factors and one-off income associated with the last quarter of the year.

Dividend income included in the last quarter of 2020 the recognition of Telefónica's dividend for €50 million. In addition, lower **Trading income** (-24.7%).

Other operating income and expense included, in the previous quarter, the recognition of the contribution to the Deposit Guarantee Fund (€243 million) and the income associated with the final earnout of SegurCaixa Adeslas (€135 million). Recognition in the first quarter of 2021 of an estimation of the Spanish property tax for €15 million, among others.

As a result of the above-mentioned impacts, **Gross income** dropped 4.0%.

Recurring administrative expenses, depreciation and amortisation grew 5.0% impacted by one-off savings in the fourth quarter of 2020. In addition, the recognition of the Spanish property tax on own-use properties was reported in the first quarter of 2021.

Recognition of **Extraordinary expenses** of €40 million in 2021 in connection with the merger with Bankia.

Allowances for insolvency risk dropped 45.9% in the quarter after recognising, among others, an amount of €91 million corresponding to an increase of the provision made to anticipate future impacts associated with Covid-19 in the fourth quarter.

Without considering the negative consolidation difference, **Gains/(losses) on disposal of assets and others** stood at €3 million versus €25 million in the previous quarter, which included, among others, the gains on the partial sale of the stake in Comercia for an amount of €420 million and the write-down of the stake in Erste for €-311 million.

Returns on average total assets[1] ex M&A impacts

%	1Q21	4Q20	3Q20	2Q20	1Q20
Interest income	1.48	1.50	1.50	1.57	1.70
Interest expense	(0.41)	(0.41)	(0.42)	(0.41)	(0.49)
Net interest income	**1.07**	**1.09**	**1.08**	**1.16**	**1.21**
Dividend income	0.00	0.05	0.00	0.09	0.00
Share of profit/(loss) of entities accounted for using the equity method	0.05	0.07	0.11	0.04	0.06
Net fee and commission income	0.59	0.58	0.56	0.58	0.66
Trading income	0.04	0.05	0.04	0.15	(0.02)
Income and expense under insurance or reinsurance contracts	0.15	0.14	0.13	0.13	0.15
Other operating income and expense	(0.06)	(0.11)	(0.03)	(0.13)	(0.06)
Gross income	**1.84**	**1.87**	**1.89**	**2.02**	**2.00**
Recurring administrative expenses, depreciation and amortisation	(1.02)	(0.95)	(1.00)	(1.09)	(1.20)
Pre-impairment income	**0.82**	**0.92**	**0.89**	**0.93**	**0.80**
Pre-impairment income stripping out extraordinary expenses	**0.82**	**0.92**	**0.89**	**0.93**	**0.80**
Allowances for insolvency risk	(0.16)	(0.28)	(0.23)	(0.78)	(0.52)
Other charges to provisions	(0.04)	(0.03)	(0.02)	(0.04)	(0.15)
Gains/(losses) on disposal of assets and others	0.00	0.02	(0.04)	(0.02)	(0.02)
Profit/(loss) before tax	**0.62**	**0.63**	**0.60**	**0.09**	**0.11**
Income tax expense	(0.16)	(0.06)	(0.14)	0.02	(0.02)
Profit/(loss) after tax	**0.46**	**0.57**	**0.46**	**0.11**	**0.09**
Profit/(loss) attributable to minority interest and others	0.00	0.00	0.00	0.00	0.00
Profit/(loss) attributable to the Group	**0.46**	**0.57**	**0.46**	**0.11**	**0.09**
Average total net assets (€ million)	454,329	456,953	450,730	423,859	398,813

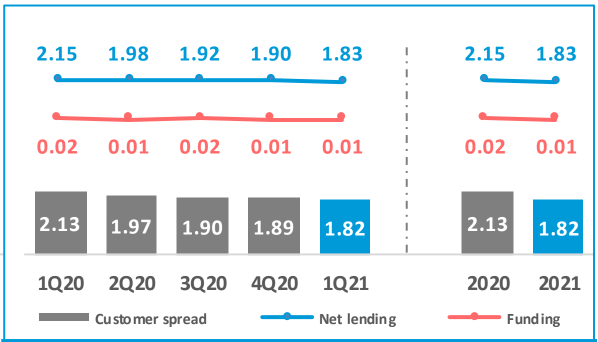
(1) Annualised quarterly income/cost to average total assets. In 1Q21 the extraordinary expenses and the negative consolidation difference were excluded from the numerator and Bankia's balances from the denominator, to ensure consistency.

Gross income

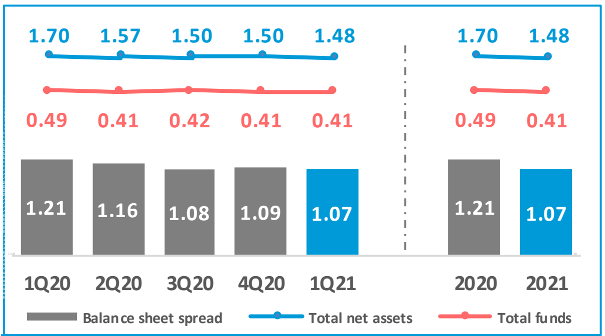
Net interest income

- **Net interest income** totalled €1,191 million (down 0.7% with respect to the same period in 2020) In an environment of negative interest rates, this decrease is due to:
  - Lower income from loans due to the interest rate decline, impacted by the change of structure of the lending portfolio resulting from the increase of ICO loans, the lower income from consumer lending and the drop of the rate curve. This rate reduction has been partially compensated by a higher volume.
  - Lower contribution of the fixed-income portfolio due to the reduction of the average rate partially mitigated by a higher volume.

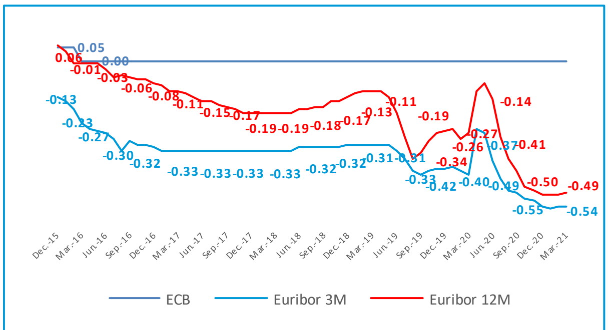
  These effects have been partially compensated by:
  - Reduction of costs for financial institutions, aided by the increase of financing taken from the ECB at better conditions. In particular, the recognition of the financing taken from the ECB, which as of the fourth quarter of 2020 accrues at the interest rate effective in each of its tranches.
  - Savings in the costs of institutional financing due to a lower price, mainly as a result of a drop in the curve, and to lower volumes.
  - Slightly lower retail funding costs due to the drop in the rate, which compensate the higher volumes.



Customer spread, Group
(%)



Balance sheet spread on average total assets, Group
(%)



Interest rates
(%)

- Net interest income in the **quarter** declines 4.9% with respect to the fourth quarter of the previous year due to:
  - Decline in the income of loans and advances due to a lower portfolio interest rate, resulting from the negative repricing effect and the change of structure, with greater weight in this quarter of loans to the public sector and lower contribution from subsidiaries in consumer financing. This rate reduction has been aggravated by a lower average volume, including the effect from a lower number of days, with respect to previous quarter.
  - Lower contribution of the fixed-income due to a reduced volume, mitigated by a slight increase of the average rate.
  - Lower contribution from financial intermediaries, partially compensated by the reduction of excess liquidity and the drop of the benchmark curve in foreign currency transactions.

  These effects have been partially compensated by:
  - Reduction of costs of institutional financing due to lower volumes, with more maturities than new issues in this quarter.
  - Lower costs of retail funds associated with a drop in the rate on maturity deposits.

The **customer spread** fell by 7 basis points in the quarter to 1.82%, due to a reduction in the return on lending activity.

The **balance sheet spread** is 2 basis points below the previous quarter, reaching 1.07%.

Quarterly cost and income[1]

€ million		1Q21 Average balance	1Q21 Income or expense	1Q21 Rate %	4Q20 Average balance	4Q20 Income or expense	4Q20 Rate %	3Q20 Average balance	3Q20 Income or expense	3Q20 Rate %
Financial Institutions		58,905	149	1.03	59,461	154	1.03	56,521	130	0.91
Loans and advances	(a)	227,891	1,030	1.83	229,195	1,094	1.90	227,006	1,097	1.92
Debt securities		41,416	61	0.59	42,706	62	0.58	43,819	63	0.57
Other assets with returns		66,103	413	2.53	66,736	412	2.45	65,052	410	2.51
Other assets		60,014	1	-	58,855	3	-	58,332	1	-
Total average assets	**(b)**	**454,329**	**1,654**	**1.48**	**456,953**	**1,725**	**1.50**	**450,730**	**1,701**	**1.50**
Financial Institutions		65,016	(62)	0.38	64,159	(66)	0.41	64,467	(64)	0.39
Retail customer funds	(c)	236,670	(3)	0.01	240,052	(4)	0.01	237,387	(9)	0.02
Demand deposits		214,585	(6)	0.01	215,294	(5)	0.01	210,743	(8)	0.02
Maturity deposits		22,085	3	(0.05)	24,757	1	(0.02)	26,643	(1)	0.01
Time deposits		19,038	2	(0.05)	21,494	1	(0.01)	23,564	(1)	0.01
Retail repurchase agreements and marketable debt securities		3,047	1	(0.07)	3,263		(0.05)	3,079		(0.01)
Wholesale marketable debt securities & other		29,113	(44)	0.61	30,433	(47)	0.62	30,621	(59)	0.76
Subordinated liabilities		6,218	(16)	1.07	5,983	(18)	1.18	5,400	(18)	1.36
Other funds with cost		76,136	(327)	1.74	75,884	(322)	1.69	73,730	(318)	1.71
Other funds		41,176	(11)	-	40,442	(15)	-	39,125	(11)	-
Total average funds	**(d)**	**454,329**	**(463)**	**0.41**	**456,953**	**(472)**	**0.41**	**450,730**	**(479)**	**0.42**
Net interest income			**1,191**			**1,253**			**1,222**	
Customer spread (%)	**(a-c)**		**1.82**			**1.89**			**1.90**	
Balance sheet spread (%)	**(b-d)**		**1.07**			**1.09**			**1.08**	

€ million		2Q20 Average balance	2Q20 Income or expense	2Q20 Rate %	1Q20 Average balance	1Q20 Income or expense	1Q20 Rate %
Financial Institutions		29,532	75	1.02	23,394	42	0.73
Loans and advances	(a)	224,866	1,110	1.98	214,295	1,148	2.15
Debt securities		47,870	74	0.62	36,055	63	0.70
Other assets with returns		63,272	395	2.51	64,733	423	2.63
Other assets		58,319	3	-	60,336	5	-
Total average assets	**(b)**	**423,859**	**1,657**	**1.57**	**398,813**	**1,681**	**1.70**
Financial Institutions		48,640	(33)	0.28	32,034	(39)	0.49
Retail customer funds	(c)	228,742	(8)	0.01	215,772	(11)	0.02
Demand deposits		200,528	(8)	0.02	186,265	(8)	0.02
Maturity deposits		28,214	(1)	0.01	29,508	(4)	0.04
Time deposits		25,101	(1)	0.01	26,808	(3)	0.04
Retail repurchase agreements and marketable debt securities		3,113	-	0.01	2,700	(1)	0.07
Wholesale marketable debt securities & other		29,965	(56)	0.75	30,339	(58)	0.77
Subordinated liabilities		5,400	(18)	1.37	5,400	(18)	1.32
Other funds with cost		71,373	(304)	1.71	73,594	(343)	1.87
Other funds		39,739	(12)	-	41,674	(12)	-
Total average funds	**(d)**	**423,859**	**(432)**	**0.41**	**398,813**	**(481)**	**0.49**
Net interest income			**1,225**			**1,200**	
Customer spread (%)	**(a-c)**		**1.97**			**2.13**	
Balance sheet spread (%)	**(b-d)**		**1.16**			**1.21**	

(1) This information does not include the results generated by Bankia in the first quarter or, for consistency purposes, the contribution of the balance items incorporated at 31 March.

To help readers interpret the information contained in this report, the following aspects should be taken into account:

- According to applicable accounting standards, income resulting from the application of negative interest rates should be reported in the appropriate income classification. Financial intermediaries on the assets side includes the negative interest on the balances of financial intermediaries held on the liabilities side, the most significant being income from ECB funding measures (TLTRO and MRO). Conversely, the heading financial intermediaries on the liabilities side shows the negative interest on the balances of financial intermediaries on the assets side. Only the net amount between income and expense for both headings has economic significance.
- "Other assets with returns" and "Other funds with cost" relate largely to the Group's life insurance activity.
- The balances of all headings except "Other assets" and "Other funds" correspond to balances with returns/cost. "Other assets" and "Other funds" incorporate balance items that do not have an impact on the Net interest income and on returns and costs that are not assigned to any other item.

Fees and commissions

- **Fee and commission income stand at €659 million** (+0.2%), remaining stable with respect to the same period of 2020.
- The quarterly performance (-1.8%) is mainly due to the positive seasonal factors and one-off income associated with the last quarter of the year.
  - **Banking services, securities and other fees** includes income on securities transactions, transactions, risk activities, deposit management, e-payments and wholesale banking.

    The change in recurring fees and commissions (-6.8% with respect to the same period of 2020 and -2.4% with respect to the previous quarter) is mainly impacted by the lower e-payment fees and commissions, the rest of items showing a good performance.

    Fees and commissions from wholesale banking drop in the year (-15.0%) and in the quarter (-4.8%), mainly due to the lower activity in investment banking.
  - **Fees and commissions from the sale of insurance products** grew when compared to 2020 (+12.2%) and remain stable with respect to the previous quarter (+0.5%).
  - **Fees and commissions from managing long-term savings products** (investment funds, pensions plans and Unit Link) stand at €253 million, up 10.5% with respect to the same period of the previous year:
    - **Commissions from mutual funds, managed accounts and SICAVs** came to €151 million, with a year-on-year increase of 8.9% and a growth of 7.4% in the quarter due to managing higher asset volumes.
    - **Commissions from managing pension plans** stand at €59 million, showing a positive performance with respect to the same period of the previous year (+5.4%) due to managing more assets. In the previous quarter (-17.6%), they are impacted by the recognition of one-off income obtained from the returns on pension plans finally reached at year-end.
    - Growth in **Unit Link fees and commissions** with respect to the same period of 2020 (+25.0%) is mainly due to managing a higher volume. The quarterly change (-1.4%) is impacted by the one-off income recognised in the fourth quarter.

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
Banking services, securities and other fees	349	378	(7.7)	349	358	360	347	378
Recurring	*314*	*336*	*(6.8)*	*314*	*321*	*317*	*288*	*336*
Wholesale banking	*36*	*42*	*(15.0)*	*36*	*37*	*43*	*58*	*42*
Sale of insurance products	56	50	12.2	56	56	49	47	50
Long-term savings products	253	229	10.5	253	256	229	215	229
Mutual funds, managed accounts and SICAVs	*151*	*139*	*8.9*	*151*	*141*	*138*	*129*	*139*
Pension plans	*59*	*56*	*5.4*	*59*	*71*	*56*	*52*	*56*
Unit Link and other[1]	*43*	*35*	*25.0*	*43*	*44*	*36*	*34*	*35*
Net fee and commission income	**659**	**658**	**0.2**	**659**	**671**	**638**	**608**	**658**

(1) Includes income corresponding to Unit Link and Flexible Investment Life Annuity (the part managed).

Income from equity investments

- The **Attributable profit of entities accounted for using the equity method** grew 36.5% with respect to the same period of the previous year, among others factors, due to the higher attributable profit of SegurCaixa Adeslas, given the impact in the same quarter of the previous year on the valuation of financial assets. One-off income in the last quarter of 2020.

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
Dividend income		1	(75.0)		52	2	93	1
Share of profit/(loss) of entities accounted for using the equity method	77	56	36.5	77	88	122	41	56
Income from equity investments	**77**	**57**	**34.4**	**77**	**140**	**123**	**134**	**57**

Trading income

- **Trading income** stands at €42 million. Its change is mainly due to the negative impact recognised on the measurement of credit risk of financial derivatives in the first quarter of 2020.

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
Trading income	**42**	**(20)**		**42**	**56**	**40**	**162**	**(20)**

Income and expense under insurance or reinsurance contracts

- The **income from the life-risk insurance business** stands at €164 million, showing a solid growth of 9.3% with respect to the same period of 2020 and 4.9% with respect to the previous quarter.

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
Income and expense under insurance or reinsurance contracts	**164**	**150**	**9.3**	**164**	**156**	**150**	**141**	**150**

Other operating income and expense

- **Other operating income and expense** includes, among other items, income and expenses at non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes. With regard to the latter, its timing generates a seasonal impact on the quarterly performance under this heading:
  - Recognition in the first quarter of an estimation of the Spanish property tax for €15 million (€16 million in 2020) and the contribution to the Portuguese banking sector for €18.8 million (€15.5 million in 2020).
  - The second quarter included the contribution to the Single Resolution Fund of €111 million[1] in 2020.
  - Contribution to the Deposit Guarantee Fund (DGF) of €243 million in the fourth quarter.

  The line Other includes €135 million in the fourth quarter of 2020 due to the recognition of income associated with the final earnout of SegurCaixa Adeslas.

(1) Including BPI's contribution to the Portuguese Resolution Fund of €7 million.

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
SRF / DGF / Contribution to the Portuguese banking sector	(19)	(16)	22.1	(19)	(243)		(111)	(16)
Other operating income and expense (including Spanish property tax in Q1)	(20)	(17)	20.5	(20)	(1)	1	(6)	(17)
Other	(31)	(30)	4.1	(31)	117	(31)	(19)	(30)
Other operating income and expense	**(70)**	**(62)**	**13.1**	**(70)**	**(127)**	**(30)**	**(136)**	**(62)**

Administration expenses, depreciation and amortisation

- The year-on-year performance of **Recurring administrative expenses, depreciation and amortisation** (-3.3%) is a result of the cost base management and lower expenses incurred in the context of Covid-19.

  Personnel expenses fell by 3.3%, materialising among others the savings associated with the early retirements[2] of 2020. General expenses dropped by 3.6% and depreciation and amortisation by 2.5% in the year, within the context of Covid-19.

  The effort in reducing costs, with a decrease of 3.3%, together with the performance of core income (+1.0%), has improved the core cost-to-income ratio by 2.5 percentage points.

- With respect to the quarterly performance, **Recurring administrative expenses, depreciation and amortisation** grew 5.0% impacted by one-off savings in the fourth quarter of 2020. Administrative expenses in the first quarter of 2021 include €6 million associated with the Spanish property tax on own-use properties.

- Recognition in the first quarter of 2021 of extraordinary expenses in connection with the integration of Bankia for €40 million.

(2) Departure of employees included in the early retirement scheme effective on 1 April 2020.

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
Gross income	2,063	1,983	4.0	2,063	2,149	2,143	2,134	1,983
Personnel expenses	(715)	(739)	(3.3)	(715)	(689)	(698)	(715)	(739)
General expenses	(298)	(309)	(3.6)	(298)	(277)	(303)	(310)	(309)
Depreciation and amortisation	(136)	(140)	(2.5)	(136)	(129)	(139)	(132)	(140)
Recurring administrative expenses, depreciation and amortisation	**(1,149)**	**(1,188)**	**(3.3)**	**(1,149)**	**(1,095)**	**(1,140)**	**(1,157)**	**(1,188)**
Extraordinary expenses	(40)			(40)				
Cost-to-income ratio (%) (12 months)	**54.0**	**67.6**	**(13.7)**	**54.0**	**54.5**	**56.4**	**56.9**	**67.6**
Cost-to-income ratio stripping out extraordinary expenses (%) (12 months)	**53.5**	**56.1**	**(2.6)**	**53.5**	**54.5**	**56.4**	**56.9**	**56.1**
Core income	2,066	2,045	1.0	2,066	2,152	2,094	2,019	2,045
Recurring administrative expenses, depreciation and amortisation	(1,149)	(1,188)	(3.3)	(1,149)	(1,095)	(1,140)	(1,157)	(1,188)
Core cost-to-income ratio (12 months)	**54.5**	**57.0**	**(2.5)**	**54.5**	**55.1**	**56.3**	**56.7**	**57.0**

Allowances for insolvency risk and other charges to provisions

- Throughout 2020, the Group changed the macroeconomic scenarios and the weighting established for each scenario employed in the estimate of expected loss due to credit risk.

  As a result, CaixaBank recognised **a provision for credit risk of €1,252 million in 2020, anticipating future impacts associated with Covid-19**, and it has been maintained at the end of the first quarter of 2021. In addition, the portfolio from Bankia includes provisions associated with Covid-19 for an amount of €551 million, after unifying the calculation criteria with CaixaBank, thus the **Group's total provisions assigned to Covid-19 amount to €1,803 million.**

- **Allowances for insolvency risk** amounted to €-174 million, versus €-515 million in the first quarter of 2020, which included the recognition of €400 million made to the aforementioned provision.

  The €91 million increase in the aforementioned fund made in the fourth quarter of 2020 should be considered, among others, in the quarterly performance (-45.9%).

  The **cost of risk[1] (last 12 months)** came to **0.61%**.

- **Other charges to provisions** shows mainly the coverage of future contingencies and impairment of other assets.

  The year-on-year performance is mainly affected by the recognition of €109 million associated with the early retirements in the first quarter of 2020.

(1) Given the integration of Bankia's assets on 31 March, they have been excluded from, the denominator for consistency with the numerator, which only includes in the income statement the Allowances for insolvency risk associated with CaixaBank (last 12 months).

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
Allowances for insolvency risk	(174)	(515)	(66.3)	(174)	(321)	(260)	(819)	(515)
Other charges to provisions	(49)	(144)	(65.9)	(49)	(40)	(23)	(41)	(144)
Allowances for insolvency risk and other charges to provisions	**(223)**	**(659)**	**(66.2)**	**(223)**	**(361)**	**(283)**	**(859)**	**(659)**

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.

  The first quarter of 2021 includes the negative consolidation difference associated with the merger for €4,300 million.

  The real estate results in the previous quarter reflected, among others, extraordinary asset impairment allowances.

  The item Other includes the recognition, in the fourth quarter of 2020, of the gains on the partial sale of Comercia (€+420 million) and a provision, with conservative criteria, associated with the Erste Group Bank as a result of the impact of Covid-19 on the economic context and the extended scenario of low interest rates (€-311 million).

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
Negative consolidation difference	4,300			4,300				
Real estate results	12	(14)		12	(88)	(23)	(10)	(14)
Other	(10)	(17)		(10)	112	(19)	(9)	(17)
Gains/(losses) on disposal of assets and others	**4,303**	**(31)**		**4,303**	**25**	**(42)**	**(19)**	**(31)**

Business Activity

Balance sheet

The Group's **total assets reached €663,569 million** on 31 March 2021, up 47.0% in the quarter. Excluding the balances transferred from Bankia as a result of the business combination, they grew 1.8% in the quarter.

€ million	31 Mar. 2021	31 Mar. 2021 ex Bankia[1]	31 Dec. 2020	Change %	Organic change %
- Cash and cash balances at central banks and other demand deposits	81,823	69,732	51,611	58.5	35.1
- Financial assets held for trading	12,440	6,471	6,357	95.7	1.8
- Financial assets not designated for trading compulsorily measured at fair value through profit or loss	339	325	317	6.9	2.5
Equity instruments	183	180	180	1.7	0.1
Debt securities	59	59	52	13.8	13.8
Loans and advances	97	86	85	13.7	0.7
- Financial assets at fair value with changes in other comprehensive income	22,386	12,584	19,309	15.9	(34.8)
- Financial assets at amortised cost	426,168	266,708	267,509	59.3	(0.3)
Credit institutions	9,085	5,341	5,851	55.3	(8.7)
Customers	354,473	235,762	236,988	49.6	(0.5)
Debt securities	62,610	25,605	24,670		3.8
- Derivatives - Hedge accounting	1,214	262	515		(49.1)
- Investments in joint ventures and associates	4,104	3,456	3,443	19.2	0.4
- Assets under the insurance business[2]	75,534	75,534	77,241	(2.2)	(2.2)
- Tangible assets	8,962	6,727	6,957	28.8	(3.3)
- Intangible assets	4,501	3,947	3,949	14.0	(0.0)
- Non-current assets and disposal groups classified as held for sale	2,933	1,364	1,198		13.9
- Other assets	23,164	12,624	13,114	76.6	(3.7)
Total assets	**663,569**	**459,735**	**451,520**	**47.0**	**1.8**
Liabilities	**628,017**	**433,797**	**426,242**	**47.3**	**1.8**
- Financial liabilities held for trading	6,432	826	424		94.9
- Financial liabilities at amortised cost	536,485	351,348	342,403	56.7	2.6
Deposits from central banks and credit institutions	103,692	63,487	55,356	87.3	14.7
Customer deposits	372,545	246,932	245,167	52.0	0.7
Debt securities issued	52,792	34,672	35,813	47.4	(3.2)
Other financial liabilities	7,456	6,257	6,067	22.9	3.1
- Liabilities under the insurance business[2]	73,996	73,996	75,129	(1.5)	(1.5)
- Provisions	4,806	2,959	3,195	50.4	(7.4)
- Other liabilities	6,297	4,667	5,091	23.7	(8.3)
Equity	**35,552**	**25,938**	**25,278**	**40.6**	**2.6**
- Shareholders' equity	37,172	27,558	27,118	37.1	1.6
- Minority interest	29	29	25	14.1	14.1
- Accumulated other comprehensive income	(1,649)	(1,649)	(1,865)	(11.6)	(11.6)
Total liabilities and equity	**663,569**	**459,735**	**451,520**	**47.0**	**1.8**

1- Excludes the balances transferred from Bankia in the merger, as well as the fair value adjustments generated in the Purchase Price Allocation (PPA).

2- In accordance with the Amendments to IFRS 4 and subsequent reviews, the Group has decided to apply temporary exemption from applying IFRS 9 to the financial investments of the Group's insurance firms for all periods that come before 1 January 2023, aligning its first application with the entry into force of the new IFRS 17: Insurance Contracts (expected on 1 January 2023), which will govern the presentation and measurement of insurance contracts (including technical provisions). Accordingly, these investments are measured in accordance with IAS 39 and grouped under the heading "Assets under the insurance business" on the balance sheet. To make the information more readily comparable, the Group has also grouped together the technical provisions corresponding to Unit Link and Flexible Investment Life Annuity (the part managed), which are now reported jointly under 'Liabilities under the insurance business'.

Loans and advances to customers

- **Loans and advances to customers, gross** stands at **€363,821 million**, up 49.2% following the merger with Bankia.

  The portfolio's **organic change**, that is, without considering the balances transferred from Bankia at the end of the first quarter, was -0.5%, including:

  - **Loans for home purchases** (-0.7% in the quarter) continues to be marked by the deleveraging of individuals. However, the new production in the quarter is at a higher level than in the previous year.
  - **Loans to individuals – Other** has dropped by 2.0% in the quarter. Its performance is impacted by the reduction of **Consumer lending** of 1.3%, due to the downturn in economic activity following the seasonal effects of the last quarter, and by a first quarter of 2021 marked by new restrictions on mobility associated with the third wave of the virus.
  - Financing for **Corporates and SMEs remains stable (-0.1%) in the quarter**, following the growth registered in the previous year, in a context where companies were managing their liquidity requirements.
  - Loans to the **public sector** grew by 1.8% in the quarter.

€ million	31 Mar. 2021	31 Mar. 2021 ex Bankia[2]	31 Dec. 2020	Change %	Organic change %
Loans to individuals	**191,315**	**119,314**	**120,648**	**58.6**	**(1.1)**
Home purchases	144,939	84,949	85,575	69.4	(0.7)
Other	46,376	34,365	35,074	32.2	(2.0)
of which: Consumer lending	19,383	13,988	14,170	36.8	(1.3)
Loans to business	**149,358**	**106,330**	**106,425**	**40.3**	**(0.1)**
Corporates and SMEs	142,875	100,821	100,705	41.9	0.1
Real estate developers	6,484	5,509	5,720	13.3	(3.7)
Public sector	**23,148**	**17,161**	**16,850**	**37.4**	**1.8**
Loans and advances to customers, gross[1]	**363,821**	**242,805**	**243,924**	**49.2**	**(0.5)**
Of which:					
Performing loans	350,554	234,483	235,655	48.8	(0.5)
Provisions for insolvency risk	(9,027)	(5,667)	(5,620)	60.6	0.8
Loans and advances to customers, net	**354,794**	**237,137**	**238,303**	**48.9**	**(0.5)**
Contingent liabilities	26,276	17,179	16,871	55.8	1.8

(1) See 'Reconciliation of activity indicators using management criteria' in the 'Appendices - Glossary'.

(2) Corresponds to Loans and advances to customers, excluding the balances transferred from Bankia on 31 March 2021, as well as the fair value adjustments generated in the Purchase Price Allocation (PPA).

Breakdown of government guaranteed loans

Below is the detail of government guaranteed loans based on the public guarantee schemes implemented within the framework of Covid-19:

	31 Mar. 2021	31 Mar. 2021 ex Bankia			31 Dec. 2020		
Amounts drawn, in € million	**Total**	**Spain (ICO)**	**Portugal**	**Total**	**Spain (ICO)**	**Portugal**	**Total**
Loans to individuals	**1,512**	**1,271**	**25**	**1,296**	**1,196**	**20**	**1,216**
Other (self-employed workers)	1,512	1,271	25	1,296	1,196	20	1,216
Loans to business	**21,151**	**12,024**	**648**	**12,672**	**11,437**	**530**	**11,967**
Corporates and SMEs	20,998	11.983	609	12,592	11,396	529	11,925
Real estate developers	153	41	39	80	41	1	42
Public sector	**11**	**7**	**-**	**7**	**6**	**-**	**6**
Loans and advances to customers, gross[1]	**22,674**	**13,301**	**673**	**13,974**	**12,640**	**551**	**13,191**

(1) Refers to the amount of loans and advances granted to and disposed by clients. The difference between the total amount of government guaranteed loans and the part drawn at CaixaBank, €5,099 million at 31 March 2021, is due to undrawn amounts still to be disposed from working capital products, as well as cancelled and repaid operations (€1,679 million at 31 December 2020).

Customer funds

Customer funds reached €579,934 million on 31 March 2021, up 39.6% after the integration of Bankia. The funds' organic evolution, that is, without considering the balances transferred from Bankia at the end of the first quarter, was +0.9%, including:

- On-balance sheet funds stood at €301,579 million (-0.7%).
  - **Demand deposits** amounted to €219,593 million (-0.3% in the quarter).
  - **Time deposits** totalled €20,472 million (-6.6%). Their performance continues to be marked by the reduction of deposits on the renewal of maturities against a backdrop of negative interest rates.
  - The increase of **liabilities under insurance contracts**, up 1.9% in the quarter, includes the positive net subscriptions and the favourable market effect on Unit Links.
- **Assets under management** stand at €112,109 million. Its quarterly performance (+5.1%) is due to increased sales and the favourable market effect.
  - The assets managed in **mutual funds, managed accounts and SICAVs** stood at €75,632 million (+6.1% in the quarter).
  - **Pension plans** reached €36,477 million (+3.3% in the quarter).
- **Other accounts** mainly includes temporary funds associated with transfers and collections.

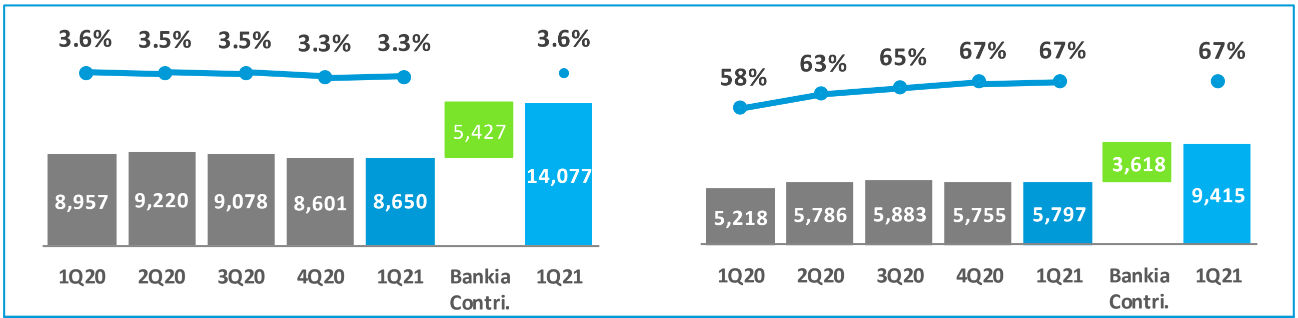
€ million	31 Mar. 2021	31 Mar. 2021 ex Bankia[5]	31 Dec. 2020	Change %	Organic change %
Customer funds	361,031	240,064	242,234	49.0	(0.9)
Demand deposits	320,882	219,593	220,325	45.6	(0.3)
Time deposits[1]	40,148	20,472	21,909	83.2	(6.6)
Insurance contract liabilities[2]	60,493	60,493	59,360	1.9	1.9
of which: Unit Link and other[3]	15,833	15,833	14,607	8.4	8.4
Reverse repurchase agreements and other	1,023	1,022	2,057	(50.3)	(50.3)
On-balance sheet funds	**422,546**	**301,579**	**303,650**	**39.2**	**(0.7)**
Mutual funds, managed accounts and SICAVs	100,723	75,632	71,315	41.2	6.1
Pension plans	45,207	36,477	35,328	28.0	3.3
Assets under management	**145,930**	**112,109**	**106,643**	**36.8**	**5.1**
Other accounts	**11,458**	**5,648**	**5,115**		**10.4**
Total customer funds[4]	**579,934**	**419,335**	**415,408**	**39.6**	**0.9**

(1) Includes retail debt securities amounting to €1,427 million at 31 March 2021.
(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).
(3) Includes technical provisions corresponding to Unit Link and Flexible Investment Life Annuity products (the part managed).
(4) See 'Reconciliation of activity indicators using management criteria' in the 'Appendices - Glossary'.
(5) Corresponds to Total customer funds, excluding the balances transferred from Bankia on 31 March 2021.

The balance of **Other accounts** incorporated at the end of the quarter from Bankia (€5,810 million) includes, in addition to temporary funds, the amount of Savings insurance marketed by Bankia (€5,207 million), which largely corresponds to the joint venture with Mapfre.

Risk management

Credit risk quality



Non-performing loans and non-performing loan ratio [1]
(€ million and %)

Provisions and Coverage ratio [1]
(€ million and %)

The Group's **non-performing loans** stood at €14,077 million versus €8,601 million at the end of 2020, with their organic performance remaining stable in the quarter (€+49 million).

The **NPL ratio stood at 3.6%**[2] on 31 March versus 3.3% in December, mainly due to the +28 basis points from the integration of Bankia.

Provisions for insolvency risk on 31 March stood at €9,415 million versus €5,755 million at the end of 2020.

- €3,618 million correspond to the integration of Bankia (including a PPA fund arising from loans and contingent liabilities for €1,016 million).
- The organic change in the quarter was €42 million.

The coverage ratio at 31 March stood at 67%, same percentage at 2020 year-end. The coverage ratio, excluding Bankia's contribution, also stood at 67%.

(1) Calculations include loans and contingent liabilities.

Changes in non-performing loans

€ million	1Q20	2Q20	3Q20	4Q20	1Q21
Opening balance	**8,794**	**8,957**	**9,220**	**9,078**	**8,601**
Exposures recognized as non-performing (NPL-inflows)	793	1,022	672	690	610
Derecognitions from non-performing exposures	(630)	(760)	(814)	(1,167)	(561)
of which: written off	(105)	(169)	(133)	(199)	(129)
Exposures recognized as non-performing (NPL-inflows), net, Bankia at 31 Mar. 2021					5,427
Closing balance	**8,957**	**9,220**	**9,078**	**8,601**	**14,077**

(2) As per IFRS9, certain non-performing exposures (POCI - Purchase or Originated Credit Impaired) in the business combination have been included for the amount net of provisions. If these exposures (€1,688 million, gross, including €918 million of associated provisions,) had been included for the gross amount, the NPL ratio would be 23 basis points higher, reaching 3.83%.

NPL ratio by segment

	31 Dec. 2020	31 Mar. 2021 ex Bankia	31 Mar. 2021
Loans to individuals	**4.5%**	**4.5%**	**4.4%**
Home purchases	3.5%	3.4%	3.6%
Other	6.9%	7.2%	6.9%
of which: Consumer lending	4.2%	4.6%	4.9%
Loans to business	**2.7%**	**2.7%**	**3.2%**
Corporates and SMEs	2.4%	2.5%	3.0%
Real estate developers	6.7%	6.7%	7.1%
Public sector	**0.1%**	**0.2%**	**0.3%**
NPL Ratio (loans and contingent liabilities)	**3.3%**	**3.3%**	**3.6%**

Changes in provisions for insolvency risk[1]

(1) Including loans and contingent liabilities.

€ million	1Q20	2Q20	3Q20	4Q20	1Q21
Opening balance	**4,863**	**5,218**	**5,786**	**5,883**	**5,755**
Charges to provisions	515	819	260	321	174
Amounts used	(153)	(247)	(163)	(440)	(125)
Transfers and other changes	(7)	(4)	-	(9)	(7)
Provisions for insolvency risk, Bankia at 31 Mar. 2021					3,618
Closing balance	**5,218**	**5,786**	**5,883**	**5,755**	**9,415**

Classification by stages of gross lending and provisions

The following tables show loan book exposure as well as associated provisions, segmented by credit risk stage as per the applicable IFRS 9 regulation.

31 Mar. 2021	Loan book exposure				Provisions			
€ million	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances	316,146	34,408	13,267	363,821	(1,421)	(2,008)	(5,598)	(9,027)
Contingent liabilities	23,757	1,708	810	26,276	(16)	(26)	(346)	(388)
Total loans and contingent liabilities	**339,904**	**36,116**	**14,077**	**390,097**	**(1,436)**	**(2,034)**	**(5,944)**	**(9,415)**

31 Mar. 2021 ex Bankia	Loan book exposure				Provisions			
€ million	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances	213,196	21,287	8,322	242,805	(878)	(1,111)	(3,679)	(5,667)
Contingent liabilities	16,074	776	329	17,179	(15)	(15)	(100)	(130)
Total loans and contingent liabilities	**229,270**	**22,064**	**8,650**	**259,984**	**(892)**	**(1,126)**	**(3,779)**	**(5,797)**

31 Dec. 2020	Loan book exposure				Provisions			
€ million	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances	215,681	19,973	8,269	243,924	(918)	(1,069)	(3,633)	(5,620)
Contingent liabilities	15,691	847	332	16,871	(15)	(19)	(101)	(135)
Total loans and contingent liabilities	**231,373**	**20,820**	**8,601**	**260,794**	**(933)**	**(1,088)**	**(3,734)**	**(5,755)**

Provisions for insolvency risk Covid-19

Provisions for insolvency risk Covid-19 remains stable in the quarter (€1,252 million) before Bankia's incorporation and **stand at €1,803 million** after the integration of Bankia. Below is a breakdown of the fund according to stage:

31 Mar. 2021 € million	Stage 1	Stage 2	Stage 3	TOTAL
Provisions for insolvency risk Covid-19	670	639	494	1,803

31 Mar. 2021 ex Bankia € million	Stage 1	Stage 2	Stage 3	TOTAL
Provisions for insolvency risk Covid-19	414	477	361	1,252

31 Dec. 2020 € million	Stage 1	Stage 2	Stage 3	TOTAL
Provisions for insolvency risk Covid-19	414	477	361	1,252

The allocation of the fund established by CaixaBank at 31 March 2021 and 31 December 2020 (€1,252 million) according to loan segment is as follows: €425 million to home purchases, €398 million to loans to individuals-other and €428 million to loans to business.

Breakdown of moratoria

(1) Mainly moratoria according to Royal Decree-Law 8/2020, 11/2020, 25/2020, 26/2020 (10J/2020 in Portugal), 3/2021 or Sectorial Agreement.

Total moratoria[1] granted by the Group from the beginning of Covid-19 amounted to €23,380 million (615,558 operations). In Spain moratoria was granted for an amount of €17,101 million (501,122 operations), of which €5,825 million by Bankia (110,213 operations).

Below is the **breakdown of loans in moratoria outstanding** as per the specified date:

	31 Mar. 2021					
	Spain		Portugal		Total	
	No. of contracts	€ million	No. of contracts	€ million	€ million	% on portfolio
Moratoria to individuals	145,120	11,686	68,852	2,965	14,652	7.7
Home purchases	102,081	9,746	39,565	2,516	12,263	8.5
Other	43,039	1,940	29,287	449	2,389	5.2
of which: consumer lending	*9,274*	*77*	*27,401*	*334*	*412*	*2.1*
Moratoria to business	2,136	1,075	28,226	2,627	3,702	2.5
Corporates and SMEs	1,929	1,016	26,738	2,362	3,378	2.4
Real estate developers	207	59	1,488	264	324	5.0
Moratoria to the public sector	-	-	4	32	32	0.1
Total moratoria outstanding	**147,256**	**12,762**	**97,082**	**5,624**	**18,385**	**5.1**
Moratoria in analysis[2]	14,586	532	135	10	541	-

(2) Moratoria in analysis refers to the moratoria requests in process of approval (excluding applications rejected and cancelled by the Bank or declined by the client).

	31 Mar. 2021 ex Bankia					
	Spain		Portugal		Total	
	No. of contracts	€ million	No. of contracts	€ million	€ million	% on portfolio
Moratoria to individuals	98,867	7,631	68,852	2,965	10,596	8.9
Home purchases	66,866	6,101	39,565	2,516	8,617	10.1
Other	32,001	1,530	29,287	449	1,979	5.8
of which: consumer lending	*2,699*	*15*	*27,401*	*334*	*349*	*2.5*
Moratoria to business	910	600	28,226	2,627	3,227	3.0
Corporates and SMEs	711	542	26,738	2,362	2,904	2.9
Real estate developers	199	57	1,488	264	321	5.8
Moratoria to the public sector	-	-	4	32	32	0.2
Total moratoria outstanding	**99,777**	**8,230**	**97,082**	**5,624**	**13,854**	**5.7**
Moratoria in analysis	12,906	427	135	10	437	-

	31 Dec. 2020					
	Spain		Portugal		Total	
	No. of contracts	€ million	No. of contracts	€ million	€ million	% on portfolio
Moratoria to individuals	122,213	8,204	68,722	2,932	11,136	9.2
Home purchases	71,597	6,473	39,233	2,495	8,968	10.5
Other	50,616	1,732	29,489	437	2,168	6.2
of which: consumer lending	*17,743*	*80*	*27,675*	*329*	*409*	*2.9*
Moratoria to business	1,206	532	28,762	2,656	3,188	3.0
Corporates and SMEs	988	479	27,219	2,393	2,872	2.9
Real estate developers	218	54	1,543	263	316	5.5
Moratoria to the public sector			4	32	32	0.2
Total moratoria outstanding	**123,419**	**8,737**	**97,488**	**5,620**	**14,356**	**5.9**
Moratoria in analysis	21	1			1	

Out of a total of €18,385 million in moratoria outstanding at 31 March 2021, 64% expires in the second quarter of 2021.

€ million	April	May - June	3Q21	4Q21	1Q22	Total
Individuals	5,407	6,040	1,225	1,939	40	14,651
Business	168	123	370	2,956	85	3,702
Public sector	0	0	0	32	0	32
Total moratoria outstanding	5,575	6,163	1,596	4,926	125	18,385

Below is the **outstanding balance** (i.e. deducting the principal repaid) **of loans that have been in moratoria and by 31 March 2021 are expired:**

	31 Mar. 2021			31 Mar. 2021 ex Bankia		
	Spain	Portugal	Total	Spain	Portugal	Total
Moratoria to individuals	3,571	215	3,786	2,410	215	2,625
Home purchases	1,700	173	1,873	925	173	1,098
Other	1,871	42	1,913	1,486	42	1,528
of which: consumer lending	*1,358*	*37*	*1,396*	*1,041*	*37*	*1,078*
Moratoria to business	88	203	290	48	203	251
Corporates and SMEs	85	199	284	46	199	245
Real estate developers	3	3	6	2	3	5
Moratoria to the public sector	-	-	-	-	-	-
Total moratoria expired	3,659	417	4,076	2,458	417	2,875

Breakdown of total **moratoria, outstanding and expired, according to categories of credit risk** established in IFRS 9:

€ million	31 Mar. 2021 Stage 1	Stage 2	Stage 3	TOTAL
Individuals	10,368	6,682	1,387	18,437
Business	2,943	931	118	3,992
Public sector	32	-	-	32
Total moratoria outstanding and expired	13,343	7,613	1,506	22,461

€ million	31 Mar. 2021 ex Bankia Stage 1	Stage 2	Stage 3	TOTAL
Individuals	7,250	5,022	948	13,221
Business	2,775	611	90	3,476
Public sector	32	-	-	32
Total moratoria outstanding and expired	10,057	5,633	1,038	16,729

€ million	31 Dec. 2020 Stage 1	Stage 2	Stage 3	TOTAL
Individuals	7,986	4,572	859	13,417
Business	2,677	616	82	3,375
Public sector	34	-	-	34
Total moratoria outstanding and expired	10,697	5,188	941	16,826

Loan-to-value[1] breakdown of the moratoria, outstanding and expired (unpaid amount), in the home purchases segment:

	31 Mar. 2021 ex Bankia				
€ million	**LTV ≤ 40%**	**40% < LTV ≤ 60%**	**60% < LTV ≤ 80%**	**LTV > 80%**	**TOTAL**
Gross amount	1,914	3,577	2,993	1,231	9,715

	31 Dec. 2020				
€ million	**LTV ≤ 40%**	**40% < LTV ≤ 60%**	**60% < LTV ≤ 80%**	**LTV > 80%**	**TOTAL**
Gross amount	1,954	3,680	3,057	1,124	9,814

Loan-to-value breakdown[1] of the Group's home purchases portfolio

Below is the breakdown of the Loan-to-value of the portfolio of home purchases with mortgage guarantee:

	31 Mar. 2021 ex Bankia				
€ million	**LTV ≤ 40%**	**40% < LTV ≤ 60%**	**60% < LTV ≤ 80%**	**LTV > 80%**	**TOTAL**
Gross amount	34,048	26,206	17,152	6,848	84,253
of which: Non-performing	429	374	549	1,546	2,898

	31 Dec. 2020				
€ million	**LTV ≤ 40%**	**40% < LTV ≤ 60%**	**60% < LTV ≤ 80%**	**LTV > 80%**	**TOTAL**
Gross amount	25,548	31,184	20,692	7,449	84,873
of which: Non-performing	259	445	617	1,627	2,948

(1) Loan-to-value calculated on the basis of latest appraisals according to the criteria set out in Circular 4/2016. The process of criterion unification regarding the Bankia perimeter LTV is still in process. As a result, the information is not available at the time of publication of this report.

Refinancing

€ million	31 Dec. 2020 Total	31 Dec. 2020 of which: NPL	31 Mar. 2021 ex Bankia Total	31 Mar. 2021 ex Bankia of which: NPL	31 Mar. 2021 Total	31 Mar. 2021 of which: NPL
Individuals	4,093	3,288	3,993	3,229	6,776	4,803
Corporates and SMEs	2,084	1,261	2,107	1,256	4,031	2,128
Real estate developers	489	243	512	232	657	285
Public sector	209	2	200	3	236	17
Total	**6,874**	**4,796**	**6,812**	**4,719**	**11,701**	**7,233**
Provisions	1,648	1,564	1,639	1,553	2,715	2,286

Foreclosed real estate assets

- The portfolio of **Net foreclosed available for sale real estate assets**[1] in Spain amounts to €2,469 million, of which €1,385 million[2] from the integration of Bankia. The organic change in the quarter, that is, without considering the balances transferred from Bankia, is €+154 million after including €+145 million, net from foreclosed assets held for rent.

  The **coverage ratio with accounting provisions**[3] is 31% (-3 percentage points with respect to December 2020).

  Including write-downs, the coverage ratio[3,4] **is 43%** (+1 percentage point with respect to December).

- Net foreclosed assets **held for rent** in Spain stand at €1,918 million, of which €369 million[2] from Bankia. The organic change in the quarter is €-198 million and includes the aforementioned transfer to the portfolio of Net foreclosed available for sale real estate assets.

- **Total properties sold**[5] **in 2021** amounts to €103 million.

(1) Does not include real estate assets in the process of foreclosure for €88 million at 31 March 2021.

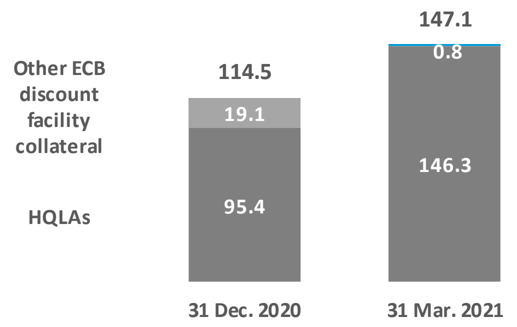
(2) The PPA fund assigned to Real estate tangible assets amounts to €199 million, gross (€140 million, net), of which €82 million correspond to Foreclosed available for sale real estate assets, €59 million to Foreclosed rental real estate assets and €58 million to Other real estate assets.

(3) See definition in 'Appendices – Glossary'.

(4) Coverage solely available for real estate exposure from CaixaBank.

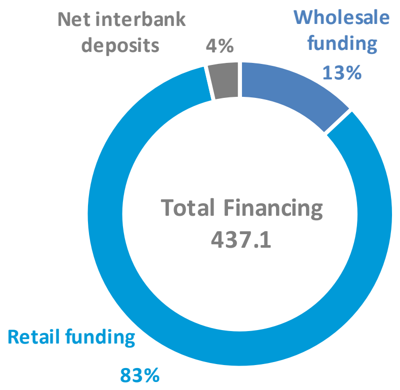
(5) At sale price. It does not include the sales made by Bankia in the first quarter of 2021 due to taking 31 March 2021 as the date of reference for the integration.

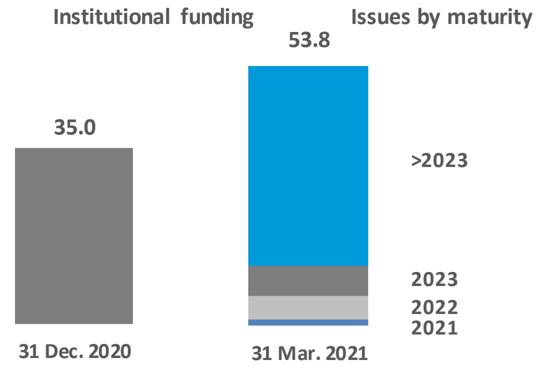
Liquidity
and financing structure



	31 Dec. 2020	31 Mar. 2021
Punctual LCR	276 %	309 %
Average LCR[1]	248 %	273 %
NSFR	145 %	146 %
LTD	97 %	97 %

Total liquid assets, Liquidity metrics and Balance sheet structure
(€ thousand million and %)





Financing structure
(€ thousand million)

- **Total liquid assets amounted to €147,146 million** at 31 March 2021, up €32,695 million in the quarter, mainly due to the integration of Bankia.
- The Group's **Liquidity Coverage Ratio** (LCR) at 31 March 2021 was 309%, showing an ample liquidity position (**273%** LCR average last 12 months) well clear of the minimum requirement of 100%.
- The **Net Stable Funding Ratio** (NSFR)[2] stood at 146% at 31 March 2021, above the 100% regulatory minimum required as of June 2021.
- Solid retail financing structure with a **loan-to-deposit** ratio **of 97%.**
- The **balance drawn** under the ECB facility at 31 March 2021 amounted to €81,159 million, corresponding to TLTRO III. In the first quarter of 2021 a total of €6,223 million related to TLTRO III were drawn, and the total balance drawn increased by €25,211 million due to the incorporation of Bankia.
- **Wholesale funding[3]** amounted to €53,834 million, diversified by investments, instruments and maturities.
- Available capacity to issue mortgage and regional public sector covered bonds at CaixaBank, S.A. came to €21,737 million at 31 March 2021.

(1) Trailing 12 months (includes Bankia's contribution as of March 2021).

(2) As of 30 June 2019 the regulatory criteria established in Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019, which will come into force in June 2021, is applied.

(3) See 'Reconciliation of activity indicators using management criteria' in the 'Appendices - Glossary'.

Information on issuances in 2021

€ million Issue	Amount	Maturity	Cost[1]	Demand	Issuer
Senior non-preferred debt[2]	1,000	8 years	0.571% (mid-swap +0.90%)	3,700	CaixaBank
Tier 2 subordinated debt[2]	1,000	10 years and 3 months	1.335% (mid-swap +1.63%)	2,200	CaixaBank

(1) Meaning the yield on the issuance.
(2) Green bond.

Collateralisation of mortgage covered bonds of CaixaBank, S.A.

€ million		31 Mar. 2021
Mortgage covered bonds issued	a	67,432
Loans and credits (collateral for mortgage covered bonds)	b	146,914
Collateralisation	**b/a**	**218%**
Overcollateralization	**b/a -1**	**118%**
Mortgage covered bond issuance capacity[3]		**17,535**

(3) There is also the ability to issue €4,202 million in regional public sector covered bonds.

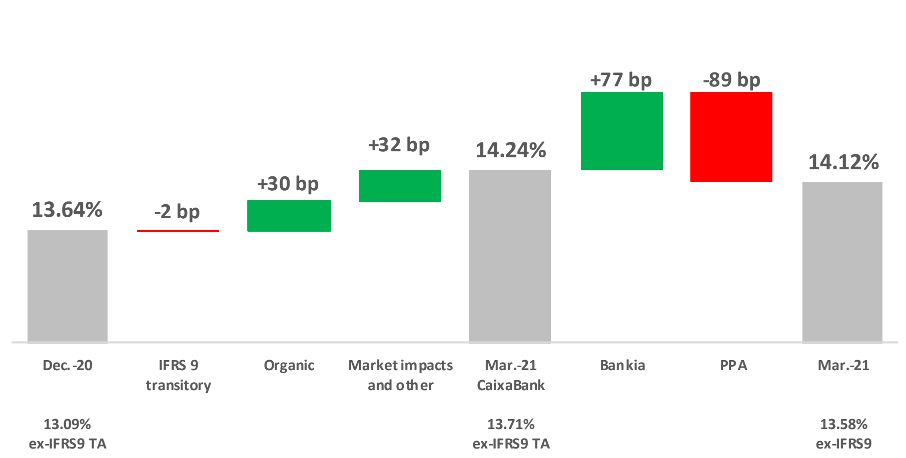
Capital management

- The **Common Equity Tier 1 (CET1) ratio stands at 14.1%**.

  The first quarter includes the extraordinary impact of Bankia's integration for +77 basis points and -89 basis points from the effect of the Purchase Price Allocation (PPA)[1].

  The organic change in the quarter was of +30 basis points and +32 basis points caused by the performance of the market and other factors, of which the improved data quality in relation to the prudential calculation of credit risk stand out. The impact of IFRS 9 phasing was of -2 basis points.

- The CET1 ratio without applying the IFRS 9 transitional period reaches **13.6%**.
- The ECB's official communication on the review of CaixaBank's corporate TRIM (Targeted Review of Internal Model) was received after the quarterly closing, and it will be applicable as of the second quarter of this year. The proforma CET1 ratio including this impact would stand at 13.6% (13.1% without applying the IFRS 9 transitional period).
- The internal objective of the solvency rate CET1 approved by the Board of Directors is set between 11% and 11.5% (excluding IFRS 9) and a margin of between 250 and 300 basis points in relation to the SREP requirements.
- The **Tier 1** ratio reached **16.1%** and the **Total Capital** ratio stood at **18.9%**. A Tier2[2] issue of €1,000 million was carried out in March, and a partial repurchase of an old issue was made for €490 million**.**
- The leverage ratio stood at 5.5%.



Change in CET1

- As for the MREL requirement, CaixaBank had a ratio of **26.3% on RWA** (proforma 25.4% with CaixaBank's corporate TRIM) and 8.9% on LRE, reaching the level required for 2024 (22.95% of RWAs and 6.09% of LRE). At a subordinated level, excluding the Senior preferred debt and other pari-passu liabilities, the MREL ratio reached **23.2% of RWAs** (proforma 22.4% with CaixaBank's corporate TRIM) **and 7.9% of LRE**, comfortably above the regulatory requirements of 16.26% of RWAs and 6.09% of LRE. An issue of €1,000 million of Senior non-preferred debt[2] was made this quarter, strengthening the MREL ratios.
- Similarly, **CaixaBank is subject to minimum capital requirements** on a non-consolidated basis. The CET1 ratio under this perimeter reached 15.9%.

(1) See section 'CaixaBank and Bankia merger'.

(2) See section 'Liquidity'.

- **BPI** is also compliant with its minimum capital requirements. Capital ratios at a sub-consolidated level are as follows: CET1 of 14.4%, Tier1 of 15.9% and Total Capital of 17.6%.
- The decisions of the European Central Bank and the national supervisor required the Group to maintain, during 2021, CET1, Tier1 and Total Capital ratios of 8.10%, 9.88% and 12.26%, respectively. At 31 March, CaixaBank has a margin of 602 basis points, equating to €12,546 million, until the Group's MDA trigger.
- In terms of the capital requirements following the integration of Bankia[1], considering a P2R of 1.67% (estimated as the weighted average of RWAs of each company of origin, as per the ECB's consolidation guide[2]) and a domestic systemic risk buffer 0.50%, the estimated new capital requirements are 8.45% for CET1, 10.26% for Tier 1 and 12.68% for Total Capital. Likewise, the internal estimate for new MREL requirements, according to current regulations, is 22.66% for Total MREL and 18.03% for Subordinated MREL, which will be applicable as of January 2022.
- 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. To calculate the retained earnings in the first quarter, a payout of 29.7% was applied in accordance with the applicable regulations (average of the last three years) on the consolidated net profit adjusted by the extraordinary impacts from the merger with Bankia.

(1) Pending reception from the supervisor of the new requirements post-integration of Bankia.

(2) Guide on the supervisory approach to consolidation in the banking sector.

Performance and key capital adequacy indicators

€ million	31 Mar. 2020	30 Jun. 2020	30 Sep. 2020	31 Dec. 2020	31 Mar. 2021	Quarter-on-quarter	31 Mar. 2021 ex Bankia
CET1 Instruments	24,080	24,621	24,657	25,546	36,017	10,471	26,119
Shareholders' equity	25,876	25,996	26,475	27,118	37,172	10,054	27,587
Capital	5,981	5,981	5,981	5,981	8,061	2,080	5,982
Profit/(loss) attributable to the Group	90	205	726	1,381	4,786		514
Reserves and other	19,806	19,811	19,768	19,756	24,326		21,092
Other CET1 instruments[1]	(1,796)	(1,375)	(1,818)	(1,572)	(1,155)	417	(1,468)
Deductions from CET1	(6,333)	(6,538)	(6,464)	(5,892)	(6,584)	(692)	(5,849)
CET1	**17,747**	**18,083**	**18,192**	**19,654**	**29,434**	**9,780**	**20,270**
AT1 instruments	2,236	2,237	2,237	2,984	4,235	1,251	2,985
AT1 Deductions							-
TIER 1	**19,983**	**20,320**	**20,430**	**22,637**	**33,668**	**11,031**	**23,254**
T2 instruments	3,329	3,208	3,324	3,407	5,834	2,427	3,935
T2 Deductions							-
TIER 2	3,329	3,208	3,324	3,407	5,834	2,427	3,935
TOTAL CAPITAL	**23,312**	**23,528**	**23,754**	**26,045**	**39,503**	**13,458**	**27,189**
Other computable subordinated instruments MREL	5,680	5,667	5,664	6,665	8,918	2,253	7,668
MREL, subordinated	**28,993**	**29,195**	**29,417**	**32,709**	**48,421**	**15,712**	**34,858**
Other computable instruments. MREL	4,342	4,111	5,111	5,111	6,430	1,319	5,111
MREL	**33,335**	**33,306**	**34,528**	**37,820**	**54,851**	**17,031**	**39,968**
Risk-weighted assets	147,808	147,499	145,731	144,073	208,498	64,425	142,333
CET1 Ratio	12.0%	12.3%	12.5%	13.6%	14.1%	0.5%	14.2%
Tier 1 Ratio	13.5%	13.8%	14.0%	15.7%	16.1%	0.4%	16.3%
Total Capital Ratio	15.8%	16.0%	16.3%	18.1%	18.9%	0.8%	19.1%
MDA Buffer[2]	5,193	5,449	5,891	7,984	12,546	4,562	8,741
MREL Ratio, subordinated	19.6%	19.8%	20.2%	22.7%	23.2%	0.5%	24.5%
MREL Ratio	22.6%	22.6%	23.7%	26.3%	26.3%		28.1%
Leverage ratio	5.4%	5.1%	5.1%	5.6%	5.5%	(0.1%)	5.7%
CET1 Ratio - CABK (non-consolidated basis)	13.6%	14.1%	14.1%	15.1%	15.9%	0.8%	
Tier 1 Ratio CABK (non-consolidated basis)	15.3%	15.7%	15.7%	17.4%	18.1%	0.7%	
Total Capital Ratio - CABK (non-consolidated basis)	17.7%	18.1%	18.2%	19.9%	21.1%	1.2%	
Risk-weighted assets (non-consolidated basis)	136,395	135,465	134,979	132,806	189,492	56,686	
Profit/loss (non-consolidated basis)	(141)	(135)	254	688	4,601		
ADIs[3]	2,567	2,565	2,919	3,308	7,655	4,347	
MDA Buffer- CABK (non-consolidated basis)[2]	9,041	9,543	9,541	10,778	16,875	6,097	
Leverage Ratio - CABK (non-consolidated basis)	6.1%	5.8%	5.7%	6.2%	5.9%	(0.3%)	

Data at December 2020 updated using the latest official information.

(1) It mainly includes the forecast for dividends, IFRS 9 transitional adjustment and OCIs.

(2) MDA (Maximum Distributable Amount) Buffer: the capital threshold below which limitations exist on dividend payments, variable remuneration and interest payments to holders of Additional Tier 1 capital instruments. It is defined as Pillar 1 + Pillar 2 capital requirements + capital buffers + possible AT1 and T2 deficits. Either the non-consolidated or the consolidated, whichever is lower.

(3) Does not include the issue premium.

Segment reporting

This section shows financial information on the different business segments of the CaixaBank Group, set up as follows:

- **Banking and Insurance:** shows earnings from the Group's banking, insurance and asset management activity mainly in Spain, as well as the real estate business and ALCO's activity in liquidity management and income from financing the other businesses.

  As it includes the Group-wide corporate centre, the negative consolidation difference arising from the merger with Bankia has been recognised in this activity.

  It also includes the insurance, asset management and cards business acquired by CaixaBank from BPI during 2018.

- **Equity investments:** this line of business shows earnings, net of funding expenses, from the stakes held in Erste Group Bank, Telefónica, BFA, BCI and Coral Homes. Similarly, it includes the significant impacts on income of other relevant stakes in various sectors integrated in past acquisitions.

  As of 31 March, the stake held in Gramina Homes from Bankia is added, the results of which will be consolidated as of the second quarter.

- **BPI:** covers the income from BPI's domestic banking business. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination and excludes the results and balance sheet figures associated with the assets of BPI assigned to the equity investments business (essentially BFA and BCI).

The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods.

The allocation of capital to the investment business in both exercises take into account the 11.5% consumption of capital for risk-weighted assets, as well as any applicable deductions.

The allocation of capital to BPI is at sub-consolidated level, i.e. taking into account the subsidiary's own funds. The capital consumed in BPI by the investees allocated to the investment business is allocated consistently to this business.

The difference between the Group’s total shareholders' equity and the capital assigned to the other businesses is attributed to the banking and insurance business, which includes the Group’s corporate centre.

Results for the first quarter of 2021 arranged by business are as follows:

€ million	Banking & insurance			Equity Investments	BPI	Group
	Total	*M&A impacts*	*Income ex M&A*			
Net interest income	**1,092**		***1,092***	**(13)**	**111**	**1,191**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	50		*50*	21	6	77
Net fee and commission income	595		*595*		64	659
Trading income	32		*32*	1	9	42
Income and expense under insurance or reinsurance contracts	164		*164*			164
Other operating income and expense	(57)		*(57)*		(13)	(70)
Gross income	**1,876**		***1,876***	**10**	**177**	**2,063**
Recurring administrative expenses, depreciation and amortisation	(1,035)		*(1,035)*	(1)	(113)	(1,149)
Extraordinary expenses	(40)	*(40)*	*(0)*			(40)
Pre-impairment income	**801**	***(40)***	***841***	**9**	**64**	**874**
Pre-impairment income stripping out extraordinary expenses	**841**		***841***	**9**	**64**	**914**
Allowances for insolvency risk	(189)		*(189)*		15	(174)
Other charges to provisions	(48)		*(48)*		(1)	(49)
Gains/(losses) on disposal of assets and others	4,302	*4,300*	*3*		0	4,303
Profit/(loss) before tax	**4,866**	***4,260***	***607***	**9**	**78**	**4,954**
Income tax expense	(151)	*12*	*(163)*	3	(20)	(168)
Profit/(loss) after tax	**4,715**	***4,272***	***444***	**12**	**58**	**4,785**
Profit/(loss) attributable to minority interest and others	(0)		*(0)*			(0)
Profit/(loss) attributable to the Group	**4,716**	***4,272***	***444***	**12**	**58**	**4,786**

Banking and insurance business

The performance in the first quarter of 2021 stands at €4,716 million and includes the negative consolidation difference for an amount of €4,300 million and extraordinary expenses associated with the integration for €-28 million, net. Without considering these impacts, the result stands at **€444 million** (versus €67 million in 2020 impacted by the provisions made to anticipate future impacts associated with Covid-19).

ROTE[1] stripping out one-off impacts stands at 7.1%.

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
INCOME STATEMENT								
Net interest income	**1,092**	**1,116**	**(2.1)**	**1,092**	**1,149**	**1,130**	**1,138**	**1,116**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	50	42	20.8	50	75	89	44	42
Net fee and commission income	595	597	(0.3)	595	603	579	551	597
Trading income	32	(4)		32	51	38	164	(4)
Income and expense under insurance or reinsurance contracts	164	150	9.3	164	156	150	141	150
Other operating income and expense	(57)	(53)	7.9	(57)	(131)	(29)	(125)	(53)
Gross income	**1,876**	**1,848**	**1.5**	**1,876**	**1,905**	**1,957**	**1,913**	**1,848**
Recurring administrative expenses, depreciation and amortisation	(1,035)	(1,071)	(3.3)	(1,035)	(995)	(1,024)	(1,047)	(1,071)
Extraordinary expenses	(40)			(40)				
Pre-impairment income	**801**	**777**	**3.0**	**801**	**910**	**933**	**866**	**777**
Pre-impairment income stripping out extraordinary expenses	**841**	**777**	**8.2**	**841**	**910**	**933**	**866**	**777**
Allowances for insolvency risk	(189)	(528)	(64.3)	(189)	(313)	(267)	(787)	(528)
Other charges to provisions	(48)	(143)	(66.4)	(48)	(22)	(23)	(40)	(143)
Gains/(losses) on disposal of assets and others	4,302	(31)		4,302	311	(44)	(19)	(31)
Profit/(loss) before tax	**4,866**	**75**		**4,866**	**886**	**599**	**19**	**75**
Income tax expense	(151)	(8)		(151)	(42)	(146)	17	(8)
Profit/(loss) after tax	**4,715**	**67**		**4,715**	**844**	**454**	**36**	**67**
Profit/(loss) attributable to minority interest and others	(0)	0		(0)	1	1	(2)	0
Profit/(loss) attributable to the Group	**4,716**	**67**		**4,716**	**843**	**453**	**38**	**67**
INCOME STATEMENT BREAKDOWN								
NET INTEREST INCOME								
Customer spread (%)	1.84	2.17	(0.33)	1.84	1.90	1.92	1.99	2.17
FEE AND COMMISSION INCOME								
Banking services, securities and other fees	313	341	(8.4)	313	322	325	313	341
Sale of insurance products	43	38	13.2	43	37	36	35	38
Long-term savings products	240	218	9.9	240	245	218	203	218
Mutual funds, managed accounts and SICAVs	142	130	8.9	142	133	130	121	130
Pension plans	59	56	5.4	59	71	56	51	56
Unit Link and other	39	32	21.8	39	41	32	30	32
Net fee and commission income	**595**	**597**	**(0.3)**	**595**	**603**	**579**	**551**	**597**
ADMINISTRATIVE EXPENSES, DEPRECIATION AND AMORTISATION								
Personnel expenses	(655)	(676)	(3.2)	(655)	(633)	(635)	(653)	(676)
General expenses	(261)	(273)	(4.3)	(261)	(249)	(265)	(273)	(273)
Depreciation and amortisation	(119)	(121)	(1.9)	(119)	(113)	(123)	(121)	(121)
Recurring administrative expenses, depreciation and amortisation	**(1,035)**	**(1,071)**	**(3.3)**	**(1,035)**	**(995)**	**(1,024)**	**(1,047)**	**(1,071)**
Extraordinary expenses	**(40)**							
OTHER INDICATORS								
Core income	1,898	1,896	0.1	1,898	1,976	1,937	1,871	1,896
ROTE stripping out one-off impacts[1]	7.1%	7.3%	(0.2)	7.1%	5.1%	4.3%	4.5%	7.3%
Cost-to-income ratio stripping out ext. exp. (12 months)	53.6%	56.2%	(2.6)	53.6%	54.3%	55.8%	56.4%	56.2%
Cost of risk[2] (12 months)	0.67%	0.44%	0.2	0.67%	0.83%	0.80%	0.74%	0.44%
Customers	19.3	13.6	41.9	19.3	13.4	13.5	13.6	13.6
Employees[3]	46,630	30,738	51.7	46,630	30,812	30,851	30,772	30,738
Branches[3]	5,895	4,061	45.2	5,895	3,786	3,886	4,012	4,061
of which Retail	5,552	3,846	44.4	5,552	3,571	3,672	3,797	3,846
ATMs[3]	13,912	9,041	53.9	13,912	8,827	8,851	8,982	9,041

(1) The ratio excludes: In 1Q21 €+4,272 million due to extraordinary impacts associated with the integration of Bankia; in 4Q20 the gains on the partial sale of Comercia (€+420 million); in 1Q20, the impact from the labour agreement of 2Q19 (€-685 million, net). The coupon for the part of the AT1 issue assigned to this business has also been deducted. The denominator, for consistency purposes, does not include the incorporation of Bankia at the end of the quarter.

(2) It does not include the contribution of loans by Bankia in the denominator in consistency with the numerator.

(3) The number of employees in 1Q20 is deducted by the departures that took place on 1 April 2020 within the early retirement scheme. Figures in 1Q21 include 15,911 employees, 2,101 branches (of which 2,013 retail) and 5,156 ATMs from Bankia.

The following highlights shaped the year-on-year performance of the banking and insurance business:

- **Gross income stands at €1,876 million (+1.5%),** despite the difficult economic scenario:
  - Core income remained stable at +0.1% with respect to the first quarter of 2020:
    - **Net interest income stands at €1,092 million** (-2.1%) due to the lower return on loans and on the fixed-income portfolio and to lower income from financing the Equity investments business. This drop in income is partially offset by higher income from the measures established by the ECB at the end of 2019, a higher volume of loans and lower wholesale funding expenses.
    - **Fee and commission income** reached **€595 million** (-0.3%):
      - Reduction in banking fees and commissions (-8.4%). Drop in recurring fees and commissions, mainly due to lower e-payment fees, as the rest of lines of fees and commissions have shown good resilience. In addition, lower non-recurring fees and commissions due to reduced activity in investment banking.
      - Increase in commissions from long-term savings products of 9.9%, specifically Mutual funds, managed accounts and SICAVs of 8.9%, Pension plans of 5.4% and Unit Link of 21.8%, mainly due to managing more assets.
    - **Income and expense under insurance or reinsurance contracts,** which reached €164 million, shows a solid growth with respect to the first quarter of 2020 (+9.3%).
  - **Trading income** stands at €32 million, down €4 million in the same period of 2020, negatively impacted on the measurement of credit risk of financial derivatives.
  - **Other operating income and expense** totalled €-57 million (€-53 million in the same period of 2020). They include the recognition of the expenses associated with the Spanish property tax of the real estate portfolio (€-15 million and €-16 million in the first quarter of 2021 and 2020, respectively).
- **Recurring administrative expenses, depreciation and amortisation** drop with respect to the first quarter of 2020 and amounted to €1,035 million, down 3.3%, after an active management of the cost base and lower expenses incurred in the context of Covid-19.

  In addition, recognition in the first quarter of 2021 of extraordinary expenses in connection with the integration of Bankia for €-40 million.
- **Allowances for insolvency risk** amounted to €-189 million in the first quarter of 2021. In the first quarter of 2020, €-528 million following the establishment of **a provision for credit risk of €383 million to anticipate future impacts associated with Covid-19.**

  The cost of risk (12 months) stands at 0.67%.
- **Other charges to provisions** in the first quarter of 2020 included a total of €-109 million associated with early retirements.
- **Gains/(losses) on disposal of assets and others** stood at €4,302 million after recognising the negative consolidation difference for €4,300 million.

The following shaped the quarterly performance of the banking and insurance business:

- **Gross income** stood at €1,876 million, down 1.5% on the previous quarter.
  - **Core income dropped 3.9%**, impacted by the positive seasonal factors and one-off income associated with the last quarter of the year.
    - **Net interest income** decreased 4.9%, due to the lower income from the lending book and lower contribution from fixed-income. Impact partially offset by the reduction of costs of institutional financing due to lower volumes and the higher contribution from financial intermediaries, among other factors.
    - Lower income from Bancassurance equity investments due to including one-off income in the previous quarter.
    - **Fee and commission income** dropped 1.4% mainly due to the positive seasonal factors and one-off income associated with the last quarter of the year, largely in success fees from pension plans and Unit Link.
    - **Income and expense under the insurance and reinsurance contracts** were up 4.9%.
  - **Trading income** dropped with respect to the previous quarter (-38.2%).
  - **Other operating income and expense** includes, in the fourth quarter of 2020, the contribution to the Deposit Guarantee Fund (DGF) of €-243 million and the one-off income associated with the final earnout of SegurCaixa Adeslas (€135 million).
- **Operating expenses** grew 4.0% with respect to the previous quarter. In addition, recognition in the first quarter of 2021 of extraordinary expenses in connection with the integration of Bankia for €-40 million.
- Higher **Allowances for insolvency risk** in the fourth quarter of 2020, due to the higher provisions following conservative criteria in light of the current environment of uncertainty.
- **Gains/(losses) on disposal of assets and others** was impacted in the first quarter of 2021 by the negative consolidation difference. It include extraordinary provisions for real estate assets and the capital gain on the partial sale of Comercia, in the previous quarter.

The following table shows business activity and asset quality indicators at 31 March 2021:

- **Loans and advances to customers, gross stood at €337,833 million, up 54.8%**. Without considering the impact associated with the incorporation of Bankia, the total portfolio dropped 0.7%, due to the deleveraging of individuals (-1.4%) while remaining almost stable in businesses segment (-0.3%).

- **Customer funds stood at €546,508 million** (+42.8% in the year, +0.8% excluding the impact of Bankia's integration). Its organic evolution is impacted by the decline of on-balance sheet funds (-1.0%), marked by the reduction of demand deposits and lower renewal of deposits against a backdrop of negative interest rates and, on the other hand, by the markets' recovery, which together with the positive subscriptions results in an annual growth of assets under management (+5.1%).

- The **NPL ratio** reached 3.7% (+30 basis points in the year, +10 basis points excluding the incorporation of Bankia), and the **coverage ratio stood at 66%** (+1 percentage point).

€ million	31 Mar. 2021	31 Mar. 2021 ex Bankia	31 Dec. 2020	Change %	Organic change %
BALANCE SHEET					
Assets	621,259	417,539	410,690	51.3	1.7
Liabilities	589,692	395,550	389,083	51.6	1.7
Assigned capital	31,539	21,961	21,582	46.1	1.8
LOANS AND ADVANCES TO CUSTOMERS					
Loans to individuals	177,417	105,416	106,941	65.9	(1.4)
Home purchases	132,767	72,777	73,586	80.4	(1.1)
Other	44,649	32,639	33,355	33.9	(2.1)
of which: Consumer lending	17,959	12,564	12,753	40.8	(1.5)
Loans to business	139,114	96,085	96,331	44.4	(0.3)
Corporates and SMEs	132,787	90,733	90,767	46.3	
Real estate developers	6,327	5,352	5,564	13.7	(3.8)
Public sector	21,303	15,316	15,005	42.0	2.1
Loans and advances to customers, gross	**337,833**	**216,817**	**218,277**	**54.8**	**(0.7)**
of which: Performing loans	325,120	209,049	210,584	54.4	(0.7)
of which: Non-performing loans	12,712	7,767	7,693	65.3	1.0
Provisions for insolvency risk	(8,521)	(5,161)	(5,105)	66.9	1.1
Loans and advances to customers, net	**329,312**	**211,655**	**213,172**	**54.5**	**(0.7)**
Contingent liabilities	24,665	15,568	15,254	61.7	2.1
CUSTOMER FUNDS					
Customer funds	334,644	213,678	216,432	54.6	(1.3)
Demand deposits	302,928	201,638	202,980	49.2	(0.7)
Time deposits	31,716	12,040	13,451		(10.5)
Insurance contract liabilities	60,493	60,493	59,360	1.9	1.9
of which: Unit Link and other	15,833	15,833	14,607	8.4	8.4
Reverse repurchase agreements and other	1,012	1,011	2,044	(50.5)	(50.6)
On-balance sheet funds	396,148	275,181	277,835	42.6	(1.0)
Mutual funds, managed accounts and SICAVs	94,976	69,885	65,852	44.2	6.1
Pension plans	45,207	36,477	35,328	28.0	3.3
Assets under management	140,183	106,361	101,180	38.5	5.1
Other accounts	10,177	4,367	3,778		15.6
Total customer funds	**546,508**	**385,909**	**382,794**	**42.8**	**0.8**
ASSET QUALITY					
Non-performing loan ratio (%)	3.7%	3.5%	3.4%	0.3	0.1
Non-performing loan coverage ratio (%)	66%	65%	65%	1	-

Insurance activity

The banking and insurance business includes the results in the first quarter of the activity carried out by the Group's various insurance firms, mainly VidaCaixa de Seguros y Reaseguros and BPI Vida e Pensões. These companies offer a highly specialised range of life insurance, pensions and general insurance products, all of which are marketed to the Group's customer base.

The following table shows the income statement of the Group's **insurance firms[1], which came to €180 million**, up **15.9%** with respect to the first quarter of 2020.

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
Net interest income	**81**	**83**	**(1.9)**	**81**	**85**	**87**	**87**	**83**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	47	33	43.0	47	68	78	41	33
Net fee and commission income	(23)	(25)	(9.4)	(23)	8	(24)	(21)	(25)
Trading income	2	0		2	2	1	2	0
Income and expense under insurance or reinsurance contracts	164	150	9.3	164	156	150	141	150
Other operating income and expense	0			0	136		1	
Gross income	**271**	**241**	**12.5**	**271**	**455**	**292**	**252**	**241**
Recurring administrative expenses, depreciation and amortisation	(35)	(33)	5.0	(35)	(30)	(32)	(32)	(33)
Extraordinary expenses								
Pre-impairment income	**236**	**208**	**13.7**	**236**	**424**	**260**	**220**	**208**
Pre-impairment income stripping out extraordinary expenses	**236**	**208**	**13.7**	**236**	**424**	**260**	**220**	**208**
Allowances for insolvency risk								
Other charges to provisions								
Gains/(losses) on disposal of assets and others								
Profit/(loss) before tax	**236**	**208**	**13.7**	**236**	**424**	**260**	**220**	**208**
Income tax expense	(56)	(52)	7.2	(56)	(64)	(54)	(54)	(52)
Profit/(loss) after tax	**180**	**156**	**15.9**	**180**	**360**	**206**	**166**	**156**
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	**180**	**156**	**15.9**	**180**	**360**	**206**	**166**	**156**

- **Net interest income** includes the margin on life savings insurance products, which were down 1.9% with respect to the same period of the previous year.
- **Share of profit/(loss) of entities accounted for using the equity method** shows the contribution made by SegurCaixa Adeslas, 49.9% of which is owned by VidaCaixa, with a significant year-on-year improvement of its attributable profit (+43.0%) given the negative impact on the measurement of financial assets in the first quarter of 2020. The fourth quarter of 2020 included extraordinary impacts in the context of Covid-19.
  - **Net fee and commission income[2]** is the net result of:
    - The fees and commissions received by VidaCaixa from managing Unit Linked products and pension plans.
    - The fees and commissions the insurance firms pay the banks for distributing their products.

  The fourth quarter of 2020 included the success fees from pension plans and Unit Link.
- **Income and expense under insurance or reinsurance contracts**, which shows the margin obtained from the difference between premia and the technical provisions, claims and other expenses of life-risk products, consolidated its growth rising to 9.3% on the same period of the previous year and to 4.9% with respect to the fourth quarter of 2020.
- **Other operating income and expense** includes, in the fourth quarter of 2020, the one-off income associated with SegurCaixa Adeslas' last earnout for €135 million.

(1) At company level prior to consolidation adjustments. It does not include the results generated by Bankia in the first quarter.

(2) The commercial network in Spain also receives fees from SegurCaixa Adeslas for distributing its products through the branch network, although these fees are not included in the income statement for the insurance business because they relate instead to the banking business ex insurance.

Equity investments business

The result in the first quarter of 2021 stood at €12 million (€-9 million in 2020):

- The **Net interest income** corresponds to the cost of financing the investee business. The year-on-year fall is mainly due to the reduction of the average balance financed and lower funding expenses due to adapting the rate to market conditions.
- The **Share of profit/(loss) of entities accounted for using the equity method** stood at €21 million (€11 million in 2020).
- **Gains/(losses) on disposal of assets and others** includes in the fourth quarter of 2020 the provision established on the interest held in Erste Group Bank.

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
Net interest income	(13)	(25)	(48.9)	(13)	(13)	(17)	(22)	(25)
Dividend income					50		90	
Share of profit/(loss) of entities accounted for using the equity method	21	11	98.7	21	10	29	(4)	11
Net fee and commission income								
Trading income	1	(2)		1	(1)	(3)	(4)	(2)
Income and expense under insurance or reinsurance contracts								
Other operating income and expense					(3)			
Gross income	10	(15)		10	43	9	60	(15)
Recurring administrative expenses, depreciation and amortisation	(1)	(1)		(1)	(1)	(1)	(1)	(1)
Extraordinary expenses								
Pre-impairment income	9	(16)		9	42	8	59	(16)
Pre-impairment income stripping out extraordinary expenses	9	(16)		9	42	8	59	(16)
Allowances for insolvency risk								
Other charges to provisions								
Gains/(losses) on disposal of assets and others					(311)			
Profit/(loss) before tax	9	(16)		9	(269)	8	59	(16)
Income tax expense	3	7	(56.9)	3	7	5	5	7
Profit/(loss) after tax	12	(9)		12	(262)	13	64	(9)
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	12	(9)		12	(262)	13	64	(9)
ROTE stripping out one-off impacts[1]	18.6%	22.4%	(12.4)	18.6%	14.4%	7.8%	13.8%	22.4%

(1) The ROTE for 4QT20 and 1Q21 excludes the provision corresponding to the stake in Erste Group Bank (€-311 million, net). The coupon for the part of the AT1 issue assigned to this business has also been deducted.

€ million	31 Mar. 2021	31 Mar. 2021 ex Bankia	31 Dec. 2020	Change %	Organic change %
BALANCE SHEET					
Assets					
Investments (Financial assets at fair value with changes in OCI and Investments in JVs and associates) and other[1]	3,569	3,455	3,267	9.2	5.8
Liabilities					
Intra-group financing and other liabilities	2,743	2,665	2,565	6.9	3.9
Assigned capital[2]	826	790	702	17.6	12.5

(1) The figures at the end of the first quarter of March 2021 include the investment in Gramina Homes, incorporated in the merger.
(2) The capital assigned to BFA and BCI is the amount required at sub-consolidated level for BPI for those interests.

BPI

Profit from the banking business of BPI amounted to €58 million (€+32 million in the first quarter of 2020).

€ million	2021	2020	Change %	1Q21	4Q20	3Q20	2Q20	1Q20
INCOME STATEMENT								
Net interest income	**111**	**108**	**2.8**	**111**	**118**	**109**	**109**	**108**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	6	5	11.0	6	4	5	4	5
Net fee and commission income	64	61	4.7	64	67	59	57	61
Trading income	9	(14)		9	6	4	2	(14)
Income and expense under insurance or reinsurance contracts								
Other operating income and expense	(13)	(9)	42.4	(13)	7	(1)	(11)	(9)
Gross income	**177**	**151**	**16.8**	**177**	**201**	**177**	**161**	**151**
Recurring administrative expenses, depreciation and amortisation	(113)	(116)	(3.0)	(113)	(99)	(115)	(109)	(116)
Extraordinary expenses								
Pre-impairment income	**64**	**35**	**82.4**	**64**	**103**	**62**	**52**	**35**
Pre-impairment income stripping out extraordinary expenses	**64**	**35**	**82.4**	**64**	**103**	**62**	**52**	**35**
Allowances for insolvency risk	15	13	18.1	15	(8)	6	(32)	13
Other charges to provisions	(1)	(0)		(1)	(18)	0	(1)	(0)
Gains/(losses) on disposal of assets and others	0			0	25	2	1	
Profit/(loss) before tax	**78**	**47**	**65.2**	**78**	**101**	**71**	**20**	**47**
Income tax expense	(20)	(16)	30.5	(20)	(28)	(15)	(7)	(16)
Profit/(loss) after tax	**58**	**32**	**82.4**	**58**	**73**	**55**	**13**	**32**
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	**58**	**32**	**82.4**	**58**	**73**	**55**	**13**	**32**
INCOME STATEMENT BREAKDOWN								
NET INTEREST INCOME								
Customer spread (%)	1.74	1.81	(0.07)	1.74	1.78	1.78	1.77	1.81
FEE AND COMMISSION INCOME								
Banking services, securities and other fees	36	37	(1.8)	36	37	35	33	37
Sale of insurance products	14	12	9.1	14	19	13	12	12
Long-term savings products	14	11	20.8	14	11	11	13	11
Mutual funds, managed accounts and SICAVs	9	8	7.7	9	8	8	8	8
Pension plans	0	0	1.9	0	0	0	0	0
Unit Link and other	4	3	63.1	4	3	4	4	3
Net fee and commission income	**64**	**61**	**4.7**	**64**	**67**	**59**	**57**	**61**
ADMINISTRATIVE EXPENSES, DEPRECIATION AND AMORTISATION								
Personnel expenses	(59)	(62)	(4.6)	(59)	(55)	(61)	(61)	(62)
General expenses	(36)	(36)	1.8	(36)	(27)	(37)	(37)	(36)
Depreciation and amortisation	(17)	(19)	(6.8)	(17)	(16)	(16)	(11)	(19)
Recurring admin. expenses, depreciation and amortisation	**(113)**	**(116)**	**(3.0)**	**(113)**	**(99)**	**(115)**	**(109)**	**(116)**
Extraordinary expenses								
OTHER INDICATORS								
Core income	181	174	3.7	181	189	174	169	174
ROTE stripping out one-off impacts[1]	5.8%	6.3%	(0.5)	5.8%	4.2%	4.3%	5.4%	6.3%
Cost-to-income ratio stripping out ext. exp. (12 months)	60.8%	67.8%	(7.1)	60.8%	63.5%	67.0%	66.3%	67.8%
Customers	1.9	1.9		1.9	1.9	1.9	1.9	1.9
Employees	4,597	4,831	(4.8)	4,597	4,622	4,766	4,817	4,831
Branches	403	454	(11.2)	403	422	429	448	454
of which retail	343	383	(10.4)	343	360	365	377	383
ATMs	1,460	1,562	(6.5)	1,460	1,456	1,484	1,559	1,562

(1) The different period's ratios (12 months) exclude the following amounts net of taxes:

- *Release of provisions corresponding to the quarterly recalculation carried out by the passing of time in relation to the expected losses associated with the funds due to credit risk adjustments made at the time BPI was acquired (€30 million in 1Q21 and €131 million in 1Q20).*
- *Deduction of the coupon for the part of the AT1 issue assigned to this business.*

- **Gross income** stands at €177 million, up 16.8% with respect to the first quarter of 2020, mainly due to higher Trading income.
  - Core income up 3.7%.
    - **Net interest income** totalled €111 million, with a 2.8% increase compared to the same period in the previous year and a 5.3% drop with respect to the previous quarter, mainly due to higher contribution of the fixed-income portfolio and financial intermediaries.
    - **Fee and commission income** stand at €64 million, up 4.7% on the same period of the previous year. With respect to the fourth quarter of 2020, they dropped 5.5%, mainly due to one-off income from the sale of insurance products in the previous quarter, while the rest of lines of fees and commissions remain at similar levels.
  - **Trading income** amounted to €9 million in the first quarter of 2021. In the first quarter of 2020, €-14 million following the market volatility affecting the valuation of financial assets.
  - **Other operating income and expense** includes the contribution to the banking sector for €-18.8 million (€-15.5 million in the previous year) and €-3.6 million from the solidarity tax on the banking sector (in 2020 recognised in the third quarter).
- **Recurring administrative expenses, depreciation and amortisation** dropped 3.0% following the early retirements in the fourth quarter of 2020. The drop in depreciation and amortisation is due to, among other factors, the review of the software's depreciable lifecycle[1] carried out in the second quarter of 2020.
- **Allowances for insolvency risk** stood at €15 million.
  The first quarter of 2020 (€13 million) included the provision recognised anticipating future impacts associated with Covid-19 for €-17 million.
  It also includes other charges to provisions made by BPI, net of the use of funds[2] for credit risk established at the time the Portuguese bank was acquired by CaixaBank in February 2017.
- **Other charges to provisions** in the fourth quarter of 2020 included, among other items, the recognition of the cost associated with the early retirement scheme.
- **Gains/(losses) on disposal of assets and others** includes, in the fourth quarter of 2020, one-off income associated with the release of asset coverage established due to the business combination, which is deemed unnecessary.

(1) Based on a collaboration with an independent expert in an exercise to adapt the depreciable life of software developed internally.

(2) In the first quarter of 2021 the use of funds reached €4 million, compared to the €45 million in the same period of the previous year.

With regard to the indicators on business activity and asset quality of BPI, the following stands out:

- **Loans and advances to customers, gross** stood at €25,988 million, up 1.3% in the year, showing a growth in loans to individuals and to business.
- **Customer funds stood at €33,426 million**, up 2.5% in the year as a result of the increase of On-balance sheet funds (+2.3%), especially Demand deposits (+3.5%). In addition, a good performance of Assets under management (+5.2%).
- BPI's **NPL ratio** reached 2.2%, as per the CaixaBank Group's NPL classification criteria.
- The NPL coverage ratio, including the provisions posted by CaixaBank due to the business combination, came to 90%.

€ million	31 Mar. 2021	31 Dec. 2020	Change	Change %
BALANCE SHEET				
Assets	38,741	37,564	1,177	3.1
Liabilities	35,582	34,595	988	2.9
Assigned capital	3,158	2,969	189	6.4
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	**13,898**	**13,708**	**191**	**1.4**
Home purchases	12,172	11,989	183	1.5
Other	1,726	1,719	8	0.4
of which: Consumer lending	1,425	1,417	8	0.6
Loans to business	**10,245**	**10,094**	**151**	**1.5**
Corporates and SMEs	10,088	9,938	150	1.5
Real estate developers	157	156	1	0.7
Public sector	**1,845**	**1,845**	**(0)**	**-**
Loans and advances to customers, gross	**25,988**	**25,647**	**341**	**1.3**
of which: Performing loans	25,434	25,070	363	1.4
of which: Non-performing loans	555	576	(22)	(3.8)
Provisions for insolvency risk	(506)	(515)	9	(1.8)
Loans and advances to customers, net	**25,482**	**25,131**	**351**	**1.4**
Contingent liabilities	1,611	1,616	(6)	(0.3)
CUSTOMER FUNDS				
Customer funds	26,387	25,802	585	2.3
Demand deposits	17,955	17,344	610	3.5
Time deposits	8,432	8,458	(26)	(0.3)
Reverse repurchase agreements and other	11	13	(1)	(11.7)
On-balance sheet funds	**26,398**	**25,815**	**583**	**2.3**
Mutual funds, managed accounts and SICAVs	5,747	5,463	285	5.2
Assets under management	**5,747**	**5,463**	**285**	**5.2**
Other accounts	**1,281**	**1,336**	**(55)**	**(4.1)**
Total customer funds	**33,426**	**32,614**	**812**	**2.5**
Memorandum items				
Insurance contracts sold[1]	4,225	4,334	(109)	(2.5)
ASSET QUALITY				
Non-performing loan ratio (%)	2.2%	2.3%	-	(0.1)
Non-performing loan coverage ratio (%)	90%	88%	-	1

(1) Relate to the insurance products of BPI Vida e Pensões, for which VidaCaixa is responsible under the Group's corporate structure. While reported under the banking and insurance business, the policies are marketed by BPI.

The CaixaBank **share**

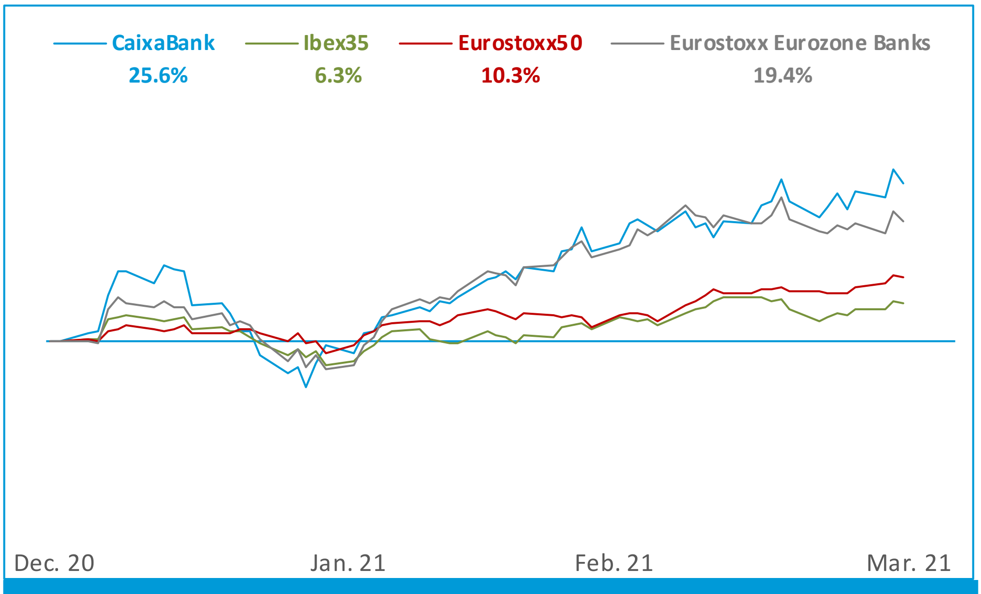
- The **CaixaBank share** closed trading on 31 March 2021 at €2.639 euros/share, rising 25.6% in the quarter and comfortably exceeding the performance of the general indices (+6.3% IBEX 35 and +10.3% EURO STOXX 50) and the selective bank benchmarks (+16.1% IBEX 35 Banks and +19.4% EURO STOXX Banks).

  Although in the short term the global economy remains severely restricted by the pandemic, the stock markets have started 2021 in positive territory encouraged by the effectiveness of vaccines, new fiscal stimuli and the readjustment of investor expectations towards reflation. This readjustment has especially improved figures in sectors most sensitive to the economic cycle and, in particular, the bank indices, also supported by the general positive reception of the Q4 2020 earnings season and the prospect of the ECB repealing its recommendation of not distributing dividends in late September.

- In the first quarter of 2021, the number of shares traded[1] dropped 31.7% with respect to the same period of the previous year and 13.3% on the fourth quarter of 2020. In addition, the trading volume[1] in euros was 30.5% down on the volume of shares traded in the first quarter of 2020 but 5.6% up on the previous quarter.

- On 29 March 2021, the 2,079,209,002 newly issued ordinary shares of CaixaBank to attend the exchange of Bankia shares from the takeover merger of Bankia by CaixaBank were admitted to trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges.

(1) Traded in trading platforms, such as: BME, BATS Chi-X, TURQUOISE and BATS Europe, among others, while excluding over-the-counter transactions. It does not include block transactions or applications.



Performance of the CaixaBank share compared to the main Spanish and European indices.

Key performance indicators for the CaixaBank share

	31 Mar. 2021
Market capitalisation (€ million)	21,259
Number of outstanding shares[1]	8,055,852
Share price (€/share)	
Share price at the beginning of the period (31 Dec. 2020)	2.101
Share price at closing of the period (31 Mar. 2021)	2.639
Maximum price[2]	2.686
Minimum price[2]	1.948
Trading volume in 2021 (number of shares, excluding special transactions, in thousands)	
Maximum daily trading volume	96,338
Minimum daily trading volume	8,438
Average daily trading volume	19,903
Stock market ratios	
Profit attributable to the Group excluding impacts from the merger (€ million) (12 months)[3]	1,651
Average number of shares excluding merger impact (12 months)[1]	5,977,246
Net income attributable per share ex M&A (EPS) (€/share)	**0.28**
Net equity excluding minority interests (€ million)	35,524
Number of shares at 31 Mar. 2021[1]	8,055,852
Book value (€/share)	**4.41**
Net equity excluding minority interests (tangible) (€ million)	30,437
Number of shares at 31 Mar. 2021[1]	8,055,852
Tangible book value (€/share)	**3.78**
PER (Price / EPS ex M&A[3]; times)	**9.43**
P/tangible BV (Market value / tangible book value)	**0.70**
Dividend yield[4]	**1.02%**

(1) Number of shares, in thousands, excluding treasury shares
(2) Price at close of trading.
(3) It does not include the extraordinary impacts related to the merger with Bankia (negative consolidation difference for €+4,300 million and extraordinary expenses for €-28 million, net).
(4) Calculated by dividing the remuneration for the financial year 2020 (0.0268 euros/share) by the closing price at the end of the period (2.639 euros/share).

Shareholder returns

- On January 2021, the Board of Directors agreed to submit the distribution of a 0.0268 euros gross cash dividend per share against 2020 Fiscal Year profits for approval at the next Annual General Meeting, which is expected to be paid during the second quarter. The approval of this dividend at the Annual General Meeting, if applicable, as well as the specific payment conditions, will be disclosed to the market in due time. The payment of this dividend will entail that shareholder remuneration for the 2020[5] Fiscal Year is equivalent to 15% of the proforma adjusted consolidated net profit of Bankia and CaixaBank, and is aligned with the recommendation issued by the European Central Bank. The dividend is payable to all the shares outstanding at the time of payment.

(5) Maximum distributable amount 15% of the profit of the CaixaBank Group and Bankia, adjusted by the payment of coupons of both companies, the reclassifications of OCIs against P&L and the amortisation of intangible assets with a neutral impact on capital adequacy.

Performance of Bankia and proforma CaixaBank with Bankia in 1Q21

Bankia's financial information using CaixaBank management criteria

Income statement

Below is Bankia's income statement for the year 2020 and its quarterly performance in accordance with the CaixaBank Group's presentation criteria.

Therefore, with regard to the information reported by Bankia to the market in relation to its performance in 2020, line items have been reclassified without changing the published total results.

€ million	2020 reported by Bankia	Reclass.	2020 CABK criterion	1Q20	2Q20	3Q20	4Q20
Net interest income	**1,904**	**12**	**1,916**	**461**	**467**	**491**	**497**
Dividend income	2		2			1	1
Share of profit/(loss) of entities accounted for using the equity method	60		60	12	12	9	27
Net fee and commission income	1,213	(53)	1,160	269	287	282	322
Trading income	160		160	72	71	2	15
Income and expense under insurance or reinsurance contracts							
Other operating income and expense	(250)	(146)	(396)	(39)	(101)	(43)	(214)
Gross income	**3,088**	**(187)**	**2,902**	**776**	**736**	**742**	**649**
Recurring administrative expenses, depreciation and amortisation	(1,781)	48	(1,732)	(447)	(416)	(429)	(440)
Extraordinary expenses							
Pre-impairment income	**1,308**	**(138)**	**1,169**	**329**	**319**	**313**	**208**
Pre-impairment income stripping out extraordinary expenses	**1,308**	**(138)**	**1,169**	**329**	**319**	**313**	**208**
Allowances for insolvency risk	(1,044)		(1,044)	(195)	(285)	(331)	(232)
Other charges to provisions	24	9	34	(14)	(11)	82	(24)
Gains/(losses) on disposal of assets and others	23	43	66	(19)	3	(37)	120
Profit/(loss) before tax	**311**	**(86)**	**225**	**100**	**26**	**27**	**72**
Income tax expense	(81)	86	5	(6)	22	11	(22)
Profit/(loss) after tax	**230**		**230**	**94**	**48**	**38**	**50**
Profit/(loss) attributable to minority interest and others							
Profit/(loss) attributable to the Group	**230**		**230**	**94**	**48**	**37**	**50**

The main reclassifications carried out to unify the presentation criteria are:

- Net fee and commission income: €-53 million, mainly from the recognition of certain expenses associated with e-payment fees and commissions (€-41 million, previously recognised as higher operating expenses).
- Other operating income and expense: €-146 million, of which the following stand out:
  - €-39 million of expenses associated with the real estate activity, which were recognised in Gains/(losses) on disposal of assets and others.
  - €-86 million of guarantee cost of monetisable DTAs, which were recognised in Income tax expense.

Loans and advances to customers

Below is Bankia's Loans and advances to customers at the end of December 2020 in accordance with the CaixaBank Group's presentation criteria.

€ million	31 Dec. 2020 reported by Bankia	Adjustments	31 Dec. 2020 CABK criterion
Loans and advances to customers, gross	**124,328**	**(1,353)**	**122,975**
Of which:			
Performing loans	118,619	(1,353)	117,266
Provisions for insolvency risk	(3,323)	3	(3,320)
Loans and advances to customers, net	**121,005**	**(1,350)**	**119,655**
Contingent liabilities	9,197		9,197

The difference is due to mainly eliminating balances related to clearing houses and other non-retail financial assets.

Customer funds

Below is Bankia's Customer funds at the end of December 2020 in accordance with the CaixaBank Group's presentation criteria.

€ million	31 Dec. 2020 reported by Bankia	Adjustments	31 Dec. 2020 CABK criterion
On-balance sheet funds	**123,606**	**(1,932)**	**121,674**
Assets under management	**32,583**	**219**	**32,802**
Other accounts		**5,933**	**5,933**
Total customer funds	**156,189**	**4,220**	**160,409**

The difference is due mainly to:

- On-balance sheet funds: elimination of macro-hedges and sureties with clearing houses.
- Assets under management: inclusion of the SICAVs.
- Other accounts: inclusion of Savings insurance marketed by Bankia (€+5,344 million), largely corresponding to the joint venture with Mapfre.

Quarterly performance of Bankia

Income statement

In the first quarter of 2021, the results generated by Bankia were not included in the various lines of CaixaBank's income statement, due to the date of the accounting integration being 31 March 2021. Bankia's net profit in the quarter is part of the equity included in the business combination.

Below is, for information purposes, the performance of the various items in Bankia's income statement in the first quarter of 2021 with respect to the first and fourth quarter of 2020:

€ million	1Q21	1Q20	Change %	4Q20	Change %
Net interest income	**448**	**461**	**(2.9)**	**497**	**(10.0)**
Dividend income	0	0	(38.4)	1	(62.1)
Share of profit/(loss) of entities accounted for using the equity method	12	12	(5.4)	27	(56.6)
Net fee and commission income	282	269	5.0	322	(12.5)
Trading income	10	72	(85.9)	15	(34.0)
Other operating income and expense	(41)	(39)	5.1	(214)	(80.7)
Gross income	**711**	**776**	**(8.4)**	**649**	**9.6**
Recurring administrative expenses, depreciation and amortisation	(444)	(447)	(0.7)	(440)	0.8
Extraordinary expenses	(17)				
Pre-impairment income	**250**	**329**	**(23.9)**	**208**	**20.0**
Pre-impairment income stripping out extraordinary expenses	**267**	**329**	**(18.8)**	**208**	**28.0**
Allowances for insolvency risk	(123)	(195)	(37.0)	(232)	(47.0)
Other charges to provisions	(23)	(14)	64.6	(24)	(0.6)
Gains/(losses) on disposal of assets and others	(23)	(19)	16.3	120	
Profit/(loss) before tax	**81**	**100**	**(18.9)**	**72**	**12.0**
Income tax expense	(27)	(6)		(22)	21.8
Profit/(loss) after tax	**54**	**94**	**(43.0)**	**50**	**7.7**
Profit/(loss) attributable to minority interest and others	0				
Profit/(loss) attributable to the Group	**54**	**94**	**(43.0)**	**50**	**7.6**
Profit/(loss) attributable to the Group stripping out extraordinary expenses, net	**65**	**94**	**(30.5)**	**50**	**31.2**

- **Bankia's net profit in the first quarter of 2021 stands at €54 million** (€94 million in the same quarter of the previous year and €50 million in the last quarter of 2020).
- **Core income remains stable** (-0.2%) year-on-year in spite of the complex environment. **It drops with respect to the last quarter of 2020 (-12.8%)**, impacted, among other aspects, by the typical positive seasonal factors, the recognition of success fess at the end of the year and one-off income from equity investments of Bancassurance.

Core income	1Q21	1Q20	Change %	4Q20	Change %
Net interest income	448	461	(2.9)	497	(10.0)
Income from Bancassurance equity investments	12	13	(10.0)	31	(61.7)
Net fee and commission income	282	269	5.0	322	(12.5)
Total core income	**742**	**743**	**(0.2)**	**851**	**(12.8)**

- **Net interest income stood at €448 million (-2.9% with respect to the same period in 2020**). This reduction is mainly a result of the lower income from the lending book due to a drop of the rate and lower contribution from fixed income. These impacts have been partially offset by the reduction of costs for financial institutions, mainly due to the financing taken from the ECB at better conditions, savings in the cost of institutional financing and lower retail funding costs.

  The quarterly evolution of the net interest income (-10.0%) is mainly due to the decline in the income of loans and advances as a result of the drop in price and volume, and the lower contribution of fixed-income and from financial intermediaries. These impacts have been partially offset by the lower costs of institutional financing due to the maturity of mortgage covered bonds with an impact on volume and price.

  The **customer spread** fell by 13 basis points in the quarter to 1.45%, due to the reduction in the return on lending activity. The **balance sheet spread** is 6 basis points below the previous quarter, reaching 0.88%.

  In this regard, **below is information on the cost and income**:

€ million / Proforma CABK criterion		1Q21 Average balance	1Q21 Income or expense	1Q21 Rate %	1Q20 Average balance	1Q20 Income or expense	1Q20 Rate %	4Q20 Average balance	4Q20 Income or expense	4Q20 Rate %
Financial Institutions		16,076	63	1.60	16,040	29	0.74	18,938	69	1.45
Loans and advances	(a)	115,927	418	1.46	113,244	465	1.65	116,772	463	1.58
Debt securities		45,570	45	0.40	44,625	56	0.51	46,057	49	0.43
Other assets with returns		636	1	0.42	1,053	1	0.39	679	1	0.66
Other assets		28,013	2	-	29,859	2	-	29,281	2	-
Total average assets	**(b)**	**206,222**	**529**	**1.04**	**204,821**	**553**	**1.09**	**211,727**	**584**	**1.10**
Financial Institutions		38,924	(15)	0.15	39,865	(18)	0.18	43,775	(18)	0.16
Retail customer funds	(c)	118,048	(3)	0.01	113,200	(7)	0.03	117,879	(1)	-
Wholesale marketable debt securities & other		18,114	(43)	0.97	19,543	(50)	1.02	18,899	(48)	1.02
Subordinated liabilities		2,961	(15)	2.11	2,956	(15)	2.11	2,956	(16)	2.12
Other funds with cost		637	(1)	0.41	1,029	(1)	0.39	663	(1)	0.66
Other funds		27,537	(4)	-	28,228	(1)	-	27,555	(3)	-
Total average funds	**(d)**	**206,222**	**(81)**	**0.16**	**204,821**	**(92)**	**0.18**	**211,727**	**(87)**	**0.16**
Net interest income			**448**			**461**			**497**	
Customer spread (%)	**(a-c)**		**1.45**			**1.62**			**1.58**	
Balance sheet spread (%)	**(b-d)**		**0.88**			**0.91**			**0.94**	

- **Fee and commission income** reached **€282 million** (+5.0% with respect to the same period in 2020), with a good performance in almost all lines:

  The positive year-on year performance of the banking fees and commissions stands out in spite of the negative impact on the e-payment fees, compensated by other lines of income. Lower wholesale banking fees.

  Fees and commissions from the sale of insurance products include one-off income in the first quarter of 2021, and fees and commissions from assets under management were impacted by managing more assets.

  They dropped 12.5% quarter-on-quarter. Banking fees and commissions (-16.6%) dropped due to lower e-payment fees (given the seasonal effects of the fourth quarter and the relevant restrictions on mobility in the first quarter of 2021 during the third wave of the virus) and lower wholesale banking fees. Fees and commissions in the fourth quarter also included, in relation to assets under management, extraordinary impacts linked to the end of the year with respect to success fees, as well as fee and commission income from the deposit business, which were not received in the first quarter of 2021 following the sale of this business to Cecabank.

€ million	1Q21	1Q20	Change %	4Q20	Change %
Banking services, securities and other fees	180	175	3.0	216	(16.6)
Recurring	*174*	*165*	*5.0*	*198*	*(12.5)*
Wholesale banking	*7*	*10*	*(30.8)*	*18*	*(61.8)*
Sale of insurance products	42	35	18.5	33	26.3
Long-term savings products	59	58	2.6	73	(18.2)
Mutual funds, managed accounts and SICAVs	*44*	*40*	*8.6*	*55*	*(19.7)*
Pension plans	*16*	*17*	*(11.1)*	*18*	*(13.6)*
Net fee and commission income	**282**	**269**	**5.0**	**322**	**(12.5)**

- **In spite of the core income's resilience, gross margin dropped 8.4% year-on-year** due to lower trading income, which in the previous year amounted to €72 million after the materialisation of gains from fixed-income assets.

  Quarter-on-quarter, gross income grew 9.6%. The aforementioned drop in ***Core*** income (-12.8%) and Trading income (-34.0%) is compensated by recognising, in the fourth quarter of 2020, the contribution to the Deposit Guarantee Fund (DGF) of €-174 million in Other operating income and expense.

- **Recurring administrative expenses, depreciation and amortisation** stood at €444 million, down 0.7% with respect to 2020 (+0.8% with respect to the previous quarter, with higher personnel expenses and depreciation and amortisation).

  The first quarter of 2021 includes the recognition of extraordinary expenses related to the merger with CaixaBank for €17 million.

€ million	1Q21	1Q20	Change %	4Q20	Change %
Gross income	**711**	**776**	**(8.4)**	**649**	**9.6**
Personnel expenses	(274)	(283)	(3.0)	(270)	1.6
General expenses	(120)	(121)	(0.8)	(121)	(1.4)
Depreciation and amortisation	(49)	(43)	14.4	(48)	2.2
Recurring administrative expenses, depreciation and amortisation	**(444)**	**(447)**	**(0.7)**	**(440)**	**0.8**
Extraordinary expenses	**(17)**				
Cost-to-income ratio stripping out extraordinary expenses (%) (12 months)	61.0				

- **Allowances for insolvency risk** stood at €-123 million, down 37.0% with respect to the first quarter of 2020, which included a provision of €110 million for credit risk made to anticipate future impacts associated with Covid-19. The fourth quarter of 2020 also included €40 million for the same purpose, which explains the quarterly reduction (-47%).
- **Other charges to provisions** includes mainly the coverage of future contingencies and impairment of other assets.
- The performance of **Gains/(losses) on disposal of assets and others** was affected mainly by the recognition of the income obtained from the sale of the deposit business (€155 million) in the previous quarter.

Loans and advances to customers

Below is the quarterly performance of Bankia's loans and advances to customers, gross; non-performing loans; and provisions for insolvency risk prior to the integration[1] with CaixaBank.

Loans and advances to customers, gross of Bankia stands at €121,934 million on 31 March 2021, down 0.8%; the non-performing loans at €6,345 million (€+143 million); and provisions for insolvency risk at €3,522 million (€+9 million).

€ million	31 March 2021[1]	31 Dec. 2020	Change	Change %
Loans and advances to customers, gross	**121,934**	**122,975**	**(1,041)**	**(0.8)**
Contingent liabilities	9,097	9,197	(100)	(1.1)
Total non-performing loans	6,345	6,201	143	2.3
Total provisions for insolvency risk	3,522	3,513	9	0.3

(1) This section aims to show Bankia's organic change in the quarter; therefore, the figures at 31 March 2021 are prior to the accounting integration. Hence, the figures do not include the fair value adjustments of loans and advances or the impact of including Purchased or Originated Credit Impaired (POCI) for their value net of provisions (for additional information see section "Risk Management").

Customer funds

Total customer funds reached €160,599 million on 31 March 2021, up 0.1% in the quarter, highlighting:

- **Customer funds** amounted to €120,966 million, down 0.5%. Their performance is marked mainly by the increase of demand deposits (+1.4%) and the reduction of time deposits (-9.1%) as a consequence of the lower renewal of deposits at maturity against a backdrop of negative interest rates.
- The good performance of **Assets under management,** standing at €33,822 million on 31 March 2021 (+3.1% in the quarter), which includes the positive subscriptions and the favourable market effect.
  - The assets managed in **mutual funds, managed accounts and SICAVs** stood at €25,091 million (+3.7% in the quarter).
  - **Pension plans** reached €8,730 million, up 1.3% in the quarter.
- **Other accounts** included, among others, the amount of Savings insurance marketed by Bankia, mainly corresponding to the joint venture with Mapfre (€5,207 million, down 2.6%).

€ million	31 Mar. 2021	31 Dec. 2020	Change	Change %
Customer funds	120,966	121,521	(555)	(0.5)
Demand deposits	101,290	99,871	1,419	1.4
Time deposits	19,676	21,651	(1,974)	(9.1)
Reverse repurchase agreements and other	1	152	(151)	(99.2)
On-balance sheet funds	**120,967**	**121,674**	**(706)**	**(0.6)**
Mutual funds, managed accounts and SICAVs	25,091	24,187	905	3.7
Pension plans	8,730	8,616	115	1.3
Assets under management	**33,822**	**32,802**	**1,019**	**3.1**
Other accounts	**5,810**	**5,933**	**(123)**	**(2.1)**
of which: Saving insurances	*5,207*	*5,344*	*(138)*	*(2.6)*
Total customer funds	**160,599**	**160,409**	**190**	**0.1**

Performance proforma CaixaBank with Bankia

Performance of the income statement

Below is the proforma performance of the income statement of the Group drawn up as the sum of the income statement of CaixaBank and the income statement of Bankia, for the first quarter of 2021 and for the first and fourth quarter of 2020.

The aim of this proforma is to indicate the performance of the new Group's results; therefore, the one-off impacts associated with the integration process of Bankia have been excluded. In addition, a breakdown of the main items of the proforma income statement is presented for informational purposes.

€ million	**1Q21**	**1Q20**	**Change %**	**4Q20**	**Change %**
Net interest income	**1,639**	**1,661**	**(1.3)**	**1,750**	**(6.4)**
Dividend income	0	1	(82.4)	53	(99.5)
Share of profit/(loss) of entities accounted for using the equity method	89	68	29.8	115	(22.8)
Net fee and commission income	941	927	1.6	993	(5.3)
Trading income	52	52	(0.5)	71	(27.0)
Income and expense under insurance or reinsurance contracts	164	150	9.3	156	5.1
Other operating income and expense	(111)	(101)	9.9	(341)	(67.4)
Gross income	**2,774**	**2,759**	**0.5**	**2,798**	**(0.9)**
Recurring administrative expenses, depreciation and amortisation	(1,593)	(1,635)	(2.6)	(1,535)	3.7
Pre-impairment income	**1,181**	**1,125**	**5.0**	**1,263**	**(6.5)**
Pre-impairment income stripping out extraordinary expenses	**1,181**	**1,125**	**5.0**	**1,263**	**(6.5)**
Allowances for insolvency risk	(297)	(710)	(58.2)	(553)	(46.3)
Other charges to provisions	(72)	(158)	(54.2)	(64)	13.9
Gains/(losses) on disposal of assets and others	(20)	(50)		145	
Profit/(loss) before tax	**792**	**206**		**790**	
Income tax expense	(212)	(22)		(84)	
Profit/(loss) after tax	**579**	**184**		**706**	
Profit/(loss) attributable to minority interest and others	0	0		1	
Proforma Profit/(loss) ex M&A impacts	**580**	**184**		**705**	
- Profit/(loss) 1Q21 Bankia stripping out extraordinary expenses, net (€12 million)	(65)				
+ M&A impacts	4,272				
Profit/(loss) attributable to the Group	**4,786**				

Core income	**1Q21**	**1Q20**	**Change %**	**4Q20**	**Change %**
Net interest income	1,639	1,661	(1.3)	1,750	(6.4)
Income from Bancassurance equity investments	64	50	27.1	102	(37.5)
Net fee and commission income	941	927	1.6	993	(5.3)
Income and expense under insurance or reinsurance contracts	164	150	9.3	156	5.1
Total core income	**2,808**	**2,788**	**0.7**	**3,003**	**(6.5)**

Quarterly cost and income

€ million / Proforma CABK criterion		1Q21 Average balance	1Q21 Income or expense	1Q21 Rate %	1Q20 Average balance	1Q20 Income or expense	1Q20 Rate %	4Q20 Average balance	4Q20 Income or expense	4Q20 Rate %
Financial Institutions		74,982	213	1.15	39,434	72	0.73	78,399	223	1.13
Loans and advances	(a)	343,818	1,448	1.71	327,539	1,613	1.98	345,967	1,557	1.79
Debt securities		86,985	106	0.49	80,680	119	0.59	88,763	111	0.50
Other assets with returns		66,739	413	2.51	65,786	424	2.59	67,415	413	2.44
Other assets		88,028	2	-	90,195	6	-	88,136	5	-
Total average assets	**(b)**	**660,552**	**2,182**	**1.34**	**603,634**	**2,234**	**1.49**	**668,680**	**2,309**	**1.37**
Financial Institutions		103,939	(76)	0.30	71,899	(58)	0.32	107,934	(84)	0.31
Retail customer funds	(c)	354,718	(6)	0.01	328,973	(19)	0.02	357,931	(5)	0.01
Wholesale marketable debt securities & other		47,226	(87)	0.75	49,882	(108)	0.87	49,332	(95)	0.77
Subordinated liabilities		9,179	(32)	1.41	8,356	(33)	1.60	8,939	(34)	1.49
Other funds with cost		76,773	(328)	1.73	74,623	(344)	1.85	76,547	(323)	1.68
Other funds		68,717	(14)	-	69,902	(11)	-	67,997	(18)	-
Total average funds	**(d)**	**660,552**	**(543)**	**0.33**	**603,634**	**(573)**	**0.38**	**668,680**	**(559)**	**0.33**
Net interest income			**1,639**			**1,661**			**1,750**	
Customer spread (%)	**(a-c)**		**1.70**			**1.96**			**1.78**	
Balance sheet spread (%)	**(b-d)**		**1.01**			**1.11**			**1.04**	

Fees and commissions

€ million	1Q21	1Q20	Change %	4Q20	Change %
Banking services, securities and other fees	529	553	(4.3)	574	(7.9)
Recurring	*488*	*501*	*(2.9)*	*519*	*(6.2)*
Wholesale banking	*43*	*52*	*(18.0)*	*55*	*(23.3)*
Sale of insurance products	98	85	14.8	89	10.1
Long-term savings products	312	287	8.9	329	(4.9)
Mutual funds, managed accounts and SICAVs	*195*	*179*	*8.8*	*196*	*(0.2)*
Pension plans	*75*	*73*	*1.5*	*89*	*(16.8)*
Unit Link and other	*43*	*35*	*24.9*	*44*	*(1.4)*
Net fee and commission income	**941**	**927**	**1.6**	**993**	**(5.3)**

Administration expenses, depreciation and amortisation

€ million	1Q21	1Q20	Change %	4Q20	Change %
Gross income	**2,774**	**2,759**	**0.5**	**2,798**	**(0.9)**
Personnel expenses	(989)	(1,022)	(3.2)	(959)	3.1
General expenses	(418)	(430)	(2.8)	(398)	4.8
Depreciation and amortisation	(185)	(183)	1.2	(177)	4.6
Recurring administrative expenses, depreciation and amortisation	**(1,593)**	**(1,635)**	**(2.6)**	**(1,535)**	**3.7**
Cost-to-income ratio stripping out extraordinary expenses (%) (12 months)	55.4				

Appendices

Investment portfolio

Main investees at 31 March 2021:

CaixaBank	%	Business segment
Telefónica	4.7%	Equity Investments
Erste Group Bank	9.9%	Equity Investments
Coral Homes	20.0%	Equity Investments
Gramina Homes	20.0%	Equity Investments
SegurCaixa Adeslas	49.9%	Banking and insurance
Comercia Global Payments	20.0%	Banking and insurance
Bankia Mapfre Vida	49.0%	Banking and insurance
BPI	100.0%	BPI
BFA	48.1%	Equity Investments
Banco Comercial e de Investimentos (BCI)	35.7%	Equity Investments

Ratings

	Issuer Rating						
Agency	**Long-Term**	**Short-Term**	**Outlook**	**Senior Preferred Debt**	**Last review date**	**Rating mortgage covered bonds**	**Last date review mortgage covered bonds**
S&P Global	BBB+	A-2	Stable	BBB+	22 Apr. 2021	AA	29 Mar. 2021
Fitch Ratings	BBB+	F2	Negative	A-	29 Sep. 2020	-	-
Moody's	Baa1	P-2	Stable	Baa1	22 Sep. 2020	Aa1	17 Apr. 2018
DBRS	A	R-1 (low)	Stable	A	29 Mar. 2021	AAA	29 Mar. 2021

In 2021 S&P Global and DBRS confirmed the long-term rating at BBB+ and A, respectively, both rating agencies maintaining the stable outlook.

Glossary

In addition to the financial information prepared in accordance with International Financial Reporting Standards (IFRSs), this document includes certain Alternative Performance Measures (APMs) as defined in the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) (the "ESMA Guidelines"). CaixaBank uses certain APMs, which have not been audited, for a better understanding of the Group'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. Figures are presented in millions of euros unless the use of another unit is stated explicitly.

Alternative Performance Measures used by the Group

1- Profitability and cost-to-income

a) Customer spread:

Explanation: difference between:

- average rate of return on loans (annualised quarterly income from loans and advances to customers divided by the net average balance of loans and advances to customers for the quarter).
- average rate for retail customer funds (annualised quarterly cost of retail customer funds divided by the average balance of those same retail customer funds for the quarter, excluding subordinated liabilities).

Note: The average balances are calculated as the average value of the closing balances of each month of the analysed period. In 1Q21 the ratio does not include the results generated by Bankia in the first quarter or, for consistency purposes, the contribution of the balance items incorporated at 31 March.

Purpose: allows the Group to track the spread between interest income and costs for customers.

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	Annualised quarterly income from loans and advances to customers	4,617	4,452	4,364	4,352	4,177
Denominator	Net average balance of loans and advances to customers	214,295	224,866	227,006	229,195	227,891
(a)	**Average yield rate on loans (%)**	**2.15**	**1.98**	**1.92**	**1.90**	**1.83**
Numerator	Annualised quarterly cost of on-balance sheet retail customer funds	44	32	36	16	12
Denominator	Average balance of on-balance sheet retail customers funds	215,772	228,742	237,387	240,052	236,670
(b)	**Average cost rate of retail customer funds (%)**	**0.02**	**0.01**	**0.02**	**0.01**	**0.01**
	Customer spread (%) (a - b)	**2.13**	**1.97**	**1.90**	**1.89**	**1.82**

b) Balance sheet spread:

Explanation: difference between:

- average rate of return on assets (annualised interest income for the quarter divided by total average assets for the quarter).
- average cost of funds (annualised interest expenses for the quarter divided by total average funds for the quarter).

Note: The average balances are calculated as the average value of the closing balances of each month of the analysed period. In 1Q21 the ratio does not include the results generated by Bankia in the first quarter or, for consistency purposes, the contribution of the balance items incorporated at 31 March.

Purpose: allows the Group to track the spread between interest income and cost for its on-balance sheet assets and liabilities.

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	Annualised quarterly interest income	6,761	6,664	6,767	6,863	6,708
Denominator	Average total assets for the quarter	398,813	423,859	450,730	456,953	454,329
(a)	**Average return rate on assets (%)**	**1.70**	**1.57**	**1.50**	**1.50**	**1.48**
Numerator	Annualised quarterly interest expenses	1,935	1,737	1,906	1,878	1,878
Denominator	Average total funds for the quarter	398,813	423,859	450,730	456,953	454,329
(b)	**Average cost of fund rate (%)**	**0.49**	**0.41**	**0.42**	**0.41**	**0.41**
	Balance sheet spread (%) (a - b)	**1.21**	**1.16**	**1.08**	**1.09**	**1.07**

c) ROE:

Explanation: Profit/(loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity) divided by average shareholder equity plus valuation adjustments for the last 12 months (calculated as the average value of the monthly average balances).

ROE:

- Numerator: Attributable profit/(loss) for the last 12 months, including impacts from the merger (€4,272 million, net).

- Denominator: Includes the increase of shareholder equity at the end of March from the merger. This increase (€9,586 million) only impacts the last day of the period (1/365 days -> €26 million more in the denominator).

ROE ex labour agreement:

- Numerator: Increase of profit for the last 12 months of 1Q20 due to excluding the cost associated with the labour agreement in the second quarter of 2019 (€+685 million net profit).

ROE ex Bankia integration:

- The aforementioned impacts associated with the merger in the numerator and denominator are eliminated in 1Q21 for an amount of €4,272 million and €26 million, respectively.

Purpose: allows the Group to monitor the return on its shareholder equity.

		1Q20	2Q20	3Q20	4Q20	1Q21
(a)	Profit/(loss) attributable to the Group 12M	1,262	1,289	1,166	1,381	6,078
(b)	Additional Tier 1 coupon	(143)	(133)	(133)	(143)	(155)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**1,119**	**1,156**	**1,033**	**1,238**	**5,922**
(c)	Average shareholder equity 12M	25,816	25,947	26,144	26,406	26,700
(d)	Average valuation adjustments 12M	(985)	(1,187)	(1,416)	(1,647)	(1,805)
Denominator	**Average shareholder equity + valuation adjustments 12M (c+d)**	**24,831**	**24,760**	**24,728**	**24,759**	**24,894**
	ROE (%)	**4.5%**	**4.7%**	**4.2%**	**5.0%**	**23.8%**
(e)	Labour agreement impact	685	-	-	-	-
Numerator	**Adjusted numerator 12M (a+b+e)**	**1,804**	**-**	**-**	**-**	**-**
	ROE (%) excluding labour agreement	**7.1%**	**-**	**-**	**-**	**-**
(f)	Extraordinary income from the merger	-	-	-	-	4,272
Numerator	**Adjusted numerator 12M (a+b-f)**	**-**	**-**	**-**	**-**	**1,651**
(g)	Merger impact on shareholder equity	-	-	-	-	26
	Adjusted denominator 12M (c+d-g)	**-**	**-**	**-**	**-**	**24,868**
	ROE (%) excluding Bankia Integration	**-**	**-**	**-**	**-**	**6.6%**

d) ROTE:

Explanation: quotient between:

- Profit/(loss) attributed to the Group (adjusted by the amount of the Additional Tier 1 coupon, registered in shareholder equity).
- 12-month average shareholder equity plus valuation adjustments (calculated as the average value of the monthly average balances) 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).

ROTE:

- Numerator: Attributable profit/(loss) for the last 12 months, including impacts from the merger (€4,272 million, net).

- Denominator: Includes the increase of shareholder equity at the end of March from the merger. This increase (€8,856 million) only impacts the last day of the period (1/365 days -> €24 million more in the denominator).

ROTE ex labour agreement:

- Numerator: Increase of profit for the last 12 months of 1Q20 due to excluding the cost associated with the labour agreement in the second quarter of 2019 (€+685 million net profit).

ROTE ex Bankia integration:

- The aforementioned impacts associated with the merger in the numerator and denominator are eliminated in 1Q21 for an amount of €4,272 million and €24 million, respectively.

Purpose: metric used to measure the return on a company's tangible equity.

		1Q20	2Q20	3Q20	4Q20	1Q21
(a)	Profit/(loss) attributable to the Group 12M	1,262	1,289	1,166	1,381	6,078
(b)	Additional Tier 1 coupon	(143)	(133)	(133)	(143)	(155)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**1,119**	**1,156**	**1,033**	**1,238**	**5,922**
(c)	Average shareholder equity 12M	25,816	25,947	26,144	26,406	26,700
(d)	Average valuation adjustments 12M	(985)	(1,187)	(1,416)	(1,647)	(1,805)
(e)	Average intangible assets 12M	(4,243)	(4,247)	(4,266)	(4,295)	(4,325)
Denominator	**Average shareholder equity + valuation adjustments excluding intangible assets 12M (c+d+e)**	**20,587**	**20,513**	**20,462**	**20,463**	**20,570**
	ROTE (%)	**5.4%**	**5.6%**	**5.0%**	**6.1%**	**28.8%**
(f)	labour agreement impact	685	-	-	-	-
Numerator	**Adjusted numerator 12M (a+b+f)**	**1,804**	-	-	-	-
	ROTE (%) excluding labour agreement	**8.5%**	-	-	-	-
(g)	Extraordinary income from the merger	-	-	-	-	4,272
Numerator	**Adjusted numerator 12M (a+b-g)**	-	-	-	-	**1,651**
(h)	Merger Impact on shareholder equity	-	-	-	-	24
Denominator	**Adjusted denominator 12M (c+d+e-h)**	-	-	-	-	**20,546**
	ROTE (%) excluding Bankia Integration					**8.0%**

e) ROA:

Explanation: net profit (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity) divided by average total assets for the last 12 months (calculated as the average value of the daily balances of the analysed period).

ROA:

- Numerator: Attributable profit/(loss) for the last 12 months, including extraordinary impacts from the merger (€4,272 million, net).

- Denominator: Average total assets for the last 12 months. Includes the increase at the end of March from the merger. This increase (€198,000 million) only impacts the last day of the period (1/365 days -> €542 million more in the denominator).

ROA ex labour agreement:

- Numerator: Increase of profit for the last 12 months of 1Q20 due to the impact of the labour agreement in the second quarter of 2019 (€+685 million net profit).

ROA ex Bankia integration:

- Numerator: - The aforementioned extraordinary impacts associated with the merger are eliminated in 1Q21 for an amount of €4,272 million.

- Denominator: The balances transferred from Bankia on the last day of the quarter are eliminated.

Purpose: measures the level of return relative to assets.

		1Q20	2Q20	3Q20	4Q20	1Q21
(a)	Profit/(loss) after tax and before minority interest 12M	1,263	1,287	1,166	1,382	6,078
(b)	Additional Tier 1 coupon	(143)	(133)	(133)	(143)	(155)
Numerator	**Adjusted net profit 12M (a+b)**	**1,120**	**1,154**	**1,032**	**1,238**	**5,922**
Denominator	**Average total assets 12M**	**405,070**	**410,410**	**421,331**	**433,785**	**447,029**
	ROA (%)	**0.3%**	**0.3%**	**0.2%**	**0.3%**	**1.3%**
(c)	Labour agreement impact	685	-	-	-	-
Numerator	**Adjusted numerator 12M (a+b+c)**	**1,805**	-	-	-	-
	ROA (%) excluding labour agreement	**0.4%**	-	-	-	-
(d)	Extraordinary income from the merger	-	-	-	-	4,272
Numerator	**Adjusted numerator 12M (a+b-d)**	-	-	-	-	**1,651**
(e)	Average total assets contributed by Bankia	-	-	-	-	542
Denominator	**Adjusted denominator 12M (denominator - e)**	-	-	-	-	**446,487**
	ROA (%) excluding Bankia Integration					**0.4%**

f) RORWA:

Explanation: 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).

RORWA:

- Numerator: Attributable profit/(loss) for the last 12 months, including extraordinary impacts from the merger (€4,272 million, net).

- Denominator: Average total risk-weighted assets for the last 12 months. Includes the increase at the end of March from the merger. This increase (€66,165 million) only impacts the last day of the period (1/365 days -> €181 million more in the denominator).

RORWA ex labour agreement:

- Numerator: Increase of profit for the last 12 months of 1Q20 due to the impact of the labour agreement in the second quarter of 2019 (€+685 million net profit).

RORWA ex Bankia integration:

- Numerator: The aforementioned extraordinary impacts associated with the merger are eliminated in 1Q21 for an amount of €4,272 million.

- Denominator: The balances transferred from Bankia on the last day of the quarter are eliminated.

Purpose: measures the return based on risk-weighted assets.

		1Q20	2Q20	3Q20	4Q20	1Q21
(a)	Profit/(loss) after tax and before minority interest 12M	1,263	1,287	1,166	1,382	6,078
(b)	Additional Tier 1 coupon	(143)	(133)	(133)	(143)	(155)
Numerator	**Adjusted net profit 12M (a+b)**	**1,120**	**1,154**	**1,032**	**1,238**	**5,922**
Denominator	**Risk-weighted assets (regulatory) 12M**	**148,213**	**148,099**	**147,667**	**146,709**	**145,747**
	RORWA (%)	**0.8%**	**0.8%**	**0.7%**	**0.8%**	**4.1%**
(c)	Labour agreement impact	685	-	-	-	-
Numerator	**Adjusted numerator 12M (a+b+c)**	**1,805**	-	-	-	-
	RORWA (%) excluding labour agreement	**1.2%**	-	-	-	-
(d)	Extraordinary income from the merger	-	-	-	-	4,272
Numerator	**Adjusted numerator 12M (a+b-d)**	-	-	-	-	**1,651**
(e)	RWAs (regulatory) 12M contributed by Bankia	-	-	-	-	181
Denominator	**Adjusted denominator 12M (denominator - e)**	-	-	-	-	**145,566**
	RORWA (%) excluding Bankia Integration					**1.1%**

g) Core Income:

Explanation: 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.

Purpose: measures the recurring income stemming from the traditional business of the Group (banking and insurance).

		1Q20	2Q20	3Q20	4Q20	1Q21
(a)	Net interest income	1,200	1,225	1,222	1,253	1,191
(b)	Equity method - SCA	32	41	78	67	46
(c)	Equity method - BPI Banca seguros	5	3	5	4	6
(d)	Net fee and commission income	658	608	638	671	659
(e)	Income and expense under insurance or reinsurance contracts	150	141	150	156	164
	Core Income (a+b+c+d+e)	**2,045**	**2,019**	**2,094**	**2,152**	**2,066**

h) Cost-to-income ratio:

Explanation: operating expenses (administrative expenses, depreciation and amortisation) divided by gross income (or core income for the core efficiency ratio) for the last 12 months.

Purpose: metric widely used in the banking sector to compare the cost to income generated.

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Administrative expenses, depreciation and amortisation 12M**	5,734	4,709	4,659	4,579	**4,581**
Denominator	**Gross income 12M**	8,479	8,277	8,255	8,409	**8,489**
	Cost-to-income ratio	**67.6%**	**56.9%**	**56.4%**	**54.5%**	**54.0%**

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M**	4,755	4,707	4,658	4,579	**4,540**
Denominator	**Gross income 12M**	8,479	8,277	8,255	8,409	**8,489**
	Cost-to-income ratio stripping out extraordinary expenses	**56.1%**	**56.9%**	**56.4%**	**54.5%**	**53.5%**

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M**	4,755	4,707	4,658	4,579	**4,540**
Denominator	**Core income 12M**	8,334	8,296	8,272	8,310	**8,330**
	Core cost-to-income ratio	**57.0%**	**56.7%**	**56.3%**	**55.1%**	**54.5%**

2- Risk Management

a) Cost of risk:

Explanation: total allowances for insolvency risk (12 months) divided by average of gross loans to customers plus contingent liabilities, using management criteria (calculated as the average value of the monthly closing balances).

Cost of risk:

- Numerator: Allowances for insolvency risk (12 months), which does not include any impact from the integration of Bankia.

- Denominator: Includes the increase of loans to customers plus contingent liabilities at the end of March from the merger. This increase (€130,113 million) only impacts the last day of the period (1/365 days -> €356 million more in the denominator).

Cost of risk ex Bankia integration:

- The aforementioned impact associated with the merger in the denominator is eliminated in 1Q21.

Purpose: indicator used to monitor and track the cost of allowances for insolvency risk on the loan book.

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Allowances for insolvency risk 12M**	768	1,506	1,682	1,915	**1,574**
Denominator	**Average of gross loans + contingent liabilities 12M (a)**	244,477	247,898	251,400	255,548	**259,335**
	Cost of risk (%)	**0.31%**	**0.61%**	**0.67%**	**0.75%**	**0.61%**
(b)	Average of gross loans + contingent liabilities Bankia 12M	-	-	-	-	356
Denominator	**Adjusted denominator 12M (a-b)**	**-**	**-**	**-**	**-**	**258,979**
	Cost of risk (%) excluding Bankia integration					**0.61%**

b) Non-performing loan ratio:

Explanation: quotient between:

- non-performing loans and advances to customers and contingent liabilities, using management criteria.
- total gross loans and advances to customers and contingent liabilities, using management criteria.

Note: In 1Q21, the balances of non-performing loans and contingent liabilities contributed by Bankia following the business combination of 31 March are deducted from the numerator to calculate the non-performing loan ratio ex Bankia integration. Symmetrically the total gross loans and contingent liabilities contributed by Bankia following the business combination of 31 March are deducted from the denominator.

Purpose: indicator used to monitor and track the change in the quality of the loan portfolio.

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Non-performing loans and contingent liabilities**	8,957	9,220	9,078	8,601	**14,077**
Denominator	**Total gross loans and contingent liabilities**	248,602	260,261	259,034	260,794	**390,097**
	Non-performing loan ratio (%)	**3.6%**	**3.5%**	**3.5%**	**3.3%**	**3.6%**
(-)	Non-performing loans and contingent liabilities Bankia	-	-	-	-	5,427
Numerator	**Adjusted numerator**	-	-	-	-	**8,650**
(-)	Total gross loans and contingent liabilities Bankia	-	-	-	-	130,113
Denominator	**Adjusted denominator**	-	-	-	-	**259,984**
	Non-performing loan ratio (%) excluding Bankia Integration	**-**	**-**	**-**	**-**	**3.3%**

c) Coverage ratio:

Explanation: quotient between:

- total credit loss provisions for loans and advances to customers and contingent liabilities, using management criteria.
- non-performing loans and advances to customers and contingent liabilities, using management criteria.

Note: In 1Q21, the provisions on loans to customers and contingent liabilities contributed by Bankia following the business combination of 31 March are deducted from the numerator to calculate the ratio ex Bankia integration. Symmetrically the balance of non-performing loans and contingent liabilities contributed by Bankia following the business combination of 31 March are deducted from the denominator.

Purpose: indicator used to monitor NPL coverage via provisions.

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Provisions on loans and contingent liabilities**	5,218	5,786	5,883	5,755	**9,415**
Denominator	**Non-performing loans and contingent liabilities**	8,957	9,220	9,078	8,601	**14,077**
	Coverage ratio (%)	**58%**	**63%**	**65%**	**67%**	**67%**
(-)	Provisions on loans and contingent liabilities Bankia	-	-	-	-	3,618
Numerator	**Adjusted numerator**	**-**	**-**	**-**	**-**	**5,797**
(-)	Non-performing loans and contingent liabilities Bankia	-	-	-	-	5,427
Denominator	**Adjusted denominator**	**-**	**-**	**-**	**-**	**8,650**
	Coverage ratio (%) excluding Bankia Integration	**-**	**-**	**-**	**-**	**67%**

d) Real estate available for sale coverage ratio:

Explanation: quotient between:

- gross debt cancelled at the foreclosure or surrender of the real estate asset less the present net book value of the real estate asset.
- gross debt cancelled at the foreclosure or surrender of the real estate asset.

Note: Coverage solely available for real estate exposure from CaixaBank.

Purpose: reflects the coverage level via write-downs and accounting provisions on foreclosed real estate assets available for sale.

		1Q20	2Q20	3Q20	4Q20	1Q21
(a)	Gross debt cancelled at the foreclosure	1,597	1,626	1,634	1,613	1,887
(b)	Net book value of the foreclosed asset	961	973	973	930	1,084
Numerator	**Total coverage of the foreclosed asset (a - b)**	**636**	**653**	**661**	**683**	**803**
Denominator	**Gross debt cancelled at the foreclosure**	**1,597**	**1,626**	**1,634**	**1,613**	**1,887**
	Real estate available for sale coverage ratio (%)	**40%**	**40%**	**40%**	**42%**	**43%**

e) Real estate available for sale coverage ratio with accounting provisions:

Explanation: quotient between:

- Accounting coverage: charges to provisions of foreclosed assets.
- Book value of the foreclosed asset: sum of net carrying amount and the accounting provision.

Note: In 1Q21, the accounting provisions of the foreclosed assets contributed by Bankia following the business combination of 31 March are deducted from the numerator to calculate the real estate available for sale coverage ratio with accounting provisions ex Bankia integration. The net book value of the foreclosed assets and the accounting provisions of the foreclosed assets contributed by Bankia following the business combination of 31 March are deducted from the denominator to ensure consistency.

Purpose: indicator of accounting provisions covering foreclosed real estate assets available for sale.

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Accounting provisions of the foreclosed assets**	**430**	**445**	**456**	**488**	**1,096**
(a)	Net book value of the foreclosed assets	961	973	973	930	2,469
(b)	Accounting provisions of the foreclosed assets	430	445	456	488	1,096
Denominator	**Gross book value of the foreclosed asset (a + b)**	**1,391**	**1,418**	**1,429**	**1,418**	**3,565**
	Real estate available for sale accounting coverage (%)	**31%**	**31%**	**32%**	**34%**	**31%**
(-)	Accounting provisions of the foreclosed assets Bankia	-	-	-	-	549
Numerator	**Adjusted numerator**	**-**	**-**	**-**	**-**	**547**
(c)	Net book value of the foreclosed assets Bankia	-	-	-	-	1,385
(d)	Accounting provisions of the foreclosed assets Bankia	-	-	-	-	549
Denominator	**Adjusted denominator (a+b-c-d)**	**-**	**-**	**-**	**-**	**1,631**
	Real estate available for sale accounting coverage (%) ex Bankia Integration	**-**	**-**	**-**	**-**	**34%**

3- <u>Liquidity</u>

a) Total Liquid Assets

Explanation: 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).

Purpose: shows the Bank's liquidity position.

		1Q20	2Q20	3Q20	4Q20	1Q21
(a)	**High Quality Liquid Assets (HQLAs)**	73,624	88,655	92,385	95,367	**146,339**
(b)	**Available balance under the ECB facility (non-HQLAs)**	22,603	17,954	18,344	19,084	**807**
	Total liquid assets (a + b)	**96,227**	**106,609**	**110,729**	**114,451**	**147,146**

b) Loan-to-deposits:

Explanation: quotient between:

- net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions).
- On-balance sheet customer funds.

Purpose: metric showing the retail funding structure (enables to measure the proportion of retail lending being funded by customer funds).

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Loans and advances to customers, net (a-b-c)**	**222,230**	**233,664**	**232,635**	**234,877**	**348,498**
(a)	Loans and advances to customers, gross	231,367	242,956	241,877	243,924	363,821
(b)	Provisions for insolvency risk	5,061	5,655	5,756	5,620	9,027
(c)	Brokered loans	4,076	3,637	3,485	3,426	6,296
Denominator	**On-balance sheet customer funds**	**221,092**	**234,922**	**237,860**	**242,234**	**361,031**
	Loan to Deposits (%)	**101%**	**99%**	**98%**	**97%**	**97%**

4- Stock market ratios

a) EPS (Earnings per share): Profit/(loss) attributed to the Group (adjusted by the amount of the *Additional Tier* 1 coupon, registered in shareholder equity) divided by the average number of shares outstanding.

*Note: The **average number of shares outstanding** is calculated as average number of shares less the average number of treasury shares. The average is calculated as the average number of shares at the closing of each month of the analysed period. In 1Q21, the extraordinary income from the merger (€4,272 million) is deducted from the numerator and the increase of number of shares due to the merger is deducted from the denominator to calculate the EPS ex Bankia integration.*

		1Q20	2Q20	3Q20	4Q20	1Q21
(a)	Profit/(loss) attributable to the Group 12M	1,262	1,289	1,166	1,381	6,078
(b)	Additional Tier 1 coupon	(143)	(133)	(133)	(143)	(155)
Numerator	**Adjusted profit attributable to the Group (a+b)**	**1,119**	**1,156**	**1,033**	**1,238**	**5,922**
Denominator	**Average number of shares outstanding, net of treasury shares (c)**	**5,978**	**5,978**	**5,978**	**5,978**	**6,137**
	EPS (Earnings per share)	**0.19**	**0.19**	**0.17**	**0.21**	**0.96**
(d)	Extraordinary income from the merger	-	-	-	-	4,272
Numerator	**Adjusted numerator (a+b-d)**	**-**	**-**	**-**	**-**	**1,651**
(e)	Increase average number of shares due to the merger	-	-	-	-	160
Denominator	**Adjusted denominator (c-e)**	**-**	**-**	**-**	**-**	**5,977**
	EPS (Earnings per share) ex Bankia integration	**-**	**-**	**-**	**-**	**0.28**

b) PER (Price-to-earnings ratio): share price at the closing of the analysed period divided by earnings per share (EPS).

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Share price at the end of the period**	1.700	1.901	1.813	2.101	**2.639**
Denominator	**Earnings per share (EPS)**	0.19	0.19	0.17	0.21	**0.96**
	PER (*Price-to-earnings ratio*)	**9.09**	**9.83**	**10.49**	**10.14**	**2.75**
Denominator	**Earnings per share (EPS) ex Bankia integration**	**-**	**-**	**-**	**-**	**0.28**
	PER (Price-to-earnings ratio) ex Bankia integration	**-**	**-**	**-**	**-**	**9.43**

c) **Dividend yield:** dividends paid (in shares or cash) corresponding to the last fiscal year divided by the period-end share price.

		1Q20	2Q20	3Q20	4Q20	1Q21
Numerator	**Dividends paid (in shares or cash) last year**	0.07	0.07	0.07	0.07	**0.03**
Denominator	**Share price at the end of the period**	1.700	1.901	1.813	2.101	**2.639**
	Dividend yield	**4.12%**	**3.68%**	**3.86%**	**3.33%**	**1.02%**

d) **BVPS (Book value per share):** equity less minority interests divided by the number of fully diluted shares outstanding at a specific date.

Fully-diluted outstanding shares equals shares issued (less treasury shares) plus the shares resulting from a theoretical redemption/conversion of the issued exchangeable debt instruments, at a specific date.

TBVPS (Tangible book value per share): quotient between:

- equity less minority interests and intangible assets.
- the number of fully-diluted outstanding shares at a specific date.

P/BV: share price at the end of the period divided by book value.

P/TBV: share price at the end of the period divided by tangible book value.

		1Q20	2Q20	3Q20	4Q20	1Q21
(a)	Equity	24,217	24,393	24,551	25,278	35,552
(b)	Minority interests	(28)	(25)	(26)	(26)	(28)
Numerator	**Adjusted equity (c = a+b)**	**24,189**	**24,368**	**24,525**	**25,252**	**35,524**
Denominator	**Shares outstanding, net of treasury shares (d)**	**5,977**	**5,977**	**5,977**	**5,977**	**8,056**
e= (c/d)	**Book value per share (€/share)**	**4.05**	**4.08**	**4.10**	**4.22**	**4.41**
(f)	Intangible assets (reduce adjusted equity)	(4,256)	(4,295)	(4,313)	(4,363)	(5,086)
g=((c+f)/d)	**Tangible book value per share (€/share)**	**3.33**	**3.36**	**3.38**	**3.49**	**3.78**
(h)	Share price at end the period	1.700	1.901	1.813	2.101	2.639
h/e	**P/BV (Share price divided by book value)**	**0.42**	**0.47**	**0.44**	**0.50**	**0.60**
h/g	**P/TBV tangible (Share price divided by tangible book value)**	**0.51**	**0.57**	**0.54**	**0.60**	**0.70**

Adapting the layout of the public income statement to management format

Net fee and commission income. Includes the following line items:

- Fee and commission income.
- Fee and commission expenses.

Trading income. Includes the following line items:

- Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss (net).
- Gains/(losses) on financial assets not designated for trading compulsorily measured 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 or 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 or reversal of impairment on investments in joint ventures or associates.
- Impairment or reversal of impairment on non-financial assets.
- Gains/(losses) on derecognition of non-financial assets and investments, net.
- Negative goodwill recognised in profit or loss.
- Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net).

Profit/(loss) attributable to minority interests and others. Includes the following line items:

- Profit/(loss) for the period attributable to minority interests (non-controlling interests).
- Profit/(loss) after tax from discontinued operations.

Reconciliation of activity indicators using management criteria

Loans and advances to customers, gross

March 2021 € million	
Financial assets at amortised cost - Customers (Public Balance Sheet)	**354,473**
Reverse repurchase agreements (public and private sector)	(623)
Clearing houses	(1,541)
Other, non-retail, financial assets	(620)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss- Loans and advances (Public Balance Sheet)	**97**
Fixed income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Balance Sheet)	**2,835**
Fixed income bonds considered retail financing (Assets under the insurance business - Balance Sheet)	**174**
Provisions for insolvency risk	**9,027**
Loans and advances to customers (gross) using management criteria	**363,821**

Insurance contract liabilities

March 2021 € million	
Liabilities under the insurance business (Public Balance Sheet)	**73,996**
Capital gains/(losses) under the insurance business (excluding unit link and other)	(13,503)
Liabilities under insurance contracts, using management criteria	**60,493**

Customer funds

March 2021 € million	
Financial liabilities at amortised cost - Customer deposits (Public balance sheet)	**372,545**
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customer deposits)	**(11,919)**
Multi-issuer covered bonds and subordinated deposits	(6,546)
Counterparties and other	(5,373)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	**1,427**
Retail issues and other	1,427
Liabilities under insurance contracts, using management criteria	**60,493**
Total on-balance sheet customer funds	**422,546**
Assets under management	**145,930**
Other accounts[1]	**11,458**
Total customer funds	**579,934**

(1) In addition to transitional funds associated with transfers and collection activity, it includes the amount of Savings insurance marketed by Bankia, which largely corresponds to the joint venture with Mapfre.

Institutional issuances for banking liquidity purposes

March 2021 € million	
Financial liabilities at amortised cost - Debt securities issued (Public Balance Sheet)	**52,792**
Institutional financing not considered for the purpose of managing bank liquidity	**(5,504)**
Securitised bonds	(2,004)
Value adjustments	(2,318)
Retail	(1,427)
Issues acquired by companies within the group and other	245
Customer deposits for the purpose of managing bank liquidity[1]	**6,546**
Institutional financing for the purpose of managing bank liquidity	**53,834**

(1) A total of €6,513 million in multi-issuer covered bonds (net of retained issues) and €33 million in subordinated deposits.

Foreclosed real estate assets (available for sale and held for rent)

March 2021 € million	
Non-current assets and disposal groups classified as held for sale (Public Balance Sheet)	**2,933**
Other non-foreclosed assets	(508)
Inventories under the heading - Other assets (Public Balance Sheet)	**43**
Foreclosed available for sale real estate assets	**2,469**
Tangible assets (Public Balance Sheet)	**8,962**
Tangible assets for own use	(6,751)
Other assets	(293)
Foreclosed rental real estate assets	**1,918**

Historical income statement figures for the CABK and BPI perimeters

a) Quarterly performance of the income statement and solvency ratios

	CABK				
€ million	**1Q21**	**4Q20**	**3Q20**	**2Q20**	**1Q20**
Net interest income	**1,080**	**1,136**	**1,114**	**1,117**	**1,093**
Dividend income		51	2	51	1
Share of profit/(loss) of entities accounted for using the equity method	65	83	112	39	48
Net fee and commission income	595	603	579	551	597
Trading income	32	54	38	162	(2)
Income and expense under insurance or reinsurance contracts	164	156	150	141	150
Other operating income and expense	(57)	(131)	(29)	(125)	(53)
Gross income	**1,880**	**1,953**	**1,965**	**1,936**	**1,834**
Recurring administrative expenses, depreciation and amortisation	(1,036)	(996)	(1,025)	(1,048)	(1,072)
Extraordinary expenses	(40)				
Pre-impairment income	**803**	**957**	**940**	**887**	**762**
Pre-impairment income stripping out extraordinary expenses	**844**	**957**	**940**	**887**	**762**
Allowances for insolvency risk	(189)	(313)	(267)	(787)	(528)
Other charges to provisions	(48)	(22)	(23)	(40)	(143)
Gains/(losses) on disposal of assets and others	4,302		(44)	(19)	(31)
Profit/(loss) before tax	**4,869**	**623**	**606**	**41**	**60**
Income tax expense	(147)	(38)	(142)	24	(2)
Profit/(loss) after tax	**4,722**	**585**	**465**	**65**	**58**
Profit/(loss) attributable to minority interest and others		1	1	(2)	
Profit/(loss) attributable to the Group	**4,722**	**584**	**464**	**67**	**58**
Risk-weighted assets	190.384	126,082	128,073	129,849	129,979
Common Equity Tier 1 (CET1)	*14.1%*	*13.6%*	*12.3%*	*12.1%*	*11.8%*
Total capital	*19.1%*	*18.2%*	*16.2%*	*15.8%*	*15.6%*

	BPI				
€ million	**1Q21**	**4Q20**	**3Q20**	**2Q20**	**1Q20**
Net interest income	**111**	**117**	**109**	**108**	**107**
Dividend income				42	
Share of profit/(loss) of entities accounted for using the equity method	12	6	10	1	8
Net fee and commission income	64	67	59	57	61
Trading income	10	2	2		(18)
Income and expense under insurance or reinsurance contracts					
Other operating income and expense	(13)	4	(1)	(11)	(9)
Gross income	**183**	**196**	**178**	**198**	**149**
Recurring administrative expenses, depreciation and amortisation	(113)	(99)	(115)	(109)	(116)
Extraordinary expenses					
Pre-impairment income	**70**	**97**	**63**	**89**	**33**
Pre-impairment income stripping out extraordinary expenses	**70**	**97**	**63**	**89**	**33**
Allowances for insolvency risk	15	(8)	6	(32)	13
Other charges to provisions	(1)	(18)		(1)	
Gains/(losses) on disposal of assets and others		25	2	1	
Profit/(loss) before tax	**85**	**95**	**72**	**57**	**46**
Income tax expense	(21)	(24)	(15)	(9)	(14)
Profit/(loss) after tax	**63**	**71**	**57**	**48**	**32**
Profit/(loss) attributable to minority interest and others					
Profit/(loss) attributable to the Group	**63**	**71**	**57**	**48**	**32**
Risk-weighted assets	18.113	17,991	17,657	17,650	17,830
Common Equity Tier 1 (CET1)	*14.4%*	*14.1%*	*13.9%*	*13.8%*	*13.8%*
Total capital	*17.6%*	*17.3%*	*17.1%*	*17.0%*	*17.0%*

b) Quarterly cost and income as part of net interest income

		CAIXABANK														
		1Q21			4Q20			3Q20			2Q20			1Q20		
€ million		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions		53,109	139	1.06	54,169	139	1.02	51,444	122	0.94	26,180	71	1.08	20,743	36	0.70
Loans and advances	(a)	205,378	935	1.85	206,898	996	1.91	204,992	999	1.94	202,946	1,014	2.01	192,759	1,052	2.20
Debt securities		35,201	53	0.61	36,598	54	0.59	37,729	56	0.59	41,689	66	0.63	31,051	57	0.74
Other assets with returns		66,103	413	2.53	66,736	412	2.45	65,052	410	2.51	63,272	395	2.51	64,733	423	2.63
Other assets		60,638	1	-	59,320	3	-	58,759	1	-	58,689	2	-	60,709	4	-
Total average assets	**(b)**	**420,429**	**1,541**	**1.49**	**423,721**	**1,604**	**1.51**	**417,976**	**1,588**	**1.51**	**392,776**	**1,548**	**1.59**	**369,995**	**1,572**	**1.71**
Financial Institutions		59,397	(59)	0.40	58,583	(63)	0.43	58,829	(61)	0.41	43,933	(34)	0.31	28,433	(39)	0.55
Retail customer funds	(c)	210,507	(6)	0.01	214,664	(5)	0.01	212,470	(10)	0.02	204,633	(10)	0.02	192,869	(13)	0.03
Demand deposits		196,864	(6)	0.01	198,329	(5)	0.01	194,129	(8)	0.02	184,622	(8)	0.02	171,593	(8)	0.02
Maturity deposits		13,643		(0.01)	16,336		0.01	18,341	(2)	0.04	20,011	(2)	0.03	21,275	(5)	0.09
Time deposits		10,596		0.01	13,072	(1)	0.03	15,262	(2)	0.04	16,898	(2)	0.04	18,575	(4)	0.09
Retail repurchase agreements and marketable debt securities		3,047	1	(0.07)	3,263		(0.05)	3,079		0.01	3,113		0.01	2,701	(1)	0.07
Wholesale marketable debt securities & other		28,061	(43)	0.62	29,382	(45)	0.61	29,569	(56)	0.76	28,912	(54)	0.75	29,283	(56)	0.76
Subordinated liabilities		6,218	(16)	1.07	5,983	(18)	1.18	5,400	(18)	1.36	5,400	(18)	1.37	5,400	(18)	1.32
Other funds with cost		76,130	(327)	1.74	75,884	(322)	1.69	73,730	(318)	1.71	71,373	(304)	1.71	73,594	(343)	1.87
Other funds		40,116	(10)	-	39,224	(15)	-	37,978	(11)	-	38,525	(11)	-	40,416	(10)	-
Total average funds	**(d)**	**420,429**	**(461)**	**0.44**	**423,721**	**(468)**	**0.44**	**417,976**	**(474)**	**0.45**	**392,776**	**(431)**	**0.44**	**369,995**	**(479)**	**0.52**
Net interest income			1,080			1,136			1,114			1,117			1,093	
Customer spread (%)	(a-c)		1.84			1.90			1.92			1.99			2.17	
Balance sheet spread (%)	(b-d)		1.05			1.07			1.06			1.15			1.19	

		BPI														
		1Q21			4Q20			3Q20			2Q20			1Q20		
€ million		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions		6,017	12	0.79	5,512	15	1.11	5,264	8	0.60	3,494	5	0.53	2,718	6	0.91
Loans and advances	(a)	22,516	94	1.70	22,298	98	1.75	22,015	98	1.77	21,976	95	1.75	21,696	96	1.78
Debt securities		7,238	13	0.71	7,133	13	0.71	7,115	13	0.72	7,206	14	0.76	5,655	10	0.74
Other assets with returns				-			-			-			-	-	-	-
Other assets		2,624		-	2,623		-	2,695		-	2,739		-	2,770	1	-
Total average assets	**(b)**	**38,396**	**119**	**1.25**	**37,566**	**126**	**1.33**	**37,090**	**119**	**1.27**	**35,415**	**114**	**1.30**	**32,839**	**113**	**1.38**
Financial Institutions		5,626	(4)	0.26	5,584	(3)	0.23	5,648	(3)	0.22	4,738	1	(0.06)	3,618		0.01
Retail customer funds	(c)	26,384	3	(0.04)	25,588	2	(0.03)	25,099	1	(0.01)	24,312	1	(0.02)	23,120	2	(0.03)
Demand deposits		17,904		-	17,128		-	16,761		-	16,071		-	14,810		-
Maturity deposits		8,480	3	(0.12)	8,459	2	(0.08)	8,338	1	(0.04)	8,241	1	(0.06)	8,310	2	(0.08)
Time deposits		8,480	3	(0.12)	8,459	2	(0.08)	8,338	1	(0.04)	8,241	1	(0.06)	8,310	2	(0.08)
Retail repurchase agreements and marketable debt securities				-			-			-			-	-	-	-
Wholesale marketable debt securities & other		1,500	(3)	0.77	1,500	(3)	0.85	1,502	(3)	0.91	1,503	(3)	0.88	1,132	(3)	0.99
Subordinated liabilities		300	(4)	5.34	300	(4)	5.36	300	(4)	5.51	300	(4)	5.52	300	(4)	5.48
Other funds with cost				-			-			-			-	-	-	-
Other funds		4,586		-	4,594	(1)	-	4,541	(1)	-	4,562	(1)	-	4,669	(1)	-
Total average funds	**(d)**	**38,396**	**(8)**	**0.08**	**37,566**	**(9)**	**0.10**	**37,090**	**(10)**	**0.11**	**35,415**	**(6)**	**0.07**	**32,839**	**(6)**	**0.06**
Net interest income			111			117			109			108			107	
Customer spread (%)	(a-c)		1.74			1.78			1.78			1.77			1.81	
Balance sheet spread (%)	(b-d)		1.17			1.23			1.16			1.23			1.32	

c) Quarterly change in fees and commissions

	CAIXABANK				
€ million	**1Q21**	**4Q20**	**3Q20**	**2Q20**	**1Q20**
Banking services, securities and other fees	313	322	325	313	341
Sale of insurance products	43	37	36	35	38
Mutual funds, managed accounts and SICAVs	142	133	130	121	130
Pension plans	59	71	56	51	56
Unit Link and other	39	41	32	30	32
Net fee and commission income	**595**	**603**	**579**	**551**	**597**

	BPI				
€ million	**1Q21**	**4Q20**	**3Q20**	**2Q20**	**1Q20**
Banking services, securities and other fees	36	37	35	33	37
Sale of insurance products	14	19	13	12	12
Mutual funds, managed accounts and SICAVs	9	8	8	8	8
Pension plans					
Unit Link and other	4	3	4	4	3
Net fee and commission income	**64**	**67**	**59**	**57**	**61**

d) Quarterly change in administrative expenses, depreciation and amortisation

	CAIXABANK				
€ million	**1Q21**	**4Q20**	**3Q20**	**2Q20**	**1Q20**
Gross income	**1,880**	**1,953**	**1,965**	**1,936**	**1,834**
Personnel expenses	(656)	(634)	(636)	(654)	(677)
General expenses	(261)	(249)	(265)	(273)	(273)
Depreciation and amortisation	(119)	(113)	(123)	(121)	(121)
Recurring administrative expenses, depreciation and amortisation	**(1,036)**	**(996)**	**(1,025)**	**(1,048)**	**(1,072)**
Extraordinary expenses	(40)				

	BPI				
€ million	**1Q21**	**4Q20**	**3Q20**	**2Q20**	**1Q20**
Gross income	**183**	**196**	**178**	**198**	**149**
Personnel expenses	(59)	(55)	(61)	(61)	(62)
General expenses	(36)	(27)	(37)	(37)	(36)
Depreciation and amortisation	(17)	(16)	(16)	(11)	(19)
Recurring administrative expenses, depreciation and amortisation	**(113)**	**(99)**	**(115)**	**(109)**	**(116)**
Extraordinary expenses					

e) Changes in the NPL ratio (figures for the CaixaBank perimeter include the contribution of Bankia)

	CAIXABANK		BPI	
	31 Mar. 2021	**31 Dec. 2020**	**31 Mar. 2021**	**31 Dec. 2020**
Loans to individuals	**4.6%**	**4.7%**	**2.2%**	**2.5%**
Home purchases	3.8%	3.7%	2.0%	2.2%
Other	7.0%	7.1%	3.8%	4.4%
Loans to business	**3.3%**	**2.7%**	**2.4%**	**2.4%**
Corporates and SMEs	3.1%	2.4%	2.5%	2.4%
Real estate developers	7.3%	6.8%	0.0%	0.0%
Public sector	**0.3%**	**0.1%**	**3.0**	**-**
NPL Ratio (loans and contingent liabilities)	**3.7%**	**3.4%**	**2.2%**	**2.3%**

Activity indicators by region

This additional view of the Group's activities has been included to show loans and funds by the region in which they originated (for instance, loans and funds of BPI Vida, BPI Gestao de Activos, BPI Global Investment Fund and the cards business are reported in Portugal and not in Spain, to which they would otherwise relate under the Group's corporate structure).

Spain

€ million	31 Mar. 2021	31 Mar. 2021 ex Bankia	31 Dec. 2020	Change %	Change % ex Bankia
LOANS AND ADVANCES TO CUSTOMERS					
Loans to individuals	**177,293**	**105,293**	**106,792**	**66.0**	**(1.4)**
Home purchases	132,767	72,777	73,586	80.4	(1.1)
Other	44,526	32,516	33,206	34.1	(2.1)
of which: Consumer lending	17,885	12,490	12,675	41.1	(1.5)
Loans to business	**138,916**	**95,888**	**96,115**	**44.5**	**(0.2)**
Corporates and SMEs	132,590	90,536	90,550	46.4	
Real estate developers	6,327	5,352	5,564	13.7	(3.8)
Public sector	**21,303**	**15,316**	**15,005**	**42.0**	**2.1**
Loans and advances to customers, gross	**337,512**	**216,496**	**217,911**	**54.9**	**(0.6)**
CUSTOMER FUNDS					
Customer funds	334,644	213,678	216,432	54.6	(1.3)
Demand deposits	302,928	201,638	202,980	49.2	(0.7)
Time deposits	31,716	12,040	13,451		(10.5)
Insurance contract liabilities	56,267	56,267	55,025	2.3	2.3
of which: Unit Link and other	12,752	12,752	11,653	9.4	9.4
Reverse repurchase agreements and other	1,012	1,011	2,044	(50.5)	(50.6)
On-balance sheet funds	**391,923**	**270,956**	**273,501**	**43.3**	**(0.9)**
Mutual funds, managed accounts and SICAVs	94,976	69,885	65,852	44.2	6.1
Pension plans	41,904	33,174	32,168	30.3	3.1
Assets under management	**136,880**	**103,058**	**98,020**	**39.6**	**5.1**
Other accounts	**10,177**	**4,367**	**3,778**		**15.6**
Total customer funds	**538,980**	**378,381**	**375,300**	**43.6**	**0.8**

Portugal

€ million	31 Mar. 2021	31 Dec. 2020	Change %
LOANS AND ADVANCES TO CUSTOMERS			
Loans to individuals	**14,021**	**13,856**	**1.2**
Home purchases	12,172	11,989	1.5
Other	1,849	1,867	(1.0)
of which: Consumer lending	1,498	1,495	0.2
Loans to business	**10,442**	**10,311**	**1.3**
Corporates and SMEs	10,285	10,155	1.3
Real estate developers	157	156	0.7
Public sector	**1,845**	**1,845**	
Loans and advances to customers, gross	**26,308**	**26,012**	**1.1**
CUSTOMER FUNDS			
Customer funds	26,387	25,802	2.3
Demand deposits	17,955	17,344	3.5
Time deposits	8,432	8,458	(0.3)
Insurance contract liabilities	4,225	4,334	(2.5)
of which: Unit Link and other	3,081	2,954	4.3
Reverse repurchase agreements and other	11	13	(11.7)
On-balance sheet funds	**30,623**	**30,149**	**1.6**
Mutual funds, managed accounts and SICAVs	5,747	5,463	5.2
Pension plans	3,303	3,160	4.5
Assets under management	**9,050**	**8,623**	**5.0**
Other accounts	**1,281**	**1,336**	**(4.1)**
Total customer funds	**40,954**	**40,108**	**2.1**

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

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