

CaixaBank posts a profit of €3.15 billion in 2022, up 29.7% on a like-for-like basis, driven by commercial strength and integration synergies

- **Attributable profit falls 39.8%** due to the extraordinary accounting impacts in the previous year, following the merger with Bankia.
- **The CaixaBank Board of Directors will propose to the General Shareholders Meeting the payment of a dividend totalling €0.23 per share against 2022 earnings, up 58% on the previous year**, which represents a payout of 55% to be distributed in the second quarter of 2023.
- **José Ignacio Goirigolzarri, Chairman of CaixaBank**, has highlighted that the bank closed the year with greater financial strength and a strong capital position, which allows the bank to pay shareholders a dividend of €1.7 billion. This amount, added to the €1.8 billion invested in the share buyback programme, raises the total capital distributed to shareholders to €3.5 billion. “We are in the right path to reach our target to distribute up to €9 billion in the 2022-2024 period”, he stresses.
- **Gonzalo Gortázar, CEO of CaixaBank**, has remarked that at CaixaBank “we have completed a very positive year in terms of improving our commercial activity, as well as our credit quality and our financial strength. We are especially proud of the strong growth in commercial activity, which reflects our capability and willingness to support families and companies, and of the improvement in our financial results, which allows us to substantially increase our shareholder remuneration” and the contribution to the “la Caixa” Foundation Welfare Programme.
- **Pre-impairment income grows 19.8%**, on a like-for-like basis, in a year in which gross income climbs 5.5% and recurring expenses fall 5.6%, thanks to the synergies arising from the integration.
- **The performing loan portfolio climbs 3.3% to €351.23 billion, driven by an increase in new lending.** The performing business-loan portfolio is up 7.6%, while consumer lending and mortgage portfolios climb by 4.1% and 0.7%, respectively.
- **The non-performing loan (NPL) ratio falls further to reach an all-time low** of 2.7%. Meanwhile, the coverage ratio rises to 74%, having climbed 11 percentage points over the course of the year. **Strong capital position and liquidity.** The CET1 capital ratio stands at 12.8%, while total liquid assets amount to €139.01 billion.
- **These robust 2022 results and CaixaBank’s financial strength allow the bank to reinforce its commitment to supporting its customers and society as a whole**, as is stated in its new brand purpose: “Standing by people for everything that matters.”

Valencia, 3 February 2023. The CaixaBank Group posted an attributable net profit of €3.15 billion in 2022, up 29.7% on the previous year, on a like-for-like basis. This growth has come on the back of commercial strength and synergies arising from the integration.

Adjusting for the extraordinary impacts of the Bankia merger, the reported net profit was down 39.8%, given that the figure at year-end 2021 was €5.23 billion, due to the positive contribution for accounting purposes of €4.3 billion in goodwill and other extraordinary items arising from the merger.

During 2022, year of the merger process completion, CaixaBank has been able to maintain a strong commercial pace despite the climate of uncertainty caused by the Ukraine invasion, and to meet its financial and business objectives. Moreover, the return on tangible equity (ROTE) climbed to 9.8% and the cost-to-income ratio excluding extraordinary expenses improved to 51.9%.

José Ignacio Goirigolzarri, Chairman of CaixaBank, remarked that “2022 was a very significant year for CaixaBank. We have successfully concluded the biggest integration in the history of the Spanish banking sector; we have presented our first strategic plan after the merger, a plan that sets the bank’s path for the period 2022-2024 in order to reach the final goal of our integration: to lead the transformation of the financial sector in our country; and we have launched our new brand purpose: ‘Standing by people for everything that matters’”.

“We look to the future with optimism and with great ambition. Our objective is to keep supporting society, families and companies, because that is, with no doubt, the best contribution that we, as CaixaBank, can make to attend and promote the transformation of our economy”, Goirigolzarri stressed.

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“I would like to highlight the efforts undertaken by the whole CaixaBank team, which has been able to successfully complete the Bankia integration while continuing to offer a high-quality service to all our customers and increasing our commercial activity”, Gortazar pointed out.

Income statement (on a like-for-like basis)

Earnings for 2022, which are comparable with the pro-forma results of Bankia and CaixaBank in the previous year, excluding the extraordinary items arising from the merger, revealed strong commercial activity at the Bank. Core revenues were up 5.8% to €12 billion, driven by an increase of 7.7% in net interest margin and of 33.1% in income and expenses under insurance contracts, with fee and commission income in line with the previous year (+0.6%), offsetting the decline in revenues from the bancassurance stakes segment (-26.2%).

In particular, banking fees and commissions were up 1.7% in the year, although recurring banking fees and commissions saw a slight decline of 0.3% due to the elimination of deposit custody fees and the unification of loyalty programmes for retail customers following the merger, which increased the number of customers who pay no fees on basic transactions. Meanwhile, wholesale banking fees and commissions were up 20.5%, showcasing the increase in activity that took place during the year.

Dividends came to €163 million in 2022 (-15%) and include the recognition of €69 million and €87 million in dividends paid by Telefónica and BFA, respectively. The equity-accounted attributable earnings totalled €264 million in 2022, down 39.5% year on year, partly due to changes in scope following the sale of Erste Group Bank and the full consolidation of Bankia Vida. Meanwhile, revenue from financial transactions was up 47%.

Gross income increased by 5.5% in the year to reach €11.6 billion, while recurring administrative, depreciation and amortisation expenses were down 5.6% year on year, thanks to the synergies arising from the Bankia integration, enabling growth of 19.8% in pre-impairment income.

In 2022, the Bank completed the process of employee voluntary departures under the Labour Agreement, leading to an 8.1% decline in personnel expenses in the whole of 2022.

The income statement also includes various contributions and fees accrued during the year, including, among others, the contribution of €407 million to the Deposit Guarantee Fund (FGD, in Spanish) in the fourth quarter and the contribution of €159 million to the Single Resolution Fund (FUR, in Spanish) in the second quarter.

Strong commercial activity in an uncertain background

CaixaBank reported strong commercial activity in 2022, despite the uncertain background, across all the channels through which it operates (including not only the most extensive branch network in Spain, but also remote or digital channels, such as inTouch, CaixaBankNow and imagin), and thanks to a wide range of products and services designed to respond to each customer's needs.

The year saw growth in lending to both individuals and businesses, with performing loans (excluding NPLs) up 3.3% in the year to reach €351.23 billion. In particular, the performing business-loan portfolio was up 7.6% in the year, while consumer lending and mortgage portfolios grew by 4.1% and 0.7%, respectively.

In 2022, mortgage lending in Spain more than doubled (+108%) to €14.3 billion, thanks to MyHome, CaixaBank's ecosystem of solutions for every housing need. In mortgage lending, CaixaBank remains committed to fixed-rate loans, as they provide added certainty for customers as to what they will be paying over the whole life of the loan. For 2022, more than 90% of residential mortgage contracts were originated at fixed rates.

In relation to consumer lending in Spain, new financing amounted to €10.24 billion throughout 2022, up 16% on 2021. In financing to businesses, new loan production came to €41.6 billion, after growing 23% during the year, driven by a model based on specialisation and service to businesses.

In terms of liabilities and equity management, excluding the negative impact of the market on long-term savings products, customer funds were up 1.1%, as CaixaBank managed to raise €6.9 billion in net customer funds inflows during the period. Customer funds amounted to €609.13 billion at year-end, down 1.7% in annual terms when taking into account the impact of market volatility.

Assets under management totalled €144.83 billion. The annual performance (-8.3%) was largely down to the unfavourable performance of the markets, although in the last quarter of the year these assets show a positive performance by growing by 0.5%. The bank, a leader in asset gathering, registered net inflows of €3.73 billion in long-term savings products in 2022, which resulted in an increase of the long-term savings market share by 25 basis points in the year, up to 29.7%.

More specifically, assets under management in mutual funds, portfolios and SICAVs (€101.52 billion) were down 7.8% in the year, but grew 0.7% in the fourth quarter. Pension plans (€43.31 billion) remained stable in the fourth quarter, despite falling 9.6% in the year.

Non-performing loan reduction and coverage ratio improvement

Throughout 2022, CaixaBank worked hard to manage its non-performing loans, which fell to €10.69 billion following the good performance of asset quality indicators and NPL active management supported by portfolio sales. As a result, non-performing loans fell by €2.94 billion in the year and by €952 million in the quarter.

This brought the NPL ratio to 2.7% at the end of 2022, an all-time low and almost one percentage point below the level reported in December 2021 (3.6%), with a reduction in the ratio across all credit segments.

Meanwhile, loan-loss provisions came to €7.87 billion at year-end, the coverage ratio increased to 74%, 11 percentage points more than at the end of 2021 (63%), and the cost of risk (trailing 12 months) remains at 0.25%.

Comfortable liquidity and capital position

CaixaBank managed to end 2022 with high levels of liquidity and solvency, confirming the strength of the Group's balance sheet. Total liquid assets amounted to €139.01 billion at the end of the year. Moreover, the Group's Liquidity Coverage Ratio (LCR) was 194% at 31 December 2022, revealing a comfortable liquidity position well clear of the minimum requirement of 100%.

At 31 December 2022, a total of €15.62 billion in TLTRO III financing had been drawn under ECB credit facilities. An outstanding TLTRO III balance of €65.13 billion was repaid in 2022, of which €13.5 billion related to ordinary repayments and €51.64 billion to early repayments.

Turning to capital, the Common Equity Tier 1 (CET1) ratio ended the year at 12.8% (12.5% without IFRS 9 transitional adjustments), following the extraordinary impact of €1.8 billion under the share buyback programme carried out in 2022 (-83 basis points). Notably, the Bank achieved an organic capital generation of 117 basis points during the year.

MREL ratio to RWAs stands at 26%, comfortably meeting the Bank's requirements for 2024.

Increase in the dividend per share

The CaixaBank Board of Directors has agreed to propose to the General Shareholders Meeting the payment of a dividend totalling €0.2306 per share against 2022 profits, representing an increase of 58% on the €0.1463 in 2021. This remuneration, which will be paid in the second quarter, represents a payout of 55%, in line with the bank's approved policy to distribute between 50% and 60% of the Bank's earnings this year.

This dividend reverts directly to society, given that the Bank's two main shareholders are "la Caixa" Foundation and the Spanish State, through the FROB. Moreover, the Bank has 617,800 retail shareholders.

The Board of Directors has likewise approved the Dividend Policy for 2023, consisting of a cash distribution of between 50% and 60% of consolidated net profit, to be paid in a single payment in April 2024, subject to final approval by the General Shareholders Meeting.

Financial strength to support customers and society

The robust 2022 results and CaixaBank's financial strength allow the bank to reinforce its commitment to supporting its customers and society as a whole, as stated in the new brand purpose: "Standing by people for everything that matters".

CaixaBank fulfils a basic social function and will continue to support society in three main areas: helping clients in difficulty, financial inclusion, and social initiatives.

To achieve the financial inclusion of all citizens, CaixaBank offers the largest branch network in Spain. The Bank is present in over 2,200 municipalities (twice as many as its closest competitor), and it is the only bank with a branch in 470 towns, since it is committed to maintaining a presence in every town in which it is currently present.

In particular, it has 3,818 branches available to retail customers. CaixaBank also has the most extensive ATM network in the country, with 11,608 units, all of which adapted to accept passbooks and user-friendly for senior customers. It also runs 17 mobile branches (the "ofimóvil" branch in a bus) to provide service to 626 municipalities.

As a further expression of its commitment to financial and social inclusion, the Bank has been offering a commission-free Social Account since 2014 (with additional benefits compared to those of the Basic Account) to people with very low income and in a particularly vulnerable situation. CaixaBank also runs MicroBank, the largest microlending bank in Europe, and has implemented significant measures as part of its commitment to senior citizens.

To further strengthen its support for its customers and society as a whole, CaixaBank was the first bank to commit to implementing the new support measures for mortgage borrowers in difficulty approved last November.

Key Group figures

€ million / %	January - December		Change	4Q22	Quarter-on-quarter
	2022	2021			
PROFIT/(LOSS)					
Net interest income	6,916	5,975	15.7%	2,072	22.8%
Net fee and commission income	4,009	3,705	8.2%	1,011	0.7%
Core income	11,997	10,597	13.2%	3,356	12.2%
Gross income	11,594	10,274	12.8%	2,947	(1.5)%
Recurring administrative expenses, depreciation and amortisation	(6,020)	(5,930)	1.5%	(1,504)	0.0%
Pre-impairment income	5,524	2,225		1,428	(3.2)%
Pre-impairment income stripping out extraordinary expenses	5,574	4,344	28.3%	1,443	(3.0)%
Profit/(loss) attributable to the Group	3,145	5,226	(39.8)%	688	(22.2)%
Profit/(loss) attributable to the Group ex M&A impacts in 2021	3,145	2,359	33.3%		
MAIN RATIOS (Last 12 months)					
Cost-to-income ratio	52.4%	78.3%	(26.0)	52.4%	(3.2)
Cost-to-income ratio stripping out extraordinary expenses	51.9%	57.7%	(5.8)	51.9%	(2.4)
Cost of risk ¹ (last 12 months)	0.25%	0.23%	0.02	0.25%	0.02
ROE ¹	8.3%	6.4%	1.8	8.3%	1.1
ROTE ¹	9.8%	7.6%	2.2	9.8%	1.3
ROA ¹	0.4%	0.3%	0.1	0.4%	0.1
RORWA ¹	1.3%	1.1%	0.3	1.3%	0.1
	December 2022	December 2021	Change	September 2022	Quarter-on-quarter
BALANCE SHEET					
Total assets	592,234	680,036	(12.9)%	675,790	(12.4)%
Equity	34,263	35,425	(3.3)%	34,274	0.0%
BUSINESS ACTIVITY					
Customer funds	609,133	619,971	(1.7)%	612,504	(0.6)%
Loans and advances to customers, gross	361,323	352,951	2.4%	362,465	(0.3)%
RISK MANAGEMENT					
Non-performing loans (NPL)	10,690	13,634	(2,943)	11,643	(952)
Non-performing loan ratio	2.7%	3.6%	(0.9)	3.0%	(0.2)
Provisions for insolvency risk	7,867	8,625	(757)	7,867	1
NPL coverage ratio	74%	63%	11	68%	6
Net foreclosed available for sale real estate assets	1,893	2,279	(386)	2,044	(151)
LIQUIDITY					
Total Liquid Assets	139,010	168,349	(29,338)	141,981	(2,970)
Liquidity Coverage Ratio (last 12 months)	194%	336%	(29)	276%	(22)
Net Stable Funding Ratio (NSFR)	142%	154%	(12)	145%	(3)
Loan to deposits	91%	89%	2	90%	1
CAPITAL ADEQUACY					
Common Equity Tier 1 (CET1)	12.8%	13.1%	(0.3)	12.4%	0.4
Tier 1	14.8%	15.5%	(0.7)	14.3%	0.5
Total capital	17.4%	17.9%	(0.5)	16.5%	0.9
MREL	26.0%	25.7%	0.3	25.1%	0.9
Risk-Weighted Assets (RWAs)	214,431	215,651	(1,220)	215,499	(1,068)
Leverage ratio	5.6%	5.3%	0.3	4.8%	0.8
SHARE INFORMATION					
Share price (€/share)	3.672	2.414	1.258	3.311	0.361
Market capitalisation	25,870	19,441	6,429	25,176	694
Book value per share (€/share)	4.57	4.39	0.18	4.50	0.06
Tangible book value per share (€/share)	3.82	3.73	0.09	3.81	0.01
Net income (ex M&A impacts) attributable per share (€/share) (12 months)	0.37	0.28	0.09	0.32	0.05
PER (Price/Profit, ex M&A impacts; times)	9.95	8.65	1.30	10.43	(0.48)
Tangible PBV (Market value/ book value of tangible assets)	0.96	0.65	0.31	0.87	0.09
OTHER DATA (units)					
Employees	44,625	49,762	(5,137)	44,501	124
Branches ²	4,404	5,317	(913)	4,461	(57)
of which: retail branches in Spain	3,818	4,615	(797)	3,859	(41)
ATMs	12,947	14,426	(1,479)	13,047	(100)

(1) The 2021 ratios do not include in the numerator the results generated by Bankia before 31 March 2021, which is the recognition date of the merger for accounting purposes or, for consistency, the contribution of the incorporated RWAs or balance items in the denominator. They neither consider the extraordinary impacts associated with the merger.

(2) Does not include branches outside Spain and Portugal or representative offices.

Results

The Group's Income Statement

Year-on-year accounting performance

€ million	2022	2021	Chg. %	ex M&A	
				2021	Chg. %
Net interest income	6,916	5,975	15.7	5,975	15.7
Dividend income	163	192	(14.9)	192	(14.9)
Share of profit/(loss) of entities accounted for using the equity method	264	425	(37.8)	425	(37.8)
Net fee and commission income	4,009	3,705	8.2	3,705	8.2
Trading income	338	220	53.8	220	53.8
Income and expense under insurance or reinsurance contracts	866	651	33.1	651	33.1
Other operating income and expense	(963)	(893)	7.8	(893)	7.8
Gross income	11,594	10,274	12.8	10,274	12.8
Recurring administrative expenses, depreciation and amortisation	(6,020)	(5,930)	1.5	(5,930)	1.5
Extraordinary expenses	(50)	(2,119)	(97.7)	(1)	
Pre-impairment income	5,524	2,225		4,343	27.2
Pre-impairment income stripping out extraordinary expenses	5,574	4,344	28.3	4,344	28.3
Allowances for insolvency risk	(982)	(838)	17.3	(838)	17.3
Other charges to provisions	(129)	(478)	(73.0)	(384)	(66.4)
Gains/(losses) on disposal of assets and others	(87)	4,405		(59)	47.7
Profit/(loss) before tax	4,326	5,315	(18.6)	3,062	41.3
Income tax expense	(1,179)	(88)		(702)	67.9
Profit/(loss) after tax	3,147	5,227	(39.8)	2,360	33.3
Profit/(loss) attributable to minority interest and others	2	1	59.9	1	59.9
Profit/(loss) attributable to the Group	3,145	5,226	(39.8)	2,359	33.3

Year-on-year proforma performance

€ million	2022	2021	Change	Chg. %
Net interest income	6,916	6,422	493	7.7
Dividend income	163	192	(29)	(15.0)
Share of profit/(loss) of entities accounted for using the equity method	264	436	(172)	(39.5)
Net fee and commission income	4,009	3,987	22	0.6
Trading income	338	230	108	47.0
Income and expense under insurance or reinsurance contracts	866	651	215	33.1
Other operating income and expense	(963)	(934)	(28)	3.0
Gross income	11,594	10,985	610	5.5
Recurring administrative expenses, depreciation and amortisation	(6,020)	(6,374)	354	(5.6)
Extraordinary expenses	(50)	(1)	(49)	
Pre-impairment income	5,524	4,610	915	19.8
Pre-impairment income stripping out extraordinary expenses	5,574	4,611	963	20.9
Allowances for insolvency risk	(982)	(961)	(22)	2.3
Other charges to provisions	(129)	(407)	278	(68.3)
Gains/(losses) on disposal of assets and others	(87)	(82)	(6)	6.9
Profit/(loss) before tax	4,326	3,160	1,166	36.9
Income tax expense	(1,179)	(734)	(444)	60.5
Profit/(loss) after tax	3,147	2,426	721	29.7
Profit/(loss) attributable to minority interest and others	2	1	1	52.7
Comparative proforma Profit/(loss)	3,145	2,424	721	29.7
- Profit/(loss) Bankia pre-merger stripping out extraordinary expenses, net		(65)	65	
+ M&A impacts, net		2,867	(2,867)	
Profit/(loss) attributable to the Group (accounting profit/(loss))	3,145	5,226	(2,080)	(39.8)