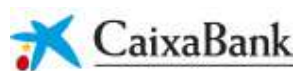




BUSINESS ACTIVITY AND RESULTS

REPORT

JANUARY – MARCH 2023



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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.

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 the Group's directors.

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 5 October 2015 (ESMA/2015/1415), 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.



01

KEY GROUP FIGURES

COMMERCIAL POSITIONING

Clients

20.1

million

Business activity

618,708

Total assets (€million)

614,608

Customer funds (€ million)

361,077

Loans and advances to customers (€ million)

BALANCE SHEET INDICATORS

Risk management

2,7%

NPL ratio

76%

NPL coverage ratio

0.26%

Cost of risk (12 months)

Capital adequacy

12.6%

CET1

17.8%

Total capital

26.2%

MREL

Liquidity

132,867

Total liquid assets (€ million)

192%

Liquidity coverage ratio (LCR)

139%

NSFR

RESULTS, COST-TO-INCOME AND PROFITABILITY

Attributed profit/(loss)

855

Million euros

Cost-to-income

48.2%

Cost-to-income ratio stripping out extraordinary expenses (12 months)

Profitability

10.5%

12 months ROTE

KEY GROUP FIGURES

€ million / %	January - March		Change
	2023	2022	
PROFIT/(LOSS) ¹			
Net interest income	2,163	1,455	48.6%
Net fee and commission income	937	936	0.1%
Core income	3,449	2,646	30.4%
Gross income	3,101	2,658	16.7%
Recurring administrative expenses, depreciation and amortisation	(1,440)	(1,406)	2.4%
Pre-impairment income	1,659	1,244	33.4%
Pre-impairment income stripping out extraordinary expenses	1,662	1,252	32.8%
Profit/(loss) attributable to the Group	855	706	21.1%
MAIN RATIOS (last 12 months)			
Cost-to-Income ratio ¹	48.6%	76.4%	(27.8)
Cost-to-income ratio stripping out extraordinary expenses ¹	48.2%	57.4%	(9.2)
Cost of risk (last 12 months)	0.26%	0.23%	0.03
ROE ¹	8.9%	6.5%	2.4
ROTE ¹	10.5%	7.6%	2.9
ROA ¹	0.4%	0.3%	0.1
RORWA ¹	1.4%	1.0%	0.4
	March	December	
	2023	2022	Change
BALANCE SHEET			
Total assets ¹	618,708	598,850	3.3%
Equity ¹	33,034	33,708	(2.0)%
BUSINESS ACTIVITY			
Customer funds ¹	614,608	611,300	0.5%
Loans and advances to customers, gross	361,077	361,323	(0.1)%
RISK MANAGEMENT			
Non-performing loans (NPL)	10,447	10,690	(243)
Non-performing loan ratio	2.7%	2.7%	0.0
Provisions for insolvency risk	7,921	7,867	53
NPL coverage ratio	76%	74%	2
Net foreclosed available for sale real estate assets	1,826	1,893	(67)
LIQUIDITY			
Total Liquid Assets	132,867	139,010	(6,144)
Liquidity Coverage Ratio	192%	194%	(2)
Net Stable Funding Ratio (NSFR)	139%	142%	(3)
Loan to deposits	92%	91%	1
CAPITAL ADEQUACY			
Common Equity Tier 1 (CET1)	12.6%	12.8%	(0.2)
Tier 1	15.0%	14.8%	0.2
Total capital	17.8%	17.3%	0.5
MREL	26.2%	25.9%	0.3
Risk-Weighted Assets (RWAs)	215,133	215,103	30
Leverage ratio	5.6%	5.6%	—
SHARE INFORMATION			
Share price (€/share)	3.584	3.672	(0.088)
Market capitalisation	26,862	27,520	(657)
Book value per share ¹ (€/share)	4.40	4.49	(0.09)
Tangible book value per share ¹ (€/share)	3.69	3.77	(0.08)
Net attributable income per share ¹ (€/share) (12 months)	0.43	0.40	0.03
PER ¹ (Price/Profit; times)	8.41	9.18	(0.77)
PTBV ¹ (Price to tangible book value)	0.97	0.97	
OTHER DATA (units)			
Employees	44,654	44,625	29
Branches ²	4,263	4,404	(141)
Of which: retail branches in Spain	3,684	3,818	(134)
ATMs	12,780	12,947	(167)

(1) The financial information published for 2022 has been restated in accordance with IFRS 17 / IFRS 9. The ratios (12 months) prior to 4Q22 are those reported in accordance with IFRS 4, as there is no historical data available for restatement.

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

02. KEY INFORMATION

OUR BANK

The **CaixaBank Group** serves 20.1 million customers through a network of more than 4,200 branches in Spain and Portugal and has over €615,000 million in assets.

Our **service vocation**, together with the **unique omnichannel distribution platform** with multi-product capabilities that continuously evolves to anticipate the customers' needs and preferences, helps us establish **solid market shares**¹ in Spain:

Loans to individuals and business	Consumer lending	Deposits by individuals and business	Investment funds	Pension plans	Long-term saving ²	Card turnover
24.0%	19.8%	24.9%	24.4%	33.8%	29.6%	30.6%

BPI boasts a market share³ in Portugal of 11.5% in lending activity and 11.4% in customer funds.

(1) Latest information available. Market shares in Spain. 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. Long Term Savings market share includes Sa Nostra.

(2) Market share aggregating investment funds, pension plans and savings insurance. The latter corresponding to sector data, estimated based on the change in total life insurance.

(3) Latest information available. Data prepared in-house. Source: BPI and Banco de Portugal.

RELEVANT ASPECTS IN THE QUARTER

IFRS 17 and IFRS 9

In accordance with the Amendments to IFRS 4 and subsequent reviews, the Group 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.

The Group has applied **IFRS 17: "Insurance Contracts"** and **IFRS 9: "Financial Instruments" to the assets and liabilities of the insurance business as of 1 January 2023**. IFRS 17 is the new accounting standard that sets out the principles for recognition, measurement and presentation of contracts that transfer significant insurance risk, whereas IFRS 9 is the accounting standard that the Group has been applying to recognise and measure its financial assets and liabilities.

Considering that, in accordance with IFRS 17, a minimum of one year of comparative information is required, the income statement for the fiscal year 2022 and the balance sheet at 31 December 2022 have been restated for comparative purposes, also taking into account IFRS 9 requirements (*see the section 'IFRS 17 / IFRS 9 Restatement' for further details*).

The application of IFRS 17 / IFRS 9 has had an impact of €-16 million on the income statement for 2022, €+6,616 million on total assets and €-555 million on equity as at 31 December 2022. The impact on the CET1 ratio was -20 basis points.

MREL requirements

In the first quarter, the Bank of Spain notified the minimum requirements for shareholders' equity and eligible liabilities (MREL requirements), Total and Subordinated, as determined by the Single Resolution Board ("SRB") based on the information as of 31 December 2021.

In accordance with this notification, **as of 1 January 2024, CaixaBank, at a consolidated level, must achieve a minimum level of shareholders' equity and eligible liabilities of 21.21% of RWAs**, which would stand at 24.26% including the current combined buffer requirement ("CBR"). As for the interim requirement, the SRB has decided that as of 1 January 2022, at a consolidated level, CaixaBank must reach a Total MREL requirement of 19.33% of RWAs, which would be equal to 22.38% including the current CBR.

With regard to the requirement for a minimum amount of shareholders' equity and subordinated eligible liabilities, the SRB decided that CaixaBank, on a consolidated basis, must comply by 1 January 2024 with a Subordinated MREL requirement of 15.37% of RWAs, which would reach 18.42% including the current CBR. As for the interim requirement, the SRB has established that as of 1 January 2022, at a consolidated level, CaixaBank must reach a Subordinated MREL requirement of 13.50% of RWAs, which would stand at 16.55% including the current CBR.

Furthermore, **CaixaBank, at a consolidated level, must comply by 1 January 2024 with a Total and Subordinated MREL requirement of 6.19% of Leverage Ratio Exposure (LRE)**. With regard to the interim requirement, the SRB has established that as of 1 January 2022, at a consolidated level, CaixaBank must meet a Total and Subordinated MREL requirement of 6.09% of LRE.

With the current information at 31 March 2023, CaixaBank, at a consolidated level, meets Total and Subordinated MREL requirements for both assigned RWA percentages and assigned LRE percentages.

RESULTS AND FINANCIAL STRENGTH

Results and business activity

- > **Attributable profit in the first quarter of 2023 reached €855 million**, versus €706 million recognised in 2022 (+21.1%).
- > **Total loans and advances to customers, gross** stand at **€361,077 million**, stable in the year.
- > **Customer funds** amount to **€614,608 million**, up 0.5% in 2023.

Risk management

- > The **NPL ratio** stands at **2.7%** (stable compared to 2022 year-end), following the drop of €243 million of non-performing loans in 2023.
- > Robust **coverage ratio**, reaching **76%** (74% at 2022 year-end).
- > The **cost of risk (last 12 months)** came to **0.26%**.

Liquidity management

- > **Total liquid assets** amounted to **€132,867 million**.
- > The Group's **Liquidity Coverage Ratio** (LCR) was **192%**, showing an ample liquidity position (259% LCR trailing 12 months) well clear of the minimum requirement of 100%.

Capital management

- > The **Common Equity Tier 1 (CET1) ratio stands at 12.6%** (12.5% without applying the IFRS 9 transitional adjustments), following the extraordinary impact from the first application of IFRS 17 (-20 basis points).
The organic change in the first quarter was +30 basis points, -27 basis points caused by the forecast of dividends charged to this year and AT1 coupon payment and +19 basis points by the performance of the markets and other factors. The impact of IFRS 9 phase in was of +13 basis points at 31 March.
- > The **Tier 1** ratio reaches **15.0%** (14.8% without applying the IFRS 9 transitional adjustments) and the **Total Capital 17.8%** (17.7% without applying the IFRS 9 transitional adjustments) and the **leverage ratio 5.6%**.
- > The total MREL ratio stood at 26.2%.

3. MACROECONOMIC TRENDS

AND STATE OF THE FINANCIAL MARKETS

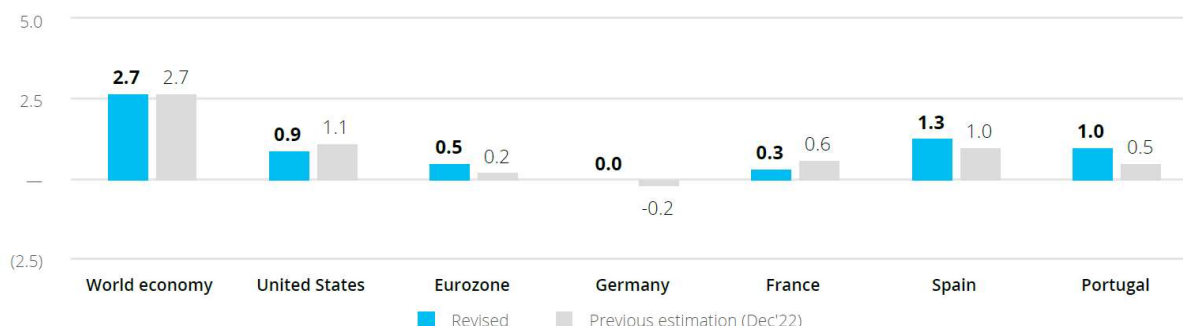
GLOBAL ECONOMIC OUTLOOK

The economic context in the first quarter of 2023 was marked by the economic activity's resilience, the continued inflationary pressures and the financial turbulence arising from the intervention of Silicon Valley Bank and Credit Suisse. The central banks have continued tightening the monetary policy, although market expectations of future rate hikes have been revised downwards in an environment of increased uncertainty.

Activity indicators in the US show an expanding economy in the early months of 2023, following a GDP growth of 0.7% quarter on quarter in the last quarter of 2022. China has shown a sustained economic recovery since it abandoned its zero-Covid policy at the end of 2022, and in 2023 the authorities are pursuing a growth of "around 5%".

GDP¹, PREVISION GROWTH 2023

ANNUAL CHANGE (%)



(1) CaixaBank Research forecasts for 2023.

ECONOMIC SCENARIO - EUROPE, SPAIN AND PORTUGAL

In the **eurozone**, the improvement of the energy situation, with gas prices dropping to levels prevailing before the war in Ukraine, has been a key factor in the recovery of the business confidence and climate in recent months. Following practically zero growth in the fourth quarter of 2022, it is estimated that a contraction of the eurozone's GDP has been avoided in the first quarter of 2023.

Inflation continued to drop from the peak reached in autumn of 2022 (10.6% in October to around 8.0% in the first quarter of 2023), driven by the correction of energy prices. However, pressures on the underlying components are more persistent. In the upcoming quarters, inflation is expected to continue slowing down, aided by the energy prices and easing of the bottlenecks, although the greater buoyancy in wages will make the slowdown gradual. In this context, the ECB has continued raising interest rates.

The **Spanish economy** showed a slightly higher dynamism in the first quarter when compared to the latter part of 2022, thanks to the moderation of energy prices, easing of the bottlenecks in the global supply chains and better performance of our main commercial partners. Current indicators point to a more favourable performance than expected in recent months. Thus, the Purchasing Managers Index has entered the expansionary zone, the tourism sector has started with positive figures, employment creation has gained traction and confidence indicators have improved. Headline inflation has dropped significantly to 3.3% in March from 5.7% at 2022 year-end, thanks to the base effect when comparing it with the sharp rise in energy prices in March of last year. However, inflation pressures remain the same, as reflected by the high underlying inflation, which stands at 7.5% in March versus 7.0% at the end of last year. As a result, the spread between headline inflation and the underlying has reached its maximum level since 1977. The impact of inflation on the household real income and the rates hikes will continue to burden household expenditure in the next quarters.

In **Portugal**, the indicators available for the first quarter suggest that the dynamic activity has been maintained thanks to the increase of consumption and tourism. Despite these positive signs, GDP growth in 2023 is expected to be much more moderate than in 2022, reflecting the impact of the rising costs of financing and persistent high levels of inflation.

STATE OF THE FINANCIAL MARKETS

The main central banks continued to tighten their monetary policy at the beginning of 2023, although at a slower pace, with rate hikes of 25 and 50 basis points per meeting by the Fed and ECB, respectively. This tightening, added to the financial turbulence following the intervention of Silicon Valley Bank and Credit Suisse, may favour a change of phase in the central banks, involving more cautious and gradual adjustments in the future. However, with the outlook of inflation not reaching the target of 2% until, at least, 2025 (according to the ECB's projections), the forecast for the monetary policy is that it will remain restrictive for a long time.

The **ECB** has continued to raise interest rates (+100 basis points in the first quarter of 2023), bringing the deposit facility rate to 3.00%, and it is estimated that it may continue hiking rates to 3.50% in June, thus placing it at a sufficiently restrictive level to combat inflationist pressures. In this line, since the beginning of March, the ECB has not been reinvesting all assets of the APP (quantitative tightening) and has been reducing the balance sheet, also, via the repayments of TLTROs (53% of the portfolio of TLTROs to the financial sector has already been repaid).

The **Federal Reserve** has raised interest rates to the 4.75% - 5.00% range, and the financial markets believe that it may still carry out another hike of 25 basis points. However, the financial turbulences caused by the intervention of Silicon Valley Bank has led investors to expect the beginning of rate cuts in the second half of 2023, placing the official rates around 4% in December.

In this context, the **financial markets** traded against a backdrop of considerable uncertainty and high volatility. On the one hand, the robust economic data, the stabilisation of the energy crisis and the optimism associated with China's reopening has helped allay fears of a worldwide economic recession, supporting the main risk assets. On the other hand, the persistent inflationary pressures have given way to a further tightening of the monetary policy. In addition, the recent intervention of Silicon Valley Bank and the purchase of Credit Suisse by UBS has led to increased risk aversion among investors, resulting in the tightening of financial conditions. All in all, in the first quarter the international stock markets generally closed in the green (13% in the EURO STOXX 50, 12% in the IBEX 35), the sovereign debt dropped (around 30 basis points to 2.3% for the 10-year German bund and to 3.5% for the equivalent US bond) and the dollar depreciated against its main pairs, reaching 1.08 vis-à-vis the euro. Risk premiums in the eurozone slightly dropped by around 10 basis points to 100 in Spain and by around 20 basis points to 80 in Portugal.

04. INCOME STATEMENT

Year-on-year performance

Attributable profit for 2023 amounts to €855 million, versus €706 million in 2022¹ (+21.1%).

€ million	1Q23	1Q22	Change %
Net interest income	2,163	1,455	48.6
Dividend income	68	1	
Share of profit/(loss) of entities accounted for using the equity method	79	51	54.9
Net fee and commission income	937	936	0.1
Trading income	82	142	(42.7)
Insurance service result	263	213	23.6
Other operating income and expense	(491)	(141)	
Gross income	3,101	2,658	16.7
Recurring administrative expenses, depreciation and amortisation	(1,440)	(1,406)	2.4
Extraordinary expenses	(2)	(8)	(68.0)
Pre-impairment income	1,659	1,244	33.4
Pre-impairment income stripping out extraordinary expenses	1,662	1,252	32.8
Allowances for insolvency risk	(255)	(228)	11.9
Other charges to provisions	(25)	(45)	(44.2)
Gains/(losses) on disposal of assets and others	(20)	(9)	
Profit/(loss) before tax	1,359	961	41.3
Income tax expense	(504)	(255)	97.9
Profit/(loss) after tax	855	707	21.0
Profit/(loss) attributable to minority interest and others	—	1	
Profit/(loss) attributable to the Group	855	706	21.1

(1) Corresponds to the income statement of 2022 restated following the entry into force of IFRS 17 and IFRS 9. See section 'IFRS 17 / IFRS 9 Restatement'.

Core income	1Q23	1Q22	Change %
Net interest income	2,163	1,455	48.6
Income from Bancassurance equity investments	85	42	
Net fee and commission income	937	936	0.1
Insurance service result	263	213	23.6
Total core income	3,449	2,646	30.4

- > Good performance of **Core income** (+30.4%), driven by the growth of all the lines: **Net interest income** (+48.6%), **Insurance service result** (+23.6%), **Fee and commission income** (+0.1%) and **Income from Bancassurance equity investments**.
- > Increase of **Dividend income** after the recognition of Telefónica's full dividend in the first quarter of 2023 (in 2022 recognised in the second and fourth quarter) and higher **Share of profit/(loss) of entities accounted for using the equity method** (+54.9%), which includes one-off income. Lower generation of **Trading income** (-42.7%).
- > **Other operating income and expense** is impacted by the recognition in the first quarter of 2023 of the banking tax for €-373 million.
- > **Gross income grew** (+16.7%) more than **Recurring administrative expenses, depreciation and amortisation** (+2.4%), resulting in the growth of **Pre-impairment income** (+33.4%).
- > **Allowances for insolvency risk** grows (+11.9%) and **Other charges to provisions** declines (-44.2%).



Quarterly performance

€ million	1Q23	4Q22	Change %
Net interest income	2,163	1,961	10.4
Dividend income	68	32	
Share of profit/(loss) of entities accounted for using the equity method	79	30	
Net fee and commission income	937	959	(2.2)
Trading income	82	11	
Insurance service result	263	287	(8.3)
Other operating income and expense	(491)	(477)	2.9
Gross income	3,101	2,801	10.7
Recurring administrative expenses, depreciation and amortisation	(1,440)	(1,376)	4.6
Extraordinary expenses	(2)	(15)	(83.9)
Pre-impairment income	1,659	1,410	17.7
Pre-impairment income stripping out extraordinary expenses	1,662	1,425	16.6
Allowances for insolvency risk	(255)	(434)	(41.2)
Other charges to provisions	(25)	(6)	
Gains/(losses) on disposal of assets and others	(20)	(32)	(36.3)
Profit/(loss) before tax	1,359	938	44.9
Income tax expense	(504)	(278)	81.3
Profit/(loss) after tax	855	660	29.5
Profit/(loss) attributable to minority interest and others	0	1	
Profit/(loss) attributable to the Group	855	659	29.7

Core income	1Q23	4Q22	Change %
Net interest income	2,163	1,961	10.4
Income from Bancassurance equity investments	85	9	
Net fee and commission income	937	959	(2.2)
Insurance service result	263	287	(8.3)
Total core income	3,449	3,215	7.3

The **change in attributable profit in the first quarter of 2023** (€855 million), when compared to the **previous quarter** (€659 million), up 29.7%, was mainly due to the following:

- > **Core income** stands at **€3,449 million**, showing growth of 7.3%, supported by **Net interest income** (+10.4%) in an environment of increasing interest rates and **Income from Bancassurance equity investments**, which includes one-off income associated with SegurCaixa Adeslas' increase of stake in IMQ. **Fee and commission income** slightly decreases (-2.2%) and the performance of **Insurance service result** (-8.3%) is impacted by the one-off income recognised in Unit Linked in the previous quarter.
- > The **Dividend income** includes in the first quarter of 2023 the full dividend from Telefónica (€30 million included in the fourth quarter of 2022).
- > **Other operating income and expense** includes one-off expenses in both quarters (banking tax for €-373 million and an estimation of the Spanish property tax for €-22 million in the first quarter of 2023 and the contribution to the Deposit Guarantee fund (DGF) of €-407 million in the fourth quarter of 2022).
- > **Allowances for insolvency risk** drop 41.2% in the quarter.

RETURN ON AVERAGE TOTAL ASSETS⁽¹⁾

%	1Q23	4Q22	1Q22
Interest income	2.37	1.67	1.16
Interest expense	(0.95)	(0.54)	(0.33)
Net interest income	1.42	1.13	0.83
Dividend income	0.04	0.02	
Share of profit/(loss) of entities accounted for using the equity method	0.05	0.02	0.03
Net fee and commission income	0.62	0.55	0.53
Trading income	0.05	0.01	0.08
Insurance service result	0.17	0.17	0.12
Other operating income and expense	(0.32)	(0.28)	(0.08)
Gross income	2.04	1.62	1.51
Recurring administrative expenses, depreciation and amortisation	(0.95)	(0.80)	(0.80)
Extraordinary expenses		(0.01)	
Pre-impairment income	1.09	0.81	0.71
Allowances for insolvency risk	(0.17)	(0.25)	(0.13)
Other charges to provisions	(0.02)		(0.03)
Gains/(losses) on disposal of assets and others	(0.01)	(0.02)	(0.01)
Profit/(loss) before tax	0.89	0.54	0.55
Income tax expense	(0.33)	(0.16)	(0.14)
Profit/(loss) after tax	0.56	0.38	0.40
Profit/(loss) attributable to minority interest and others			
Profit/(loss) attributable to the Group	0.56	0.38	0.40
Average total net assets (€ million)	616,023	686,491	712,980

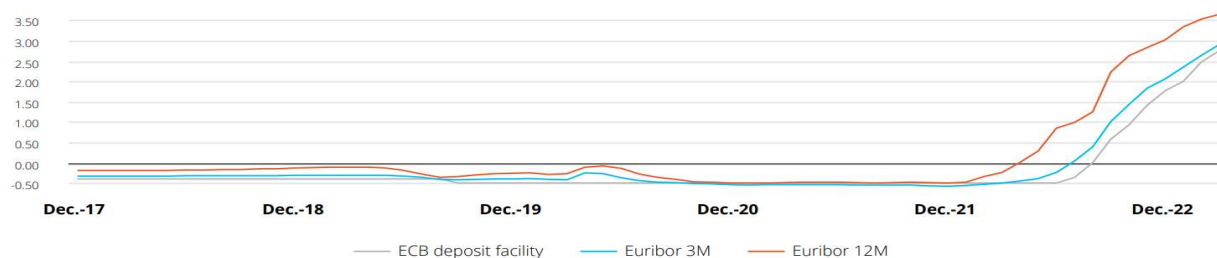
(1) Annualised quarterly income/cost to average total assets in the quarter.

Net interest income

Net interest income totalled €2,163 million (up 48.6% with respect to the same period in 2022; +59.7% ex TLTRO). This increase is due to:

- > Higher income from loans mainly due to an increase in the average rate, as a result of the positive impact of market interest rates on the portfolio tied to variable rates and on the rates of the new production. In addition, but to a lesser extent, a positive impact due to a higher average volume.
- > Higher contribution of the fixed-income portfolio due to an interest rate rise and a higher volume.

INTEREST RATES (%)



These effects have been partially reduced by:

- > Lower contribution to net interest income by financial intermediaries mainly due to the higher costs of financing taken from the ECB and, to a lesser extent, the higher cost of foreign currency interbank funding.
- > Higher costs of institutional funding, impacted by a rate increase from the repricing of issuances changed to variable rate due to the rise of the rate curve.
- > Higher costs of customer deposits, which includes the effect of the conversion into floating interest by means of interest-rate hedges established for a limited amount.

Net interest income in the quarter increases 10.4% (+20.2% ex TLTRO) with respect to the previous **quarter** due to:

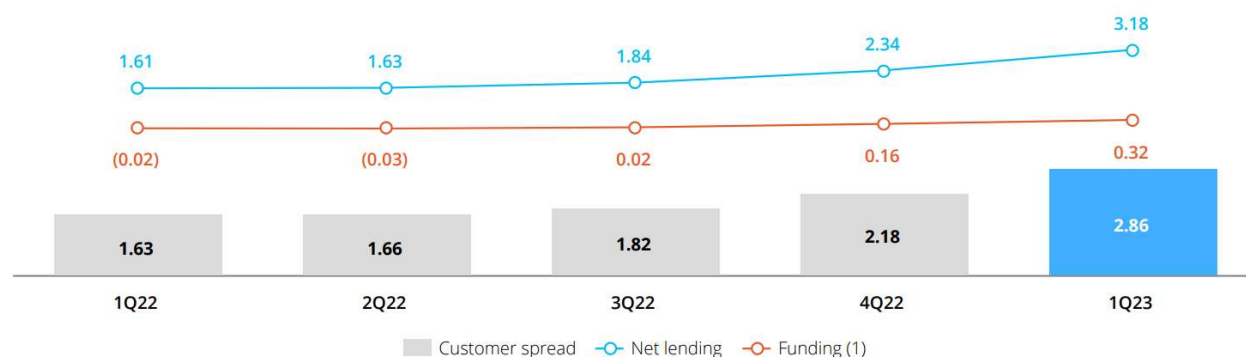
- > Higher income of loans and advances, positively impacted by the interest curve.
- > Higher contribution of the fixed-income portfolio due to the increase of the average rate.

These effects have been partially reduced by:

- > Lower contribution to net interest income by financial intermediaries mainly due to the higher cost of financing taken from the ECB.
- > Higher costs of institutional funding, impacted by a rate increase from the repricing of issuances due to the rise of the rate curve.
- > Higher costs of customer deposits, which includes the effect of the conversion into floating interest by means of interest-rate hedges established for a limited amount.

The **customer spread** increased by 68 basis points in the quarter to 2.86%, due to the rise in the return on lending activity (84 basis points) and despite the increase of the cost of deposits (16 basis points).

CUSTOMER SPREAD, GROUP (%)



(1) Customer deposit costs of the Group excluding hedges and FX and international branch deposits of CaixaBank ex BPI amount to 17 bps in 1Q23, 7 bps in 4Q22 and 1 bps in 3Q22.

The **balance sheet spread** rose by 29 basis points in the quarter and 59 basis points with respect to the first quarter of 2022 to 1.42%, mainly due to higher revenue in the retail business.

QUARTERLY COST AND INCOME

€ million		1Q23			4Q22			1Q22		
		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions		44,740	295	2.68	109,694	318	1.15	136,446	278	0.83
Loans and advances	(a)	338,447	2,650	3.18	340,765	2,013	2.34	329,860	1,306	1.61
Debt securities		90,225	220	0.99	92,004	179	0.77	87,510	59	0.28
Other assets with returns		57,929	383	2.68	56,321	345	2.43	67,709	376	2.25
Other assets		84,682	59		87,707	42		91,455	16	
Total average assets	(b)	616,023	3,607	2.37	686,491	2,897	1.67	712,980	2,035	1.16
Financial Institutions		52,166	(369)	2.87	116,363	(218)	0.74	125,900	(168)	0.54
Retail customer funds	(c)	378,532	(299)	0.32	384,810	(152)	0.16	382,277	16	(0.02)
Wholesale marketable debt securities & other		45,851	(338)	2.99	47,045	(191)	1.61	47,624	(27)	0.23
Subordinated liabilities		9,798	(53)	2.19	8,796	(25)	1.15	9,936	(5)	0.21
Other funds with cost		73,004	(374)	2.08	70,981	(340)	1.90	81,486	(375)	1.87
Other funds		56,672	(11)		58,496	(10)		65,757	(20)	
Total average funds	(d)	616,023	(1,444)	0.95	686,491	(936)	0.54	712,980	(580)	0.33
Net interest income		2,163			1,961			1,455		
Customer spread (%)	(a-c)	2.86			2.18			1.63		
Balance sheet spread (%)	(b-d)	1.42			1.13			0.83		

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 in 2022 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. In accordance with IFRS 17, it continues to include the income from financial assets under the insurance business, and an expense for interest that includes the capitalisation of the new insurance liabilities is recognised at a very similar interest rate as the rate of return of asset acquisition. The difference between this income and the expense included in net interest income is not significant. The margin on savings insurance contracts will now be recognised under the heading “Insurance service result”.
- > 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 €937 million, up 0.1% on 2022 (-2.2% with respect to the fourth quarter, impacted by seasonal aspects).

- > **Banking services, securities and other fees** includes income on securities transactions, transactions, risk activities, deposit management, payment methods and wholesale banking.

Recurring fees and commissions slightly dropped 1.0% in the year, impacted, among other factors, by the elimination of corporate deposit custody fees, which is partially compensated by higher fees from payment methods and transfers. The performance with respect to the previous quarter (-5.3%) is impacted by the usual rise in transactions in the fourth quarter of the year.

Fees and commissions from wholesale banking show a good performance when compared to the same period of the previous year (+62.3%) and the fourth quarter of 2022 (+13.5%).

- > **Fees and commissions from the sale of insurance products** stand at €104 million, down 3.6% when compared to the same period of the previous year. Increase with respect to the fourth quarter of 2022 (+10.1%), mainly due to the higher commercial activity.
- > **Fees and commissions from assets under management** (mainly investment funds and pension plans) stand at €279 million, down 7.5% in the year, due to managing lower asset volumes as a consequence of the negative performance of the markets in 2022. With respect to the previous quarter (-5.0%), it is impacted by the recognition of success fees from pension plans in the fourth quarter of 2022, among other factors.
 - > Commissions from **mutual funds, managed accounts and SICAVs** stand at €199 million (-7.8% in the year and -2.3% with respect to the previous quarter).
 - > Commissions from **managing pension plans and other¹** stand at €79 million (-6.6% in the year and -11.0% with respect to the previous quarter, which included the recognition of success fees).

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
Banking services, securities and other fees	555	527	5.3	555	571	570	601	527
Recurring	470	474	(1.0)	470	496	516	533	474
Wholesale banking	85	52	62.3	85	75	54	68	52
Sale of insurance products	104	108	(3.6)	104	94	100	101	108
Assets under management	279	301	(7.5)	279	293	299	289	301
Mutual funds, managed accounts and SICAVs	199	216	(7.8)	199	204	214	206	216
Pension plans and other ¹	79	85	(6.6)	79	89	85	83	85
Net fee and commission income	937	936	0.1	937	959	968	991	936

(1) Other mainly corresponds to fee and commission income from Unit Linked of BPI Vida e Pensoes, which given their low risk component are governed by IFRS 9 and have not been reclassified to Insurance service result (€7 million in 1Q23).

Income from equity investments

- > **Dividend income** includes the dividend from Telefónica for €61 million after its approval at the Annual General Meeting held on the first quarter of 2023, the amount of which will be paid out in June and December 2023. The recognition of dividends in 2022, which was carried out in the second and fourth quarter, must be considered in the year-on year performance.
- > **Attributable profit of entities accounted for using the equity method** stands at €79 million. Up 54.9% year-on-year, impacted among others by the better performance of SegurCaixa Adeslas, which includes income associated with the revaluation of the stake held in IMQ after the participation increase.

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
Dividend income	68	1		68	32	0	130	1
Share of profit/(loss) of entities accounted for using the equity method	79	51	54.9	79	30	74	66	51
Income from equity investments	147	52		147	62	75	197	52

Trading income

- > **Trading income** stands at €82 million in 2023 versus €142 million in the previous year.

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
Trading income	82	142	(42.7)	82	11	74	102	142

Insurance service result

- > **Insurance service result** stands at €263 million, up 23.6% (-8.3% with respect to the previous quarter). The risk and savings businesses grow following a solid commercial activity, as well as a higher return of both businesses.
The year-on-year change in the Unit Linked business is impacted by the performance of the markets in 2022. With respect to the previous quarter (-49.1%), it recognised a share of profits in certain products.

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
Risk business	163	131	24.7	163	173	152	145	131
Savings business	81	61	33.0	81	78	62	62	61
Unit Linked business	18	20	(8.4)	18	36	21	21	20
Insurance service result	263	213	23.6	263	287	235	227	213

Other operating income and expense

Other operating income and expense includes, among other items, income and expenses of non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes. With regard to the contributions and levies, its timing generates a seasonal impact on the quarterly performance under this heading:

- > Recognition in the first quarter of 2023 of the banking tax for €373 million and an estimation of the Spanish property tax for €22 million (€22 million in 2022). In addition, the first quarter includes the levies paid by BPI as contribution of the Portuguese banking sector for €22 million (€21 million in 2022).
- > The contribution to the SRF¹ of €159 million stands out in the second quarter of 2022.
- > Contribution to the Deposit Guarantee Fund (DGF) of €407 million in the fourth quarter of 2022.

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
Contributions and levies	(395)	(21)		(395)	(407)		(159)	(21)
Other RE operating income and expense (incl. property tax)	(32)	(38)	(16.6)	(32)	(1)	(8)	(23)	(38)
Other	(63)	(81)	(22.0)	(63)	(70)	(81)	(74)	(81)
Other operating income and expense	(491)	(141)		(491)	(477)	(89)	(256)	(141)

(1) Including BPI's contribution to the Portuguese Resolution Fund of €9 million in 2022.

ADMINISTRATION EXPENSES, DEPRECIATION AND AMORTISATION

- > Year-on-year growth of **Recurring administrative expenses, depreciation and amortisation** of 2.4%, mainly in General expenses and Depreciation and amortisation.

Personnel expenses (+0.4%) remain fairly stable. General expenses grow 6.0% due to the impact of projects and the inflationary pressure. The increase of depreciation and amortisation (+4.7%) is associated mainly with the effort to invest in projects to transform the institution throughout last year.

- > With respect to the previous quarter, Recurring administrative expenses, depreciation and amortisation increased 4.6%. General expenses in the first quarter of 2023 include €7 million associated with the Spanish property tax on own-use properties.
- > The extraordinary expenses of 2023 are associated with the integration of Sa Nostra.
- > The core cost-to-income ratio (12 months) reached 45.2% (48.0% at 2022 year-end).

The cost-to-income ratio (12 months) reached 48.6% (50.3% at 2022 year-end).

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
Gross income	3,101	2,658	16.7	3,101	2,801	2,855	2,779	2,658
Personnel expenses	(868)	(865)	0.4	(868)	(836)	(830)	(828)	(865)
General expenses	(386)	(364)	6.0	(386)	(352)	(363)	(356)	(364)
Depreciation and amortisation	(186)	(177)	4.7	(186)	(188)	(186)	(179)	(177)
Recurring adm. expenses, depreciation and amortisation	(1,440)	(1,406)	2.4	(1,440)	(1,376)	(1,379)	(1,363)	(1,406)
Extraordinary expenses	(2)	(8)	(68.0)	(2)	(15)	(11)	(16)	(8)

ALLOWANCES FOR INSOLVENCY RISK AND OTHER CHARGES TO PROVISIONS

- > **Allowances for insolvency risk** amounted to €-255 million, versus €-228 million in the same period of 2022 (+11.9%).

The provision models have been calibrated with forward-looking macroeconomic scenarios under the IFRS 9 accounting standard. In view of the uncertainty involved in estimating these scenarios, CaixaBank keeps a collective provision fund for €1,137 million at 31 March 2023, which shows no changes since the last recalibration of models carried out in the last quarter of 2022.

The **cost of risk (last 12 months)** came to 0.26%.

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

The first quarter of 2023 includes the use of provisions established in 2021 for €11 million¹ to cover asset write-downs from the plan to restructure the commercial network. When the expense materialises, it is recognised mostly in Gains/(losses) on disposal of assets and others.

The last quarter of 2022 included, among others, the one-off release of provisions for liabilities, which was no longer deemed necessary.

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
Allowances for insolvency risk	(255)	(228)	11.9	(255)	(434)	(172)	(147)	(228)
Other charges to provisions	(25)	(45)	(44.2)	(25)	(6)	(34)	(44)	(45)
Allowances for insolvency risk and other charges to provisions	(281)	(273)	2.6	(281)	(441)	(206)	(192)	(273)

(1) €16 million, €23 million, €17 million and €7 million in the first, second, third and fourth quarter of 2022, respectively.

GAINS/(LOSSES) ON DISPOSAL OF ASSETS AND OTHERS

- > **Gains/(losses) on disposal of assets and others** includes, essentially, the proceeds on asset sales and write-downs.

The real estate results in the fourth quarter of 2022 includes, among others, the materialisation of a positive result of €101 million before tax from the sale of the property located at Paseo Castellana 51 in Madrid, as well as impairments of the real estate portfolio with conservative criteria.

The item Other includes the materialisation of asset write-downs within the framework of the aforementioned plan to restructure the commercial network.

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
Real estate results	(1)	8		(1)	31	5	10	8
Other	(20)	(18)	11.0	(20)	(63)	(24)	(37)	(18)
Gains/(losses) on disposal of assets and others	(20)	(9)		(20)	(32)	(20)	(26)	(9)



05

BUSINESS ACTIVITY

05. BUSINESS ACTIVITY

BALANCE SHEET

The Group's total assets reached €618,708 million on 31 March 2023, up 3.3% in the quarter.

€ million	31 Mar. 2023	31 Dec. 2022 ¹	Change	Change %
Cash and cash balances at central banks and other demand deposits	35,872	20,522	15,350	74.8
Financial assets held for trading	7,647	7,382	265	3.6
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	12,160	11,351	809	7.1
Equity instruments	12,104	11,295	809	7.2
Debt securities	6	6		(0.3)
Loans and advances	50	50		
Financial assets designated at fair value through profit or loss	7,910	8,022	(112)	(1.4)
Financial assets at fair value with changes in other comprehensive income	66,755	64,532	2,223	3.4
Financial assets at amortised cost	449,334	446,168	3,166	0.7
Credit institutions	12,893	12,397	496	4.0
Customers	352,267	352,834	(567)	(0.2)
Debt securities	84,174	80,937	3,237	4.0
Derivatives - Hedge accounting	1,223	1,462	(238)	(16.3)
Investments in joint ventures and associates	2,047	2,054	(6)	(0.3)
Assets under reinsurance contracts	71	63	8	12.6
Tangible assets	7,528	7,516	12	0.2
Intangible assets	4,996	5,024	(28)	(0.6)
Non-current assets and disposal groups classified as held for sale	2,372	2,426	(54)	(2.2)
Other assets	20,791	22,328	(1,536)	(6.9)
Total assets	618,708	598,850	19,858	3.3
Liabilities	585,674	565,142	20,531	3.6
Financial liabilities held for trading	3,955	4,030	(75)	(1.9)
Financial liabilities designated at fair value through profit or loss	3,409	3,409		
Financial liabilities at amortised cost	500,629	483,047	17,582	3.6
Deposits from central banks and credit institutions	51,548	28,810	22,738	78.9
Customer deposits	388,356	393,634	(5,278)	(1.3)
Debt securities issued	51,059	52,608	(1,549)	(2.9)
Other financial liabilities	9,666	7,995	1,671	20.9
Insurance contract liabilities	65,369	62,595	2,774	4.4
Provisions	5,024	5,231	(206)	(3.9)
Other liabilities	7,288	6,831	457	6.7
Equity	33,034	33,708	(674)	(2.0)
Shareholders' equity ²	34,965	35,908	(944)	(2.6)
Minority interest	33	32	1	4.1
Accumulated other comprehensive income	(1,964)	(2,232)	268	(12.0)
Total liabilities and equity	618,708	598,850	19,858	3.3

(1) Opening balance sheet at 1 January 2023 presented for comparative purposes following the application of IFRS 17 / IFRS 9. See section 'IFRS 17 / IFRS 9 Restatement'.

(2) Includes the recognition, reducing shareholders' equity, of the dividend corresponding to 2022 approved by the Annual General Meeting held on 31 March 2023.

LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers, gross stands at **€361,077 million** on 31 March 2023 (stable in the quarter).

Changes by segment include:

- > **Loans for home purchases** (-1.5%) continue to be marked by the portfolio's repayments, as well as lower production with respect to previous quarters, in a scenario of rate hikes.
- > **Loans to individuals – Other** has dropped 1.5% in the quarter.
Consumer lending grows 0.4% with respect to December 2022, thanks to similar production levels, which compensate the portfolio's maturities.
- > Good performance of **Loans to business**, which is the main contributor to the loan book growth, up 1.1% in the quarter.
- > Loans to the **public sector** grows 3.4% in the quarter, marked by one-off transactions.

€ million	31 Mar. 2023	31 Dec. 2022	Change	Change %
Loans to individuals	180,076	182,783	(2,707)	(1.5)
Home purchases	136,981	139,045	(2,064)	(1.5)
Other	43,095	43,738	(643)	(1.5)
of which: Consumer lending	19,397	19,312	85	0.4
Loans to business	159,538	157,780	1,758	1.1
Public sector	21,463	20,760	703	3.4
Loans and advances to customers, gross¹	361,077	361,323	(246)	(0.1)
Of which:				
Performing loans	351,215	351,225	(10)	
Provisions for insolvency risk	(7,437)	(7,408)	(29)	0.4
Loans and advances to customers, net	353,641	353,915	(275)	(0.1)
Contingent liabilities	29,112	29,876	(764)	(2.6)

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

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:

Amounts drawn, in € million	31 Mar. 2023		31 Dec. 2022	
	Total	Spain (ICO)	Total	Spain (ICO)
Loans to individuals	1,027	987	1,121	1,072
Loans to business	16,204	14,985	17,140	15,730
Public sector	6	6	7	7
Loans and advances to customers, gross²	17,237	15,978	18,268	16,809

39% of the total amount of loans³ granted with government guarantee has been repaid⁴; of the remaining amount, 99% is repaying principal at 1Q23. 4.4% of government guaranteed loans are classified in Stage 3⁵.

(2) Refers to the amount of loans and advances disposed by clients.

(3) Loans with a regular payment schedule. Excludes products such as credit lines, revolving or reverse factoring facilities without a pre-established payment schedule (€3,900 million drawn at 31 March 2023).

(4) Includes repayments and cancellations.

(5) Outstanding balance in Stage 3 (includes subjective non-performing, i.e. impaired for reasons other than default > 90 days) over the total amount of loans granted and loans and advances drawn.

CUSTOMER FUNDS

Customer funds reached €614,608 million on 31 March 2023, up 0.5% in quarter, impacted by the good performance of long-term savings products.

- > On-balance sheet funds stood at €453,368 million (-0.9% in the quarter).
 - > **Demand deposits** amounted to €349,622 million (-2.9% in the quarter), impacted by the transfer to time deposits, insurance and mutual funds, among others.
 - > **Time deposits** totalled €31,138 million (up 19.2% in the quarter).
 - > Growth of **liabilities under insurance contracts**, up 3.0% in the quarter.
Positive performance of Unit Linked in the year (+3.9%) due to the positive performance of the market and positive net subscriptions.
- > **Assets under management** stand at €154,007 million. Its performance (+4.1% in the quarter) is mainly due to the favourable market effect and the positive net inflows in a similar proportion.
 - > The **assets managed in mutual funds, managed accounts and SICAVs** stood at €109,812 million, up 5.0% in the quarter.
 - > **Pension plans** reached €44,195 million, up 2.0% in the quarter.
- > **Other accounts** up 26.3% in the quarter due to change in temporary funds associated with transfers and collections.

€ million	31 Mar. 2023	31 Dec. 2022	Change	Change %
Customer deposits	380,761	386,017	(5,257)	(1.4)
Demand deposits	349,622	359,896	(10,274)	(2.9)
Time deposits ¹	31,138	26,122	5,017	19.2
Insurance contract liabilities ²	71,059	68,986	2,073	3.0
of which: Unit Linked and other ³	19,033	18,310	723	3.9
Reverse repurchase agreements and other	1,549	2,631	(1,082)	(41.1)
On-balance sheet funds	453,368	457,634	(4,266)	(0.9)
Mutual funds, managed accounts and SICAVs ⁴	109,812	104,626	5,186	5.0
Pension plans	44,195	43,312	883	2.0
Assets under management	154,007	147,938	6,069	4.1
Other accounts⁴	7,233	5,728	1,505	26.3
Total customer funds⁵	614,608	611,300	3,308	0.5

(1) Includes retail debt securities amounting to €1,301 million at 31 March 2023 (€1,309 million at 31 December 2022).

(2) Excluding the financial component's correction as a result of updating the liabilities in accordance with IFRS 17, with the exception of Unit Linked and Flexible Investment Life Annuity products (the part managed). The figure of December 2022 has been restated to €+1,519 million following the entry into force of IFRS 17.

(3) Includes the financial component's correction as a result of updating the liabilities in accordance with IFRS 17, corresponding to Unit Linked and Flexible Investment Life Annuity products (the part managed).

(4) As of 2023, Alternative investments are included in Mutual funds, managed accounts and SICAVs (previously recognised in Other accounts). Therefore, the figure of both headings published for December 2022 have been restated with €2,458 million for comparative purposes. Furthermore the figure of Mutual funds for December 2022 has been restated and increased by €649 million to include certain funds managed by third-party management firms.

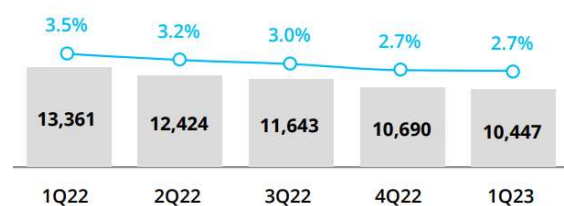
(5) See 'Reconciliation of activity indicators using management criteria' in the 'Appendices'.

06. RISK MANAGEMENT

CREDIT RISK QUALITY

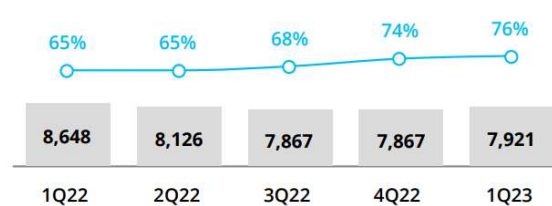
NON-PERFORMING LOANS AND NON-PERFORMING LOAN RATIO¹

(€ MILLION / %)



PROVISIONS AND COVERAGE RATIO¹

(€ MILLION / %)



Non-performing loans dropped to €10,447 million following the good performance of asset quality indicators and active management of non-performing assets. €243 million drop in the quarter.

The NPL ratio remains at 2.7% (stable with respect to 2022 year-end).

Provisions for insolvency risk on 31 March 2023 stood at €7,921 million and the coverage ratio increased to 76% (€7,867 million and 74% at the end of 2022, respectively).

(1) Calculations include loans and contingent liabilities

CHANGES IN NON-PERFORMING LOANS

€ million	1Q22	2Q22	3Q22	4Q22	1Q23
Opening balance	13,634	13,361	12,424	11,643	10,690
Exposures recognised as non-performing (NPL-inflows)	1,133	1,619	1,160	1,354	1,217
Derecognitions from non-performing exposures	(1,406)	(2,556)	(1,941)	(2,307)	(1,461)
of which: written off	(170)	(199)	(266)	(175)	(166)
Closing balance	13,361	12,424	11,643	10,690	10,447

NPL RATIO BY SEGMENT

	31 Dec. 2022	31 Mar. 2023
Loans to individuals	3.0%	2.9%
Home purchases	2.4%	2.3%
Other	4.9%	4.8%
of which: Consumer lending	3.5%	3.6%
Loans to business	2.9%	2.9%
Public sector	0.1%	0.1%
NPL Ratio (loans and contingent liabilities)	2.7%	2.7%

CHANGES IN PROVISIONS FOR INSOLVENCY RISK¹

€ million	1Q22	2Q22	3Q22	4Q22	1Q23
Opening balance	8,625	8,648	8,126	7,867	7,867
Allowances for insolvency risk	228	147	172	434	255
Amounts used	(200)	(661)	(428)	(427)	(195)
Transfers and other changes	(5)	(8)	(4)	(7)	(7)
Closing balance	8,648	8,126	7,867	7,867	7,921

(1) Including loans and contingent liabilities.

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. 2023		Loan book exposure				Provisions			
€ million		Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances		322,392	28,822	9,863	361,077	(1,301)	(1,266)	(4,870)	(7,437)
Contingent liabilities		26,796	1,732	584	29,112	(25)	(79)	(380)	(484)
Total loans and contingent liabilities		349,188	30,555	10,447	390,190	(1,325)	(1,345)	(5,251)	(7,921)

31 Dec. 2022		Loan book exposure				Provisions			
€ million		Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances		322,610	28,615	10,098	361,323	(1,346)	(1,370)	(4,692)	(7,408)
Contingent liabilities		27,283	2,001	592	29,876	(38)	(58)	(363)	(459)
Total loans and contingent liabilities		349,893	30,616	10,690	391,199	(1,383)	(1,429)	(5,055)	(7,867)

LOAN-TO-VALUE² BREAKDOWN OF THE GROUP'S HOME PURCHASE PORTFOLIO

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

31 Mar. 2023		LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	LTV > 80%	TOTAL
€ million						
Gross amount		42,023	43,751	35,023	15,106	135,903
of which: Non-performing		402	588	629	1,517	3,135

31 Dec. 2022		LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	LTV > 80%	TOTAL
€ million						
Gross amount		42,220	44,868	35,543	15,311	137,942
of which: Non-performing		413	613	662	1,593	3,280

(2) Loan-to-value calculated on the basis of latest appraisals according to the criteria set out in Circular 4/2016.

REFINANCING OPERATIONS

€ million	31 Dec. 2022		31 Mar. 2023	
	Total	of which: NPL	Total	of which: NPL
Individuals	4,523	2,736	4,518	2,531
Corporates and SMEs	6,164	2,664	5,855	2,574
Public sector	160	9	150	7
Total	10,848	5,408	10,523	5,112
Provisions	2,566	2,240	2,508	2,250

Foreclosed real estate assets

- > The portfolio of **Net foreclosed available for sale real estate assets¹** in Spain amounts to €1,826 million. Down €67 million in the year.
The **coverage ratio with accounting provisions²** is **33%** and **including write-downs, the coverage ratio² is 50%**.
- > Net foreclosed assets **held for rent** in Spain stand at €1,236 million, down €49 million in the year.
- > **Total sales³ in 2023 of properties originating from foreclosures** amounts to €171 million.

(1) Does not include real estate assets in the process of foreclosure for €125 million, net, at 31 March 2023.

(2) See definition in 'Appendices'.

(3) At sale price.





07

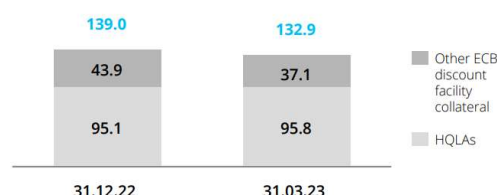
LIQUIDITY AND FINANCING STRUCTURE

07. LIQUIDITY AND FINANCING STRUCTURE

LIQUIDITY AND BALANCE SHEET STRUCTURE METRICS AND TOTAL LIQUID ASSETS

(€ BILLION / %)

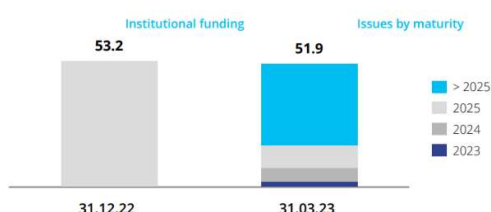
	31 Dec. 2022	31 Mar. 2023
LCR	194%	192%
Trailing LCR (12 months)	291%	259%
NSFR	142%	139%
LTD	91%	92%



FINANCING STRUCTURE

(€ BILLION)

	31 Dec. 2022	31 Mar. 2023
Retail funding	386.0	380.8
Wholesale funding ¹	53.2	51.9
Net Interbank	(1.6)	6.1
Total Funding	437.6	438.8



- > **Total liquid assets amounted to €132,867 million** at 31 March 2023, down €6,144 million in the year, mainly due to the change in the loan-deposit gap and the repayment of retained securities that were part of the available balance under the facility.
- > The **balance drawn** under the ECB facility at 31 March 2023 amounted to €15,620 million, corresponding entirely to TLTRO III².
- > The Group's **Liquidity Coverage Ratio** (LCR) at 31 March 2023 was 192%³, showing an ample liquidity position (259% LCR trailing 12 months) well clear of the minimum requirement of 100%.
- > The **Net Stable Funding Ratio** (NSFR) stood at 139% at 31 March 2023, above the 100% regulatory minimum required as of June 2021.
- > Solid retail financing structure with a **loan-to-deposit** ratio of **92%**.
- > **Wholesale funding**⁴ amounted to €51,881 million, diversified by instruments, investors, currency and maturities.
- > Available capacity to issue mortgage and regional public sector covered bonds at CaixaBank, S.A. came to €58,941 million at 31 March 2023.

(1) Wholesale funding for the purpose of managing ALCO's bank liquidity.

(2) In 2022 a TLTRO III balance of €65,132 million was repaid, of which €51,637 million correspond to early repayments.

(3) 161% excluding TLTRO III.

(4) See 'Reconciliation of activity indicators using management criteria' in the 'Appendices'.

INFORMATION ON ISSUANCES IN 2023

€ million

Issue	Amount	Issue date	Maturity	Cost ¹	Demand
Senior non-preferred debt ^{2,3}	USD 1,250	18 Jan. 2023	6 years	6.208% (UST +2.50%)	USD 3,400
Subordinated debt – Tier 2 ^{2,4}	£500	25 Jan. 2023	10 years and 9 months	6.970% (UKT +3.70%)	£1,300
Additional Tier 1 ²	€750	13 Mar. 2023	Perpetual	8.25% (mid-swap +5.142%)	€2,500

(1) Meaning the yield on the issue.

(2) The issue is callable, meaning that the option to redeem them early can be executed before the maturity date.

(3) Equivalent amount on the day of issuance, in euros: €1,166 million.

(4) Equivalent amount on the day of issuance, in euros: €564 million.

COLLATERALISATION OF MORTGAGE COVERED BONDS OF CAIXABANK, S.A.

€ million

31 Mar. 2023

Mortgage covered bonds issued	a	53,804
Total coverage (loans + liquidity buffer) ⁵	b	105,845
Collateralisation	b/a	197%
Overcollateralisation	b/a -1	97%
Mortgage covered bond issuance capacity⁶		47,001

(5) At 31 March 2023, there was no liquidity buffer in the total coverage since it is not required.

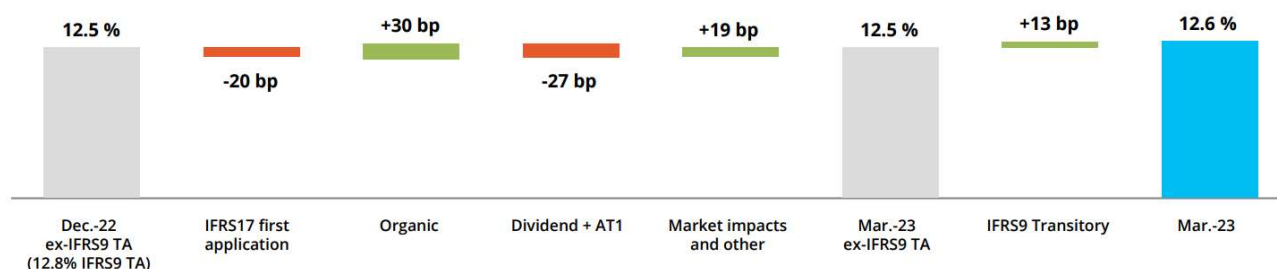
(6) There is also the capacity to issue €11,940 million in regional public sector covered bonds. The liquidity buffer is included in the calculation of the issuance capacity; at 31 March, there was no liquidity buffer in the total coverage of regional public sector covered bonds.



08. CAPITAL MANAGEMENT

- > The **Common Equity Tier 1 (CET1) ratio stands at 12.6%** (12.5% without applying the IFRS 9 transitional adjustments), following the extraordinary impact from the first application of IFRS 17 (-20 basis points).
The organic change in the first quarter was +30 basis points, -27 basis points caused by the forecast of dividends charged to this year and AT1 coupon payment and +19 basis points by the performance of the markets and other factors. The impact of IFRS 9 phase in was of +13 basis points at 31 March.
- > The internal CET1 target ratio is set between 11% and 12% (without applying the IFRS 9 transitional adjustments), which implies a margin of between 250 and 350 basis points in relation to the SREP requirements.
- > The **Tier 1** ratio reaches **15.0%** (14.8% without applying the IFRS 9 transitional adjustments). An issue of Tier 1 eligible instruments for €750 million was completed in the first quarter (+35 additional basis points).
- > The **Total Capital** ratio stood at **17.8%** (17.7% without applying the IFRS 9 transitional adjustments). A Tier 2 issue for £500 million was completed in the first quarter (+26 additional basis points).
- > The leverage ratio stands at 5.6%.
- > On 31 March, the **subordinated MREL** ratio reached 23.0% and the **total MREL** ratio **26.2%**. The total MREL ratio reached 9.7% of LRE. One issuance of Senior non-preferred debt was carried out for \$1,250 million in this quarter, +54 basis points.

CHANGE IN CET1



- > Similarly, **CaixaBank is subject to minimum capital requirements** on a non-consolidated basis. The CET1 ratio under this perimeter reached 12.8%.
- > **BPI** is also compliant with its minimum capital requirements. Capital ratios at a sub-consolidated level are as follows: CET1 of 14.3%, Tier1 of 15.8% and Total Capital of 18.3%.
- > In terms of regulatory requirements, the Group's domestic systemic risk buffer rose to 0.50% for 2023. The countercyclical buffer is estimated at 0.05% for March 2023 (+2 basis points with respect to the previous quarter).
- > As a result, the capital requirements for March 2023 are as follows:

	Minimum requirements 2023			
	Total	Pillar 1	Pillar 2R	Buffers
CET1	8.48%	4.50%	0.93%	3.05%
Tier 1	10.29%	6.00%	1.24%	3.05%
Total capital	12.70%	8.00%	1.65%	3.05%

- > At 31 March, CaixaBank has a margin of 416 basis points, equating to €8,950 million, until the Group's MDA trigger.
- > As for the MREL requirement, in March 2023 the Bank of Spain communicated to CaixaBank the Total and Subordinated minimum MREL requirements that it must meet at consolidated level:

	Request in % RWAs (including current RBC)		Request in % LRE	
	2022	2024	2022	2024
Total MREL	22.38%	24.26%	6.09%	6.19%
Subordinated MREL	16.55%	18.42%	6.09%	6.19%

- > The Group's 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.
- > On 12 April 2023, the bank paid its shareholders 0.2306 euros per share, corresponding to the ordinary dividend charged to 2022 profits and following the approval at the Annual General Meeting held on 31 March 2023 (involving a reduction of shareholders' equity in the first quarter of the year). This dividend distribution amounts to €1,730 million and is equivalent to 55% of the consolidated net profit of 2022. Furthermore, the Board of Directors approved on 2 February 2023 that the Dividend Policy for the 2022 fiscal year is also applicable to 2023, establishing the distribution of a cash dividend between 50% and 60% of the consolidated net profit in a single payout in April 2024, subject to final approval at the Annual General Meeting.



PERFORMANCE AND KEY CAPITAL ADEQUACY INDICATORS

€ million	31 Mar. 2022	30 Jun. 2022	30 Sep. 2022	31 Dec. 2022	31 Mar. 2023	Quarter-on-quarter
CET1 Instruments	35,011	33,377	33,210	33,462	33,154	(308)
Shareholders' equity	37,641	36,608	36,680	36,639	34,965	(1,674)
Capital	8,061	8,061	8,061	7,502	7,502	
Profit/(loss) attributable to the Group	707	1,573	2,457	3,145	855	
Reserves and other	28,874	26,974	26,163	25,992	26,607	
Other CET1 instruments ¹	(2,630)	(3,231)	(3,471)	(3,178)	(1,810)	1,368
Deductions from CET1	(6,305)	(6,559)	(6,537)	(5,968)	(5,965)	3
(CET1)	28,707	26,818	26,673	27,494	27,189	(305)
AT1 instruments	4,985	4,236	4,237	4,238	4,985	747
AT1 Deductions						
TIER 1	33,692	31,054	30,910	31,732	32,174	442
T2 instruments	4,677	4,694	4,704	5,575	6,142	567
T2 Deductions						
TIER 2	4,677	4,694	4,704	5,575	6,142	567
TOTAL CAPITAL	38,369	35,748	35,614	37,307	38,315	1,008
Other computable subordinated instruments MREL	9,375	10,979	11,038	11,048	11,200	152
MREL, subordinated	47,744	46,727	46,652	48,355	49,515	1,160
Other computable instruments MREL	7,380	6,383	7,451	7,448	6,951	(497)
MREL	55,124	53,110	54,103	55,803	56,466	663
Risk-weighted assets	214,249	215,515	215,499	215,103	215,133	30
CET1 ratio	13.4%	12.4%	12.4%	12.8%	12.6%	(0.2)%
Tier 1 Ratio	15.7%	14.4%	14.3%	14.8%	15.0%	0.2%
Total Capital Ratio	17.9%	16.6%	16.5%	17.3%	17.8%	0.5%
MDA Buffer ²	10,902	8,735	8,601	9,565	8,950	(615)
MREL Ratio, subordinated	22.3%	21.7%	21.6%	22.5%	23.0%	0.5%
MREL Ratio	25.7%	24.6%	25.1%	25.9%	26.2%	0.3%
Leverage ratio	5.2%	4.6%	4.8%	5.6%	5.6%	
CET1 Ratio - CABK (non-consolidated basis)	14.1%	13.0%	12.7%	12.9%	12.8%	(0.1)%
Tier 1 Ratio CABK (non-consolidated basis)	16.6%	15.1%	14.8%	15.0%	15.3%	0.3%
Total Capital Ratio - CABK (non-consolidated basis)	19.0%	17.4%	17.2%	17.8%	18.3%	0.5%
Risk-weighted assets (non-consolidated basis)	197,049	199,042	198,756	199,250	200,539	1,289
Profit/loss (non-consolidated basis)	790	1,416	1,982	2,413	1,077	(1,336)
ADIs ³	7,707	7,076	7,581	7,621	7,019	(602)
MDA Buffer - CABK (non-consolidated basis) ²	13,976	11,828	11,269	11,656	11,523	(133)
Leverage Ratio - CABK (non-consolidated basis)	5.4%	4.7%	4.8%	5.7%	5.6%	(0.1)%

Data at December 2022 updated using the latest official information.

(1) 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.



09

SEGMENT REPORTING

09. SEGMENT REPORTING

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

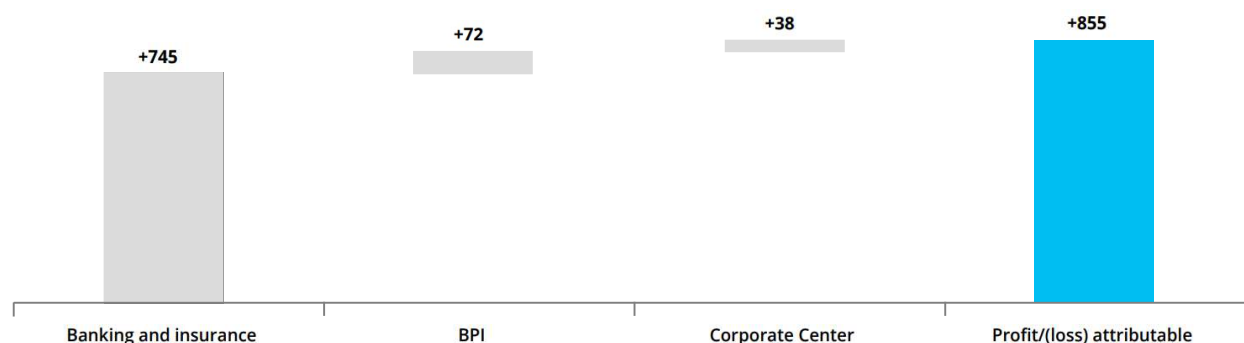
- > **Banking and Insurance:** shows earnings from the Group's banking, insurance, asset management, real estate and ALCO's activity mainly in Spain.
- > **BPI:** covers the income from the BPI's domestic banking business, essentially in Portugal. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination.
- > **Corporate centre:** shows earnings, net of funding expenses, from the investees Telefónica, BFA, BCI, Coral Homes and Gramina Homes.

In addition, the Group's excess capital is allocated to the corporate centre, which is calculated as the difference between the Group's total equity and the capital assigned to the Banking and Insurance business, BPI and the investees allocated to the corporate centre. Specifically, the allocation of capital to these businesses and investees takes into account the 11.5% capital consumption for risk-weighted assets, as well as any applicable deductions. Liquidity is the counterpart of the excess capital allocated to the corporate centre.

The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods. The corporate expenses at Group level are assigned to the corporate centre.

Results for the first quarter of 2023 arranged by business segment are as follows:

CONTRIBUTION TO THE RESULT OF 2023 (€ MILLION)



€ million	Banking & Insurance	BPI	Corporate centre	Group
Net interest income	1,956	203	4	2,163
Dividend income and share of profit/(loss) of entities accounted for using the equity method	94	5	48	147
Net fee and commission income	864	73		937
Trading income	75	7	(1)	82
Insurance service result	263			263
Other operating income and expense	(465)	(26)	—	(491)
Gross income	2,787	262	52	3,101
Recurring administrative expenses, depreciation and amortisation	(1,298)	(126)	(15)	(1,440)
Extraordinary expenses	(2)			(2)
Pre-impairment income	1,487	136	36	1,659
Pre-impairment income stripping out extraordinary expenses	1,490	136	36	1,662
Allowances for insolvency risk	(233)	(22)		(255)
Other charges to provisions	(24)	(1)		(25)
Gains/(losses) on disposal of assets and others	(19)	(1)		(20)
Profit/(loss) before tax	1,211	111	36	1,359
Income tax expense	(466)	(39)	2	(504)
Profit/(loss) after tax	745	72	38	855
Profit/(loss) attributable to minority int. and others	—	0		—
Profit/(loss) attributable to the Group	745	72	38	855

Banking and insurance business

The performance in the first quarter of 2023 amounts to €745 million, up 17.6% when compared to the same period of 2022 (€+634 million):

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
INCOME STATEMENT								
Net interest income	1,956	1,342	45.8	1,956	1,786	1,460	1,398	1,342
Dividend income and share of profit/(loss) of entities accounted for using the equity method	94	44	—	94	7	65	50	44
Net fee and commission income	864	865	(0.1)	864	882	894	918	865
Trading income	75	118	(36.2)	75	23	59	89	118
Insurance service result	263	213	23.6	263	287	235	227	213
Other operating income and expense	(465)	(121)	—	(465)	(480)	(89)	(227)	(121)
Gross income	2,787	2,460	13.3	2,787	2,504	2,624	2,455	2,460
Recurring administrative expenses, depreciation and amortisation	(1,298)	(1,277)	1.6	(1,298)	(1,248)	(1,247)	(1,238)	(1,277)
Extraordinary expenses	(2)	(8)	(68.0)	(2)	(15)	(11)	(16)	(8)
Pre-impairment income	1,487	1,176	26.4	1,487	1,241	1,365	1,202	1,176
Pre-impairment income stripping out extraordinary expenses	1,490	1,184	25.8	1,490	1,256	1,376	1,217	1,184
Allowances for insolvency risk	(233)	(262)	(11.2)	(233)	(406)	(166)	(141)	(262)
Other charges to provisions	(24)	(45)	(46.6)	(24)	19	(28)	(44)	(45)
Gains/(losses) on disposal of assets and others	(19)	(9)	—	(19)	(13)	(19)	(27)	(9)
Profit/(loss) before tax	1,211	859	40.9	1,211	841	1,151	989	859
Income tax expense	(466)	(225)	—	(466)	(262)	(342)	(273)	(225)
Profit/(loss) after tax	745	635	17.4	745	580	809	716	635
Profit/(loss) attributable to minority interest and others	0	1	—	0	1	0	0	1
Profit/(loss) attributable to the Group	745	634	17.6	745	579	809	716	634
INCOME STATEMENT BREAKDOWN								
Core income	3,164	2,455	28.9	3,164	2,957	2,639	2,585	2,455
Banking services, securities and other fees	508	486	4.6	508	524	525	556	486
Recurring	424	434	(2.4)	424	450	471	489	434
Wholesale banking	84	52	62.6	84	74	54	67	52
Sale of insurance products	91	94	(3.0)	91	81	87	88	94
Assets under management	265	285	(6.8)	265	277	283	274	285
Mutual funds, managed accounts and SICAVs	191	206	(7.4)	191	196	205	197	206
Pension plans and other	74	78	(5.4)	74	81	78	76	78
Net fee and commission income	864	865	(0.1)	864	882	894	918	865
Personnel expenses	(794)	(795)	(0.2)	(794)	(757)	(758)	(761)	(795)
General expenses	(337)	(323)	4.4	(337)	(322)	(322)	(317)	(323)
Depreciation and amortisation	(167)	(159)	5.4	(167)	(168)	(167)	(160)	(159)
Recurring administrative expenses, depreciation and amortisation	(1,298)	(1,277)	1.6	(1,298)	(1,248)	(1,247)	(1,238)	(1,277)
Extraordinary expenses	(2)	(8)	(68.0)	(2)	(15)	(11)	(16)	(8)
FINANCIAL INDICATORS								
ROTE ^{1,2}	11.6%	7.9%	3.7	11.6%	11.0%			
Cost-to-income ratio stripping out extraordinary expenses (12 months) ¹	48.5%	58.4%	(9.9)	48.5%	49.9%			
Cost of risk (12 months)	0.26%	0.25%	0.02	0.26%	0.27%			

(1) The financial information published in 2022 has been restated in accordance with IFRS 17 / IFRS 9. The ratios (12 months) prior to 4Q22 are those reported in accordance with IFRS 4, as there is no historical data available for restatement.

(2) In 1Q22, the ratio (last 12 months) excludes the extraordinary impacts associated with the integration of Bankia from 2Q21 (€-1,405 million).

- > **Gross income** grew to €2,787 million (+13.3%):
 - > **Core income** rose 28.9% with respect to the same period of 2022, impacted by the good performance of net interest income (+45.8%) and of insurance service result (+23.6%). Fee and commission income remains basically stable (-0.1%).
 - > **Trading income** stands at €75 million, €118 million in the same period of 2022.
 - > **Other operating income and expense** totalled €-465 million (€-121 million in the same period of the previous year) and includes the recognition of the banking tax for €-373 million.
- > **Recurring administrative expenses, depreciation and amortisation** amounted to €-1,298 million, up 1.6% when compared to the same period of the previous year.
- > **Pre-impairment income** increased by **26.4%** on the same period of the previous year.
- > **Allowances for insolvency risk** drop to €-233 million (-11.2%).
- > **Other charges to provisions** stood at €-24 million (-46.6% compared to the first quarter of 2022).

The **ROTE (last 12 months)** stood at 11.6%.

The following table shows business activity and asset quality indicators at 31 March 2023:

- > **Loans and advances to customers, gross stood at €331,903 million, stable in the year.**
- > **Customer funds amounted to €580,749 million, up 0.9% in the year.**
- > The **NPL ratio** dropped to **2.7%**, while the **coverage ratio rose to 75%.**

€ million	31 Mar. 2023	31 Dec. 2022	Change	Change %
BALANCE SHEET				
Assets	575,406	555,090	20,316	3.7
Liabilities	547,583	527,437	20,146	3.8
Assigned capital	27,790	27,621	169	0.6
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	164,006	166,801	(2,795)	(1.7)
Home purchases	122,698	124,862	(2,163)	(1.7)
Other	41,308	41,939	(631)	(1.5)
of which: Consumer lending	17,873	17,788	85	0.5
Loans to business	148,284	146,454	1,830	1.2
Public sector	19,613	18,974	639	3.4
Loans and advances to customers, gross	331,903	332,229	(326)	(0.1)
of which: Performing loans	322,613	322,694	(82)	0.0
of which: Non-performing loans	9,291	9,535	(244)	(2.6)
Provisions for insolvency risk	(6,883)	(6,877)	(6)	0.1
Loans and advances to customers, net	325,020	325,353	(332)	(0.1)
Contingent liabilities	26,904	27,747	(843)	(3.0)
CUSTOMER FUNDS				
Customer funds	352,592	355,962	(3,371)	(0.9)
Demand deposits	330,202	338,333	(8,131)	(2.4)
Time deposits	22,390	17,630	4,761	27.0
Insurance contract liabilities	71,059	68,986	2,073	3.0
of which: Unit Linked and other	19,033	18,310	723	3.9
Reverse repurchase agreements and other	1,538	2,623	(1,085)	(41.4)
On-balance sheet funds	425,189	427,571	(2,382)	(0.6)
Mutual funds, managed accounts and SICAVs	104,213	99,115	5,097	5.1
Pension plans	44,195	43,312	883	2.0
Assets under management	148,408	142,428	5,980	4.2
Other accounts	7,153	5,647	1,506	26.7
Total customer funds	580,749	575,646	5,104	0.9
ASSET QUALITY				
Non-performing loan ratio (%)	2.7%	2.8%		(0.1)
Non-performing loan coverage ratio (%)	75%	73%		2
OTHER INDICATORS				
Customers (millions)	18.21	18.31	(0.10)	(0.5)
Relational individual customers (%)	70.5%	70.4%		0.1
Employees	40,268	40,221	47	0.1
Branches	3,946	4,081	(135)	(3.3)
of which retail	3,684	3,818	(134)	(3.5)
ATMs	11,475	11,608	(133)	(1.1)

Insurance activity

The banking and insurance business includes the results of the activity carried out mainly by VidaCaixa de Seguros y Reaseguros, with a specialised range of pensions and insurance products, which are marketed to the Group's customer base.

The following table shows the income statement of the VidaCaixa Group^{1,2}:

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
Net interest income	9	4	—	9	8	6	6	4
Dividend income and share of profit/(loss) of entities accounted for using the equity method	86	41	—	86	9	69	35	41
Net fee and commission income	29	33	(12.0)	29	47	31	36	33
Trading income	5	26	(80.6)	5	(4)	(3)	(3)	26
Insurance service result	260	211	23.4	260	283	232	224	211
Other operating income and expense	—	(1)	(97.5)	0	(1)	1	1	(1)
Gross income	389	314	24.1	389	343	337	299	314
Recurring administrative expenses, depreciation and amortisation	(33)	(34)	(1.0)	(33)	(21)	(29)	(29)	(34)
Extraordinary expenses	(2)	(2)	49.5	(2)	(6)	(4)	(4)	(2)
Pre-impairment income	354	278	27.0	354	317	304	266	278
Pre-impairment income stripping out extraordinary expenses	356	280	27.1	356	323	307	270	280
Allowances for insolvency risk	—	—	—	—	1	—	—	—
Gains/(losses) on disposal of assets and others	—	—	—	—	1	—	—	—
Profit/(loss) before tax	354	278	27.0	354	318	303	266	278
Income tax expense	(78)	(65)	19.8	(78)	(91)	(73)	(68)	(65)
Profit/(loss) after tax	275	213	29.2	275	228	230	198	213
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	275	213	29.2	275	228	230	198	213

(1) At VidaCaixa Group level prior to consolidation adjustments in CaixaBank. 2023 includes the results of 100% of Sa Nostra Vida integrated by global consolidation, acquired at the end of December 2022 (81.3% acquired from Caser and the remaining 18.7% corresponds to the stake held directly by CaixaBank following the merger), previously recognised in Share of profit/(loss) of entities accounted for using the equity method.

(2) The income from Bankia Mediación (insurance company from Bankia) and of VidaCaixa totals €276 million in the first quarter of 2023.

The profit attributable to the VidaCaixa Group in the first quarter of 2023 stands at €275 million, up 29.2% with respect to 2022:

- > **Share of profit/(loss) of entities accounted for using the equity method** mainly shows the contribution made by SegurCaixa Adeslas, 49.9% of which is owned by VidaCaixa, the performance of which is impacted by the recognition of income associated with the revaluation of the stake held in IMQ after the participation increase.
- > **Net fee and commission income¹** mainly includes fees and commissions received by VidaCaixa for managing pension plans, net of fees and commissions paid to CaixaBank, S.A. and its subsidiaries for distributing them.
- > The **Insurance service result** includes the results of life-savings, life-risk and Unit Linked products, net of expenses directly attributable to the contracts.

(1) The commercial network in Spain also receives fees for distributing its insurance 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.



BPI

Profit from the banking business of BPI amounted to €72 million, €70 million in the first quarter of 2022.

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
INCOME STATEMENT								
Net interest income	203	112	80.9	203	173	139	120	112
Dividend income and share of profit/(loss) of entities accounted for using the equity method	5	6	(22.4)	5	11	5	10	6
Net fee and commission income	73	71	2.5	73	77	75	73	71
Trading income	7	9	(20.1)	7	(2)	11	9	9
Insurance service result								
Other operating income and expense	(26)	(19)	32.2	(26)	3	—	(21)	(19)
Gross income	262	179	46.6	262	261	230	191	179
Recurring administrative expenses, depreciation and amortisation	(126)	(114)	10.4	(126)	(113)	(116)	(111)	(114)
Extraordinary expenses							0	
Pre-impairment income	136	65	—	136	148	114	80	65
Pre-impairment income stripping out extraordinary expenses	136	65	—	136	148	114	80	65
Allowances for insolvency risk	(22)	34		(22)	(28)	(6)	(6)	34
Other charges to provisions	(1)	—	—	(1)	(16)	(6)	—	—
Gains/(losses) on disposal of assets and others	(1)	—	—	(1)	—	(1)	1	0
Profit/(loss) before tax	111	99	12.6	111	103	102	75	99
Income tax expense	(39)	(29)	36.3	(39)	(24)	(30)	(19)	(29)
Profit/(loss) after tax	72	70	2.9	72	79	72	56	70
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	72	70	2.9	72	79	72	56	70
INCOME STATEMENT BREAKDOWN								
Core income	281	190	48.1	281	257	222	203	190
Banking services, securities and other fees	47	41	14.3	47	47	46	45	41
Recurring	46	40	14.2	46	47	45	44	40
Wholesale banking	0	0	17.0	0	1	1	0	0
Sale of insurance products	13	14	(7.5)	13	13	13	13	14
Assets under management	14	17	(17.9)	14	16	16	16	17
Mutual funds, managed accounts and SICAVs	8	10	(16.8)	8	8	9	9	10
Pension plans and other	6	7	(19.6)	6	8	7	7	7
Net fee and commission income	73	71	2.5	73	77	75	73	71
Personnel expenses	(62)	(58)	7.7	(62)	(68)	(59)	(57)	(58)
General expenses	(46)	(38)	19.9	(46)	(27)	(38)	(37)	(38)
Depreciation and amortisation	(18)	(18)	(0.8)	(18)	(19)	(19)	(18)	(18)
Recurring administrative expenses, depreciation and	(126)	(114)	10.4	(126)	(113)	(116)	(111)	(114)
Extraordinary expenses								
FINANCIAL INDICATORS								
ROTE stripping out one-off impacts ¹	10.0%	5.7%	4.3	10.0%	9.8%			
Cost-to-income ratio stripping out ext. exp. (12 months)	49.4%	59.5%	(10.1)	49.4%	52.8%			

(1) The different period's ratios (12 months) exclude the extraordinary expenses net of taxes and the coupon for the part of the AT1 issue assigned to this business. In 2022, also the 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 (€18 million in the first quarter of 2022).

- > **Gross income** stands at €262 million, up 46.6% compared to the first quarter of 2022:
 - > **Core income** up 48.1% following the 80.9% increase of Net interest income in a context of rising interest rates. Good performance of Fee and commission income (+2.5%).
 - > **Trading income** amounted to €7 million.
 - > **Other operating income and expense** totalled €-26 million and includes the contribution to the banking sector for €-22.3 million (€-21.2 million in the same period of the previous year) and €-4.1 million from the solidarity tax on the banking sector (€-3.9 million in the same period of 2022).
- > **Recurring administrative expenses, depreciation and amortisation** stood at €-126 million (+10.4%).
- > **Allowances for insolvency risk** stood at €-22 million, €34 million in the same period of the previous year, which included one-off income.



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 €29,174 million**, up 0.3% in the year.
- > **Customer funds stood at €33,859 million**, down 5.0% in the year.
- > BPI's **NPL ratio** remained stable at 1.9%, as per the CaixaBank Group's NPL classification criteria.
- > The NPL **coverage ratio** came to 95%.

€ million	31 Mar. 2023	31 Dec. 2022	Change	Change %
BALANCE SHEET				
Assets	39,112	38,802	311	0.8
Liabilities	36,646	36,346	300	0.8
Assigned capital	2,466	2,455	11	0.4
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	16,070	15,982	87	0.5
Home purchases	14,282	14,183	99	0.7
Other	1,788	1,799	(12)	(0.6)
of which: Consumer lending	1,524	1,524	—	—
Loans to business	11,254	11,326	(72)	(0.6)
Public sector	1,850	1,786	65	3.6
Loans and advances to customers, gross	29,174	29,094	80	0.3
of which: Performing loans	28,602	28,531	71	0.2
of which: Non-performing loans	572	563	9	1.6
Provisions for insolvency risk	(554)	(532)	(23)	4.2
Loans and advances to customers, net	28,620	28,563	58	0.2
Contingent liabilities	2,209	2,129	80	3.7
CUSTOMER FUNDS				
Customer funds	28,169	30,055	(1,886)	(6.3)
Demand deposits	19,421	21,563	(2,142)	(9.9)
Time deposits	8,748	8,492	256	3.0
Reverse repurchase agreements and other	11	8	3	42.2
On-balance sheet funds	28,180	30,063	(1,883)	(6.3)
Mutual funds, managed accounts and SICAVs	5,599	5,510	89	1.6
Assets under management	5,599	5,510	89	1.6
Other accounts	80	81	(1)	(1.5)
Total customer funds	33,859	35,654	(1,795)	(5.0)
Memorandum items				
Insurance contracts sold ⁽¹⁾	4,465	4,313	152	3.5
ASSET QUALITY				
Non-performing loan ratio (%)	1.9%	1.9%		
Non-performing loan coverage ratio (%)	95%	92%	3	
OTHER INDICATORS				
Customers (millions)	1.86	1.86		
Employees	4,386	4,404	(18)	(0.4)
Branches	317	323	(6)	(1.9)
of which retail	274	278	(4)	(1.4)
ATMs	1,305	1,339	(34)	(2.5)

(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.

Corporate centre

Profit in the first quarter of 2023 stands at **€38 million**.

€ million	1Q23	1Q22	Change %	1Q23	4Q22	3Q22	2Q22	1Q22
INCOME STATEMENT								
Net interest income	4	1	—	4	2	(6)	—	1
Dividend income	61	—	—	61	30	—	126	—
Share of profit/(loss) of entities accounted for using the equity method	(12)	2	—	(12)	14	5	10	2
Net fee and commission income								
Trading income	(1)	16	—	(1)	(10)	3	4	16
Insurance service result								
Other operating income and expense	—	—	—	—	—	—	(7)	—
Gross income	52	18	—	52	36	2	132	18
Recurring administrative expenses, depreciation and amortisation	(15)	(15)	2.7	(15)	(15)	(16)	(14)	(15)
Extraordinary expenses								
Pre-impairment income	36	3	—	36	21	(14)	118	3
Pre-impairment income stripping out extraordinary expenses	36	3	—	36	21	(14)	118	3
Allowances for insolvency risk								
Other charges to provisions					(9)			
Gains/(losses) on disposal of assets and others					(19)			
Profit/(loss) before tax	36	3	—	36	(6)	(14)	118	3
Income tax expense	2	(1)	—	2	8	5	2	(1)
Profit/(loss) after tax	38	3	—	38	2	(9)	120	3
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	38	3	—	38	2	(9)	120	3

The performance of the income statement's main items is as follows:

- > The **Net interest income** corresponds to the net between the cost of financing the investee business and the income from the liquidity associated with the Group's excess capital. Its performance is impacted by the adaptation of the financing rates to market conditions.
- > **Dividend income** amounted to €61 million and mainly includes the dividend from Telefónica after its approval at the Annual General Meeting held on the first quarter of 2023, the amount of which will be paid out in June and December 2023. The recognition of dividends in 2022, which was carried out in the second and fourth quarter, should be considered in the year-on year performance.
- > The **Share of profit/(loss) of entities accounted for using the equity method** stood at €-12 million (€2 million in the same period of 2022).

The following balance sheet shows the corporate centre's indicators:

€ million	31 Mar. 2023	31 Dec. 2022	Change	Change %
BALANCE SHEET				
Assets	4,189	4,959	(769)	(15.5)
Investments (Financial assets at fair value with changes in OCI and Investments in JVs and associates) and other	1,894	1,797	98	5.4
Cash and cash balances at central banks and other demand deposits	2,295	3,162	(867)	(27.4)
Liabilities	1,445	1,358	86	6.3
Intra-group financing and other liabilities	1,445	1,358	86	6.3
Assigned capital	2,745	3,600	(855)	(23.8)
of which: associated with investees	450	439	11	2.6

10. SUSTAINABILITY

AND SOCIAL COMMITMENT

Sustainability as a driver of the 2022-2024 Strategic Plan

CaixaBank takes on the responsibility of driving the well-being of people and economic and social development. With this in mind, the 2022-2024 Strategic Plan establishes three major ambitions:

- > Boost **the energy transition of businesses and society as a whole.**
- > **Lead the positive social impact and foster financial inclusion.**
- > **Promote a responsible culture to set a benchmark in governance.**

In line with these ambitions, CaixaBank has developed a set of initiatives and action plans that are included in the Sustainability Master Plan, with the following commitments:

COMMITMENT



Global:

- > **€64,000 million made available in sustainable finance¹**
At the end of 1Q23, the mobilisation of sustainable finance amounts to **€31,265 million** since launching the plan, which represents **48.85% of the target**.
- > **Maintain category "A" in the synthetic sustainability indicator²**
In 1Q23, the synthetic indicator has been maintained at Category "A"



Environmental:

- > **Make progress in decarbonisation to reach net zero emissions by 2050**
- > **Reduce the emissions financed in 2030:**
 - > Electricity: -30% (136³ KgCO₂e/MWh in 2020)
 - > Oil and gas: -23% (26.9³ MtCO₂e in 2020)



Social:

- > **413,300 beneficiaries of MicroBank, the CaixaBank Group's social bank**
At the end of 1Q23, the number of beneficiaries of microcredits granted by MicroBank is 130,847 since launching the plan.



Good governance:

- > **42% of women in management positions⁴**
In March 2023, the % of women in managerial positions exceeded the commitment, reaching 42.4%.

1- The mobilisation of sustainable financing is the sum of the following items: - Sustainable mortgage financing (with energy performance certificate "A" or "B"), financing for home energy refurbishment, financing for hybrid/electric vehicles, financing for photovoltaic panels, agricultural ecofinancing and microloans granted by MicroBank; Sustainable financing to Business, Developer and CIB & IB; The sum considered for the mobilisation of sustainable financing is the limit of risk arranged in sustainable financing operations with customers, including long-term financing, working capital and off-balance sheet exposure. Novations and tacit and explicit renewals of sustainable financing are also included. - CaixaBank's share in the issuance and placement of sustainable bonds (green, social or mixed) by customers; - Net increase of Assets under management in CaixaBank Asset Management, in products classified under Article 8 and Article 9 of SFDR (includes new funds/fund mergers registered as per Article 8 and Article 9, plus net contributions and market effect); Gross increase of Assets under management in VidaCaixa, in products classified under Article 8 and Article 9 of SFDR (includes gross contributions —without considering withdrawals or the market effect— to Pension Funds, Voluntary Social Security Entities (EPSV) and Unit Linked classified under Article 8 and Article 9 of SFDR).

2- Synthetic ESG index created by CaixaBank based on methodology developed by KPMG that provides aggregate information from the main ESG analysis institutions. The indicator objectively weights the results obtained by the company in the scores awarded by the main international ESG analysts (S&P Global, Sustainalytics, MSCI and ISS ESG).

3- Value of 136 KgCO₂/MWh considering scope 1 emissions from customers and the parts of the value chain within the scope of setting targets. Value of 26.9 KgCO₂/MWh considering scope 1, 2 and 3 emissions from customers and the parts of the value chain within the scope of setting targets.

4- % of women in managerial positions, starting from asst. manager at large branches (A and B branches).

Key features within the scope of sustainability in 2023

- > In terms of **sustainability and good governance**, CaixaBank has obtained the AENOR certificate for its tax risk management and control system. AENOR recognises the financial institution's commitment towards the highest standards of excellence and transparency in the applied tax strategies and policies and its tax management and control system.

In addition, the company goes one step further in its strategy of promoting internal learning in sustainability started in 2021, and within its **2023 Training Plan**, it approved organising special training aimed at providing its staff with further knowledge on this matter.

- > With regard to **sustainable financing**, the European Investment Fund (EIF), CaixaBank and MicroBank will support Spanish SMEs with guarantees that will enable the mobilisation of more than €1 billion through the InvestEU programme in areas of innovation, digitalisation and sustainability of enterprises.

Furthermore, it will provide funding in microfinance, social entrepreneurship, SME competitiveness and sustainability via MicroBank, which will help microenterprises, entrepreneurs and social enterprises. It is the first EIF guarantee agreement signed in Spain under the **InvestEU guarantee** programme.

To encourage **engagement with its customers in climate matters**, CaixaBank has created a sustainable financing guide, the **"Sustainable Financing Toolkit"**, in collaboration with DIRSE (Spanish Association of Sustainability Managers) and the firm Valora Consultores. This guide was presented in various forums to more than 400 companies, SMEs and professionals, where the role of financing in the transformation towards sustainable business models was discussed, to contribute to reaching the 2030 Agenda targets.

Moreover, the Company kicked off the 2023 PAC campaign through AgroBank to facilitate pre-granted financing for €7 billion. As part of its commitment towards the agricultural sector, CaixaBank has launched **"AgroBank Tech Digital INNOvation"**, a start-up acceleration programme that focuses on the sector's sustainability and digitalisation, with the aim of favouring its transformation.

Within the **tourism sector**, the fifth edition of the "CaixaBank Hotels & Tourism Commitment to Sustainability" Awards was held, where 13 projects in the Spanish hotel and tourist accommodation sector committed to sustainable development and initiatives with an impact on society and the environment or related to the circular economy were recognised.

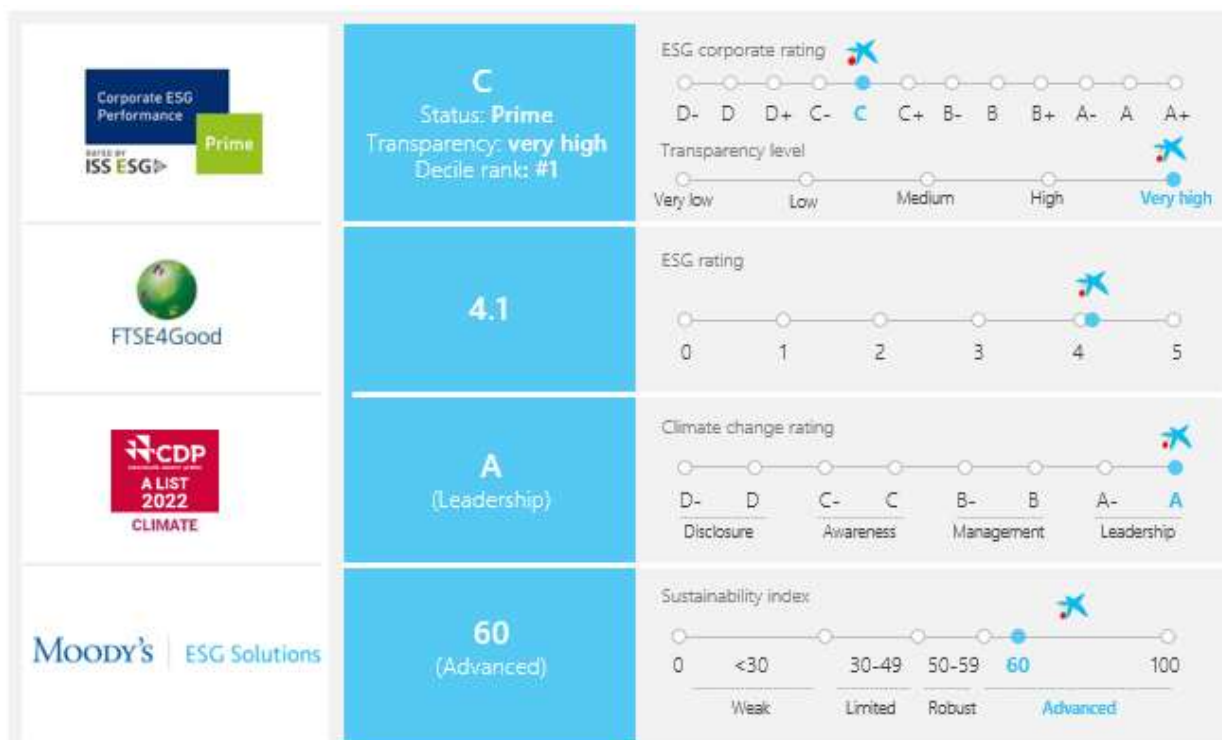
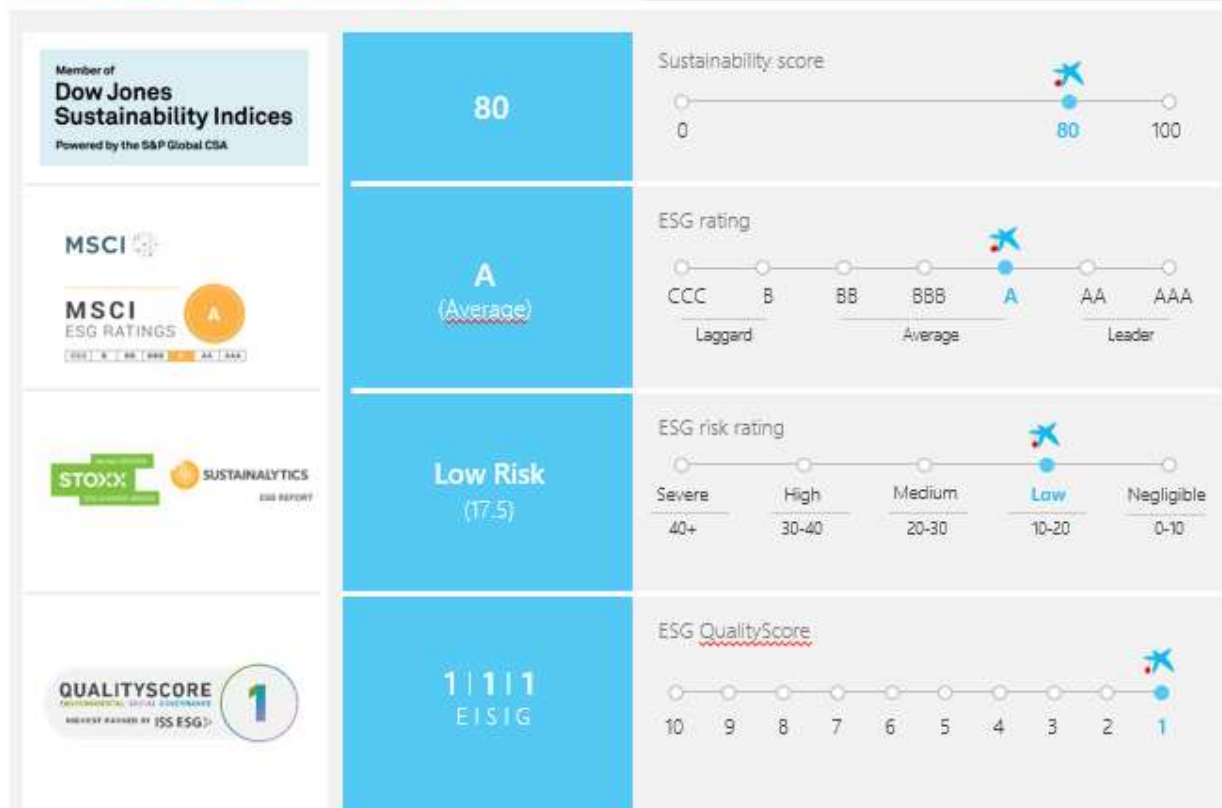
To promote environmental awareness, the Company has offered its individual customers via CaixaBankNow a **"carbon footprint calculator"**, a tool whose methodology has been validated and verified by AENOR and that provides customers with their carbon footprint by analysing their consumption and purchases. In addition, it enables users to compare their carbon footprint with the Spanish and European average and it provides areas for improvement and recommendations to reduce it.

With regard to its supply chain, the Company was recognised by CDP, the worldwide leading analyst in information on the environment and climate, with the **"CDP Supplier Engagement Leader 2022"**, which highlights its efforts to curb climate risk within its supply chain.

- > Within the **social scope**, CaixaBank has launched a support plan for the main NGOs working on the **Türkiye-Syria Earthquakes Emergency**, by offering a free platform to channel donations made by citizens. Since it was launched on 10 February, more than €1.27 million have been channelled to UNICEF, ACNUR España, Red Cross, Save The Children, Oxfam Intermón, Cáritas España, Cáritas Barcelona, Comité de Emergencia, UNRWA and Acción Contra el Hambre.

CaixaBank has adhered to the new **Code of Good Practice** (Royal Decree-Law 19/2022), which will have a two-year transitional period, and commits to applying a package of measures intended to anticipate and alleviate possible future difficulties that vulnerable households may face in paying mortgages as a result of the rise in interest rates.

The Company is firmly committed to diversity in its Sustainability Master Plan and is **ranked third** worldwide in the **"Bloomberg Gender-Equality Index"**.



11. THE CAIXABANK SHARE

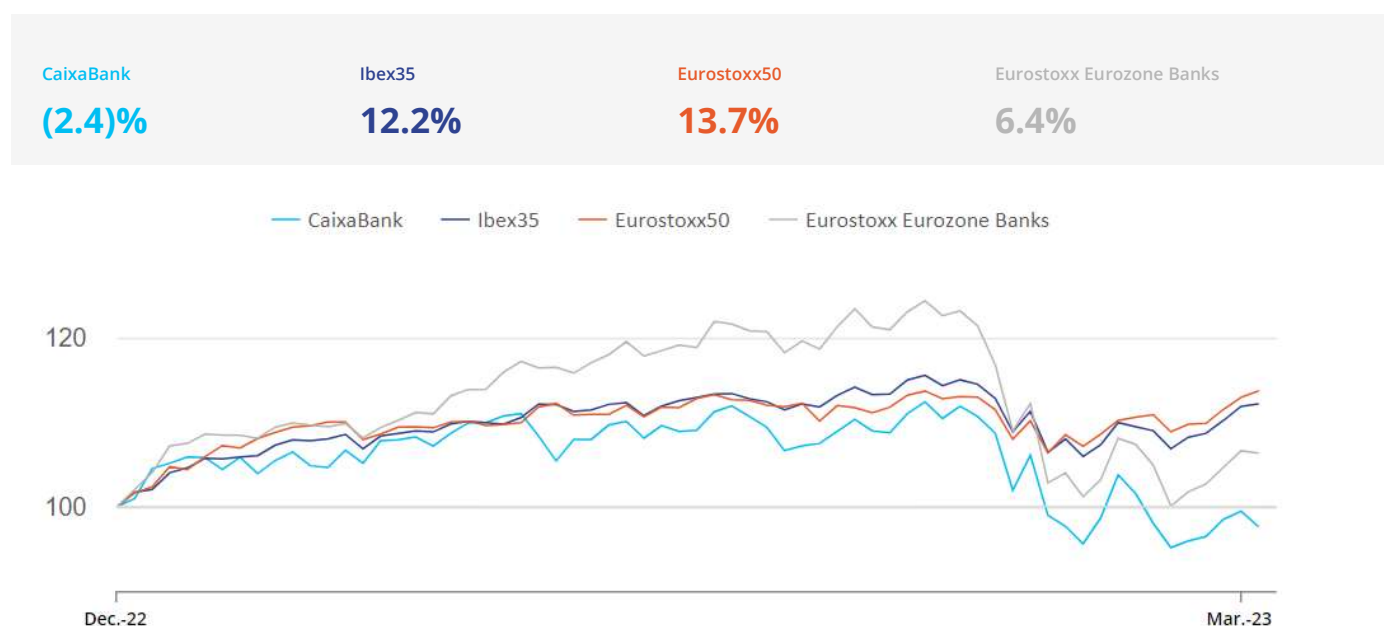
- > The **CaixaBank share closed trading on 31 March 2023** at **€3.584/share**, down 2.4% with respect to December. In the first quarter of 2023, the number of shares traded¹ increased 7.1% with respect to the fourth quarter of 2022 (+21.6% in value in euros of shares traded¹) and reached -28.0% below the trading volume of the same period of the previous year (-6.3% in euros).
- > The majority of **stock markets** ended the first quarter of 2023 in the positive, with two-digit rises in EURO STOXX 50 (+13.7% quarter on quarter) and IBEX 35 (+12.2% quarter on quarter, the best quarterly performance since the fourth quarter of 2020). The selective bank benchmarks also closed in the green (+6.4% EURO STOXX Banks and +12.4% IBEX 35 Banks quarter on quarter), despite the turbulence in March due to the surge in volatility following Silicon Valley Bank's failure.

Investors welcomed the new year with a renewed appetite for risk, encouraged by the relative resilience of economic indicators and expectations of more favourable interest rates, in view of the possibility of seeing the back end of the inflationary shock and avoiding the spectre of recession. This enthusiasm in the markets contrasted with the messages issued by the central banks, which remained firm in their rhetoric of continuing to tighten the monetary policy. But the dichotomy was short-lived: in February, the investor sentiment was marred by new data, which forecasted more persistent inflationary pressures and, as a result, a scenario of higher interest rates for longer.

All in all, the most significant impact on the markets of the quarter would take place in mid-March, with the collapse and subsequent liquidation of SVB. The shock wave spread to other American institutions (Silvergate Bank and Signature Bank), with a surge in uncertainty and increased risk aversion rippling through the ocean and reaching Credit Suisse, which was rescued by the Swiss National Bank and subsequently acquired by UBS. Although the turbulences affected bank stocks, the prompt response by central banks was able to calm the waters in the financial markets, with the main exchanges showing their resilience and ending the month in the green.

(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. 2023

Market capitalisation (€ million)	26,862
Number of outstanding shares ¹	7,495,026
Share price (€/share)	
Share price at the beginning of the period (30 December 2022)	3.672
Share price at closing of the period (31 March 2023)	3.584
Maximum price ²	4.128
Minimum price ²	3.493
Trading volume in 2023 (number of shares, excluding special transactions, in thousands)	
Maximum daily trading volume	72,312
Minimum daily trading volume	9,067
Average daily trading volume	24,627
Stock market ratios³	
EPS - Net income attributable per share (€/share) (12 months)	0.43
Book value (€/share)	4.40
Tangible book value (€/share)	3.69
PER (Price / EPS; times)	8.41
P/tangible BV (Market value / tangible book value)	0.97
Dividend yield	6.43%

(1) Number of shares, in thousands, excluding treasury shares.

(2) Price at close of trading.

(3) See additional information in 'Appendices - Alternative Performance Measures'.

Shareholder returns

- > On 12 April 2023, the **bank paid its shareholders 0.2306 euros per share, corresponding to the ordinary dividend** charged to 2022 profits and following the approval at the Annual General Meeting held on 31 March.
- > Following the payment of this dividend, the shareholder returns amounted to €1,730 million in 2022, equivalent to 55% of the consolidated net profit of 2022, in line with the dividend policy approved by the Board of Directors for the 2022 fiscal year and with the target set within the framework of the 2022-2024 Strategic Plan. In addition, a share buy-back programme was completed between May and December 2022 for an amount of €1.8 billion.
- > Furthermore, the Board of Directors approved on 2 February 2023 the **Dividend Policy for the 2023 fiscal year, 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 at the Annual General Shareholders Meeting.

12. INVESTMENT PORTFOLIO

Main investees at 31 March 2023:

	%	Business segment
SegurCaixa Adeslas	49.9%	Banking and insurance
Comercia Global Payments	20.0%	Banking and insurance
Telefónica ¹	3.5%	Corporate centre
Coral Homes	20.0%	Corporate centre
Gramina Homes	20.0%	Corporate centre
Banco de Fomento Angola (BFA)	48.1%	Corporate centre
Banco Comercial e de Investimentos (BCI)	35.7%	Corporate centre

(1) The Annual General Meeting held on 31 March 2023 agreed to reduce its share capital by redeeming 24,779,409 treasury shares, taking its share capital to 5,750,458,145 shares. The announcement of this reduction was published in the Official Gazette of the Companies Registry on 17 April 2023. As a result, the holding increases from 3.50% to 3.51%. CaixaBank holds a fair value hedge for 0.96% of Telefónica's share capital since the reduction.



13. RATINGS

Issuer Rating							
Agency	Long-Term	Short-Term	Outlook	Senior Preferred Debt	Last review date	Mortgage covered bonds	Last review date mortgage covered bonds
S&P Global	A-	A-2	Stable	A-	25 Apr. 2023	AA+	26 Jan. 2023
Fitch Ratings	BBB+	F2	Stable	A-	30 Jun. 2022	-	-
Moody's	Baa1	P-2	Stable	Baa1	25 Jan. 2023	Aa1	04 Nov. 2022
DBRS	A	R-1 (low)	Stable	A	14 Mar. 2023	AAA	13 Jan. 2023



14. RESTATEMENT

OF 2022 FINANCIAL INFORMATION AFTER IMPLEMENTATION OF IFRS 17 AND IFRS 9 (IN INSURANCE BUSINESS)

The Group has applied **IFRS 17: "Insurance Contracts"** and **IFRS 9: "Financial Instruments"** to the assets and liabilities of the insurance business as of 1 January 2023. IFRS 17 is the new accounting standard that sets out the principles for recognition, measurement and presentation of contracts that transfer significant insurance risk, whereas IFRS 9 is the accounting standard that the Group has already been applying to recognise and measure its financial assets and liabilities in its banking business.

Considering that, in accordance with IFRS 17, a minimum of one year of comparative information is required, the income statement for the fiscal year 2022 and the balance sheet at 31 December 2022 have been restated for comparative purposes, also taking into account IFRS 9 requirements.

Income statement 2022

Below is the **income statement for 2022** reported to the market (IFRS 4), as well as after applying IFRS 17 and IFRS 9 to the insurance contracts:

€ million	2022		
	Reported IFRS 4	IFRS 17/9 adjustments	IFRS 17/9 ¹
Net interest income	6,916	(389)	6,527
Dividend income	163	—	163
Share of profit/(loss) of entities accounted for using the equity method	264	(42)	222
Net fee and commission income	4,009	(155)	3,855
Trading income	338	(10)	328
Income and expense under insurance or reinsurance contracts	866	(866)	—
Insurance service result	—	961	961
Other operating income and expense	(963)	—	(963)
Gross income	11,594	(501)	11,093
Recurring administrative expenses, depreciation and amortisation	(6,020)	495	(5,525)
Extraordinary expenses	(50)	—	(50)
Pre-impairment income	5,524	(6)	5,519
Pre-impairment income stripping out extraordinary expenses	5,574	(6)	5,568
Allowances for insolvency risk	(982)	—	(982)
Other charges to provisions	(129)	—	(130)
Gains/(losses) on disposal of assets and others	(87)	—	(87)
Profit/(loss) before tax	4,326	(6)	4,320
Income tax expense	(1,179)	(10)	(1,189)
Profit/(loss) after tax	3,147	(16)	3,131
Profit/(loss) attributable to minority interest and others	2	—	2
Profit/(loss) attributable to the Group	3,145	(16)	3,129

(1) The financial information corresponding to the fiscal year 2022 in accordance with IFRS 17 / IFRS 9 is preliminary and includes unaudited information available to this date. Significant changes are not expected.

The total impact of the restatement on 2022 net income is not significant (€-16 million), as a result of a number of non-material adjustments of different sign. The main change is centred on the presentation of the income statement, as almost the entire insurance business is now reported under the heading 'Insurance service result', net of the expenses directly attributable to insurance contracts.

In this respect, the table above shows the differences between both standards in the "adjustments" column, which mainly corresponds to the aforementioned reclassification of the following line items in the income statement:

- > **Net interest income:** in accordance with IFRS 17, it continues to include the income from financial assets under the insurance business, and an expense for interest that includes the capitalisation of the new insurance liabilities, discounted at a very similar interest rate to the acquisition rate of the assets. The difference between this income and the expense included in net interest income is not significant.
The margin on savings insurance contracts will now be recognised under the heading 'Insurance service result'.
- > **Share of profit/(loss) of entities accounted for using the equity method:** this line item includes the impacts resulting from applying IFRS 17 and IFRS 9 in affiliated companies with an insurance business, and they mainly focus on valuation differences in insurance liabilities and financial assets, with a particular impact on the income statement for 2022.
- > **Fee and commission income:** the fee and commission income generated by Unit Linked and other, as well as the fees and commissions paid to third-party intermediaries and agents related to the insurance business, is reported in the heading 'Insurance service result'.
- > **Insurance service result:** it includes the accrual of the margin on savings insurance contracts, as well as on Unit Linked products, and the recognition of income and expenses from claims corresponding to short-term risk-related insurance. For the entire insurance business, this line item is reported net of expenses directly attributable to the contracts.
- > The **expenses directly attributable** to insurance contracts are reported as lower income in the heading 'Insurance service result', and were previously recognised in **Operating expenses** and **Fee and commission income**.

Quarterly income statement for 2022 restated

Below is the [quarterly income statement for 2022 restated](#) after applying IFRS 17 and IFRS 9:

€ million	1Q22	2Q22	3Q22	4Q22	2022
Net interest income	1,455	1,518	1,593	1,961	6,527
Dividend income	1	130	—	32	163
Share of profit/(loss) of entities accounted for using the equity method	51	66	74	30	222
Net fee and commission income	936	991	968	959	3,855
Trading income	142	102	74	11	328
Income and expense under insurance or reinsurance contracts	—	—	—	—	—
Insurance service result	213	227	235	287	961
Other operating income and expense	(141)	(256)	(89)	(477)	(963)
Gross income	2,658	2,779	2,855	2,801	11,093
Recurring administrative expenses, depreciation and amortisation	(1,406)	(1,363)	(1,379)	(1,376)	(5,525)
Extraordinary expenses	(8)	(16)	(11)	(15)	(50)
Pre-impairment income	1,244	1,400	1,465	1,410	5,519
Pre-impairment income stripping out extraordinary expenses	1,252	1,416	1,476	1,425	5,568
Allowances for insolvency risk	(228)	(147)	(172)	(434)	(982)
Other charges to provisions	(45)	(44)	(34)	(6)	(130)
Gains/(losses) on disposal of assets and others	(9)	(26)	(20)	(32)	(87)
Profit/(loss) before tax	961	1,182	1,239	938	4,320
Income tax expense	(255)	(290)	(367)	(278)	(1,189)
Profit/(loss) after tax	707	892	872	660	3,131
Profit/(loss) attributable to minority interest and others	1	0	0	1	2
Profit/(loss) attributable to the Group	706	892	872	659	3,129

Below is a table showing the 'Insurance service result' arranged by business and the 'Recurring administrative expenses, depreciation and amortisation' restated by quarter:

€ million	1Q22	2Q22	3Q22	4Q22	2022
Risk business	131	145	152	173	600
Savings business	61	62	62	78	263
Unit Linked business	20	21	21	36	98
Insurance service result	213	227	235	287	961

€ million	1Q22	2Q22	3Q22	4Q22	2022
Personnel expenses	(865)	(828)	(830)	(836)	(3,360)
General expenses	(364)	(356)	(363)	(352)	(1,435)
Depreciation and amortisation	(177)	(179)	(186)	(188)	(730)
Recurring administrative expenses, depreciation and amortisation	(1,406)	(1,363)	(1,379)	(1,376)	(5,525)

Balance sheet

The following table shows the **balance sheet at 31 December 2022** reported to the market, as well as the restated balance sheet after applying IFRS 17 and IFRS 9:

€ million	31 December 2022		
	Reported IFRS 4	IFRS 17/9 adjustments	IFRS 17/9 ¹
Cash and cash balances at central banks and other demand deposits	20,522	—	20,522
Financial assets held for trading	7,382	—	7,382
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	183	11,168	11,351
Equity instruments	127	11,168	11,295
Debt securities	6	—	6
Loans and advances	50	—	50
Financial assets designated at fair value through profit or loss	—	8,022	8,022
Financial assets at fair value with changes in other comprehensive income	12,942	51,590	64,532
Financial assets at amortised cost	442,754	3,414	446,168
Credit institutions	12,187	210	12,397
Customers	352,834	—	352,834
Debt securities	77,733	3,204	80,937
Derivatives - Hedge accounting	649	813	1,462
Investments in joint ventures and associates	2,034	20	2,054
Assets under the insurance business	68,534	(68,534)	—
Assets under reinsurance contracts	—	63	63
Tangible assets	7,516	—	7,516
Intangible assets	5,219	(195)	5,024
Non-current assets and disposal groups classified as held for sale	2,426	—	2,426
Other assets	22,075	253	22,328
Total assets	592,234	6,616	598,850
Liabilities	557,972	7,170	565,142
Financial liabilities held for trading	4,030	—	4,030
Financial liabilities designated at fair value through profit or loss	—	3,409	3,409
Financial liabilities at amortised cost	482,501	546	483,047
Deposits from central banks and credit institutions	28,810	—	28,810
Customer deposits	393,060	574	393,634
Debt securities issued	52,608	—	52,608
Other financial liabilities	8,022	(27)	7,995
Derivatives - Hedge accounting	1,371	6,398	7,769
Liabilities under the insurance business	65,654	(65,654)	—
Insurance contract liabilities	—	62,595	62,595
Provisions	5,263	(32)	5,231
Other liabilities	(847)	(92)	(939)
Equity	34,263	(555)	33,708
Shareholders' equity	36,639	(731)	35,908
Minority interest	32	—	32
Accumulated other comprehensive income	(2,409)	177	(2,232)
Total liabilities and equity	592,234	6,616	598,850

(1) Opening balance sheet at 1 January 2023, after the unaudited restatement of IFRS 17 / IFRS 9.

The restated balance sheet includes the assets and liabilities under the insurance business in different line items in accordance with their nature. Previously, they were grouped in two specific line items.

Below is a summary of the main restatement adjustments:

- > Portfolio of financial investments related to Unit Linked products and other: it is classified in its entirety in 'Financial assets designated at fair value through profit or loss', except equity instruments, which are reported in 'Financial assets not designated for trading compulsorily measured at fair value through profit or loss'.
- > Rest of the portfolio of financial investments under the insurance business: they are mostly fixed-income assets that are eligible to be classified in 'Financial assets at fair value with changes in other comprehensive income'. Shares in mutual funds are compulsorily measured at fair value through profit or loss. A part of the fixed-income portfolio has been classified in 'Financial assets at amortised cost' to mitigate the volatility in other comprehensive income generated under IFRS 17.
- > Derivatives used to adjust the flows of financial instruments to the claims expected to be paid to the insured: these derivatives are classified in 'Derivatives – Hedge accounting' in accordance with IFRS 9. This item explains most of the increase in the balance sheet's total under IFRS 17. Under the previous accounting standard, it was reported at fair value together with the valuation of the associated financial instrument.
- > Intangible assets from business combinations carried out before the transition must be derecognised in accordance with IFRS 17, except those related to the short-term risk-related business.
- > With regard to Unit Linked products and other, the valuation of insurance liabilities is reported in 'Insurance contract liabilities', except those which do not bear significant insurance risk, which are included in 'Financial liabilities designated at fair value through profit or loss' and 'Financial liabilities at amortised cost'.
- > In accordance with IFRS 17, the new valuation of the rest of the insurance business is reported in 'Insurance contract liabilities', except for reinsurance contracts held which are reported separately in 'Assets under reinsurance contracts'. A component of this valuation is the specific estimate of the future profit expected and generated by each policy issued and not cancelled at year-end (known as the contractual service margin). The accrual of this margin throughout the life of the contract is included in the heading 'Insurance service result' of the income statement.
- > The tax effects of the above adjustments are included in 'Other assets' and 'Other liabilities'.

Following the restatement, the Group's total assets increase by €6,616 million and liabilities by €7,170 million. The impact on equity amounts to €-555 million, of which €-731 million correspond to Shareholders' equity and €+177 million to Accumulated other comprehensive income.

Main ratios

The following table shows the impact of the restatement on the main **cost-to-income, profitability and stock market ratios after applying IFRS 17 and IFRS 9**:

	2022		
	Reported IFRS 4	IFRS 17/9	Change
Administrative expenses, depreciation and amortisation stripping out extraordinary expenses	6,020	5,525	(495)
Gross income	11,594	11,093	(501)
Recurring cost-to-income ratio (12 months)	51.9%	49.8%	(2.1)
Profit/(loss) attributable to the Group adjusted by AT1	2,884	2,868	(16)
Average shareholder equity + valuation adjustments	34,880	34,578	(302)
ROE (12 months)	8.3%	8.3%	—
Profit/(loss) attributable to the Group adjusted by AT1	2,884	2,868	(16)
Average shareholder equity + valuation adjustments excluding intangible assets	29,533	29,368	(165)
ROTE (12 months)	9.8%	9.8%	—
Net profit adjusted by AT1	2,888	2,871	(17)
Average total assets	698,644	705,478	6,834
ROA (12 months)	0.4%	0.4%	—
Equity adjusted by minority interest	34,230	33,675	(555)
Shares outstanding, net of treasury shares	7,494	7,494	—
Book value per share at 31 Dec. 2022	4.57	4.49	(0.08)
Equity adjusted by minority interest and intangible assets	28,636	28,277	(359)
Shares outstanding, net of treasury shares	7,494	7,494	—
Tangible book value per share at 31 Dec. 2022	3.82	3.77	(0.05)

Results by business segment

The table below shows the **quarterly income statement for 2022 and the main balance sheet figures by business segment** reported to the market and restated after applying IFRS 17 / IFRS 9.

The **Banking and Insurance** business, which shows earnings from the insurance firm VidaCaixa, is the business most impacted by this adjustment, as it includes most of the Group's insurance business.

In **BPI**, the adjustment is due to the restatement of Allianz Portugal's net income (BPI holds a 35% stake in the company and markets its general insurance products in Portugal, recognising its income using the equity method).

The **Corporate centre** includes the difference between the Group's equity and the capital assigned to the businesses following the restatement:

€ million	Banking and Insurance			BPI		
	2022 reported IFRS 4	IFRS 17/9 adjustments	2022 IFRS 17/9	2022 reported IFRS 4	IFRS 17/9 adjustments	2022 IFRS 17/9
Net interest income	6,366	(380)	5,986	544	—	544
Dividend income and share of profit/(loss) of entities accounted for using the equity method	212	(46)	166	29	4	33
Net fee and commission income	3,714	(155)	3,559	296	—	296
Trading income	299	(10)	289	27	—	27
Income and expense under insurance or reinsurance contracts	866	(866)	—	—	—	—
Insurance service result	—	961	961	—	—	—
Other operating income and expense	(918)	—	(918)	(38)	—	(38)
Gross income	10,539	(496)	10,043	857	4	861
Recurring administrative expenses, depreciation and amortisation	(5,505)	495	(5,010)	(455)	—	(455)
Extraordinary expenses	(50)	—	(50)	—	—	—
Pre-impairment income	4,984	—	4,984	402	4	406
Pre-impairment income stripping out extraordinary expenses	5,034	—	5,034	402	4	406
Allowances for insolvency risk	(976)	—	(976)	(6)	—	(6)
Other charges to provisions	(98)	(1)	(99)	(22)	—	(22)
Gains/(losses) on disposal of assets and others	(69)	—	(69)	—	—	—
Profit/(loss) before tax	3,842	(1)	3,841	374	4	378
Income tax expense	(1,089)	(13)	(1,102)	(101)	—	(101)
Profit/(loss) after tax	2,753	(14)	2,739	272	4	276
Profit/(loss) attributable to minority interest and others	2	—	2	—	—	—
Profit/(loss) attributable to the Group	2,751	(14)	2,737	272	4	276
Assets	548,046	7,044	555,090	38,795	7	38,802
Liabilities	520,274	7,163	527,437	36,340	7	36,347
Assigned capital	27,740	(119)	27,621	2,455	—	2,455

€ million	Corporate centre		
	2022 reported IFRS 4	IFRS 17/9 adjustments	2022 IFRS 17/9
Net interest income	6	(10)	(4)
Dividend income and share of profit/(loss) of entities accounted for using the equity method	187	—	187
Net fee and commission income	—	—	—
Trading income	12	—	12
Income and expense under insurance or reinsurance contracts	—	—	—
Insurance service result	—	—	—
Other operating income and expense	(7)	—	(7)
Gross income	198	(10)	188
Recurring administrative expenses, depreciation and amortisation	(60)	—	(60)
Extraordinary expenses	—	—	—
Pre-impairment income	138	(10)	128
Pre-impairment income stripping out extraordinary expenses	138	(10)	128
Allowances for insolvency risk	—	—	—
Other charges to provisions	(9)	—	(9)
Gains/(losses) on disposal of assets and others	(19)	—	(19)
Profit/(loss) before tax	110	(10)	100
Income tax expense	12	2	14
Profit/(loss) after tax	122	(7)	115
Profit/(loss) attributable to minority interest and others	—	—	—
Profit/(loss) attributable to the Group	122	(7)	115
Assets	5,394	(435)	4,959
Liabilities	1,358	—	1,358
Assigned capital	4,036	(435)	3,601



15 APPENDICES

ALTERNATIVE PERFORMANCE MEASURES

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 that can be classified as retail).

Note: The average balances of the analysed period are calculated on the basis of the daily closing balances of said period, except in the case of some subsidiaries, for which the average balances are calculated as the arithmetic average of the closing balances of each month.

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

		1Q22	2Q22	3Q22	4Q22	1Q23
Numerator	Annualised quarterly income from loans and advances to customers	5,297	5,447	6,258	7,986	10,747
Denominator	Net average balance of loans and advances to customers	329,860	335,025	340,968	340,765	338,447
(a)	Average yield rate on loans (%)	1.61	1.63	1.84	2.34	3.18
Numerator	Annualised quarterly cost of on-balance sheet retail customer funds	(65)	(96)	95	599	1,213
Denominator	Average balance of on-balance sheet retail customers funds	382,008	387,613	392,310	384,369	378,532
(b)	Average cost rate of retail customer funds (%)	(0.02)	(0.03)	0.02	0.16	0.32
	Customer spread (%) (a - b)	1.63	1.66	1.82	2.18	2.86

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 of the analysed period are calculated on the basis of the daily closing balances of said period, except in the case of some subsidiaries, for which the average balances are calculated as the arithmetic average of the closing balances of each month.

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

		IFRS 4				IFRS 17/9	
		1Q22	2Q22	3Q22	4Q22	4Q22	1Q23
Numerator	Annualised quarterly interest income	8,464	8,507	8,907	11,021	11,494	14,628
Denominator	Average total assets for the quarter	706,116	707,629	701,243	679,850	686,491	616,023
(a)	Average return rate on assets (%)	1.20	1.20	1.27	1.62	1.67	2.37
Numerator	Annualised quarterly interest expenses	2,178	2,066	2,214	2,801	3,713	5,856
Denominator	Average total funds for the quarter	706,116	707,629	701,243	679,850	686,491	616,023
(b)	Average cost of fund rate (%)	0.31	0.29	0.32	0.41	0.54	0.95
	Balance sheet spread (%) (a - b)	0.89	0.91	0.95	1.21	1.13	1.42

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).

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

		IFRS 4				IFRS 17/9	
		1Q22	2Q22	3Q22	4Q22	4Q22	1Q23
(a)	Profit/(loss) attributable to the Group 12M	1,147	2,617	2,881	3,145	3,129	3,278
(b)	Additional Tier 1 coupon	(269)	(276)	(272)	(261)	(261)	(253)
Numerator	Adjusted profit/(loss) attributable to the Group 12M (a+b)	878	2,342	2,609	2,884	2,868	3,025
(c)	Average shareholder equity 12M	37,000	36,940	36,949	36,822	36,225	36,042
(d)	Average valuation adjustments 12M	(1,649)	(1,709)	(1,784)	(1,943)	(1,647)	(1,872)
Denominator	Average shareholder equity + valuation adjustments 12M (c+d)	35,351	35,232	35,165	34,880	34,578	34,170
	ROE (%)	2.5%	6.6%	7.4%	8.3%	8.3%	8.9%
(e)	Extraordinary income from the merger in 2021	(1,405)	(37)	88	-	-	-
Numerator	Adjusted numerator 12M (a+b-e)	2,283	2,378	2,522	-	-	-
	ROE (%) ex M&A impacts	6.5%	6.8%	7.2%	-	-	-

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).

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

		IFRS 4				IFRS 17/9	
		1Q22	2Q22	3Q22	4Q22	4Q22	1Q23
(a)	Profit/(loss) attributable to the Group 12M	1,147	2,617	2,881	3,145	3,129	3,278
(b)	Additional Tier 1 coupon	(269)	(276)	(272)	(261)	(261)	(253)
Numerator	Adjusted profit/(loss) attributable to the Group 12M (a+b)	878	2,342	2,609	2,884	2,868	3,025
(c)	Average shareholder equity 12M	37,000	36,940	36,949	36,822	36,225	36,042
(d)	Average valuation adjustments 12M	(1,649)	(1,709)	(1,784)	(1,943)	(1,647)	(1,872)
(e)	Average intangible assets 12M	(5,155)	(5,210)	(5,268)	(5,347)	(5,210)	(5,262)
Denominator	Average shareholder equity + valuation adjustments excluding intangible assets 12M (c+d+e)	30,196	30,022	29,897	29,533	29,368	28,908
	ROTE (%)	2.9%	7.8%	8.7%	9.8%	9.8%	10.5%
(f)	Extraordinary income from the merger in 2021	(1,405)	(37)	88	-	-	-
Numerator	Adjusted numerator 12M (a+b-f)	2,283	2,378	2,522	-	-	-
	ROTE (%) ex M&A impacts	7.6%	7.9%	8.4%	-	-	-

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).

Purpose: measures the level of return relative to assets.

		IFRS 4				IFRS 17/9	
		1Q22	2Q22	3Q22	4Q22	4Q22	1Q23
(a)	Profit/(loss) after tax and before minority interest 12M	1,151	2,622	2,886	3,149	3,132	3,281
(b)	Additional Tier 1 coupon	(269)	(276)	(272)	(261)	(261)	(253)
Numerator	Adjusted net profit 12M (a+b)	882	2,346	2,614	2,888	2,871	3,028
Denominator	Average total assets 12M	690,792	699,832	702,550	698,644	705,478	681,570
	ROA (%)	0.1%	0.3%	0.4%	0.4%	0.4%	0.4%
(c)	M&A impacts in 2021	(1,405)	(37)	88	-	-	-
Numerator	Adjusted numerator 12M (a+b-c)	2,287	2,383	2,527	-	-	-
	ROA (%) ex M&A impacts	0.3%	0.3%	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).

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

		IFRS 4				IFRS 17/9	
		1Q22	2Q22	3Q22	4Q22	4Q22	1Q23
(a)	Profit/(loss) after tax and before minority interest 12M	1,151	2,622	2,886	3,149	3,132	3,281
(b)	Additional Tier 1 coupon	(269)	(276)	(272)	(261)	(261)	(253)
Numerator	Adjusted net profit 12M (a+b)	882	2,346	2,614	2,888	2,871	3,028
Denominator	Risk-weighted assets (regulatory) 12M	218,558	217,093	215,836	215,077	215,077	215,207
	RORWA (%)	0.4%	1.1%	1.2%	1.3%	1.3%	1.4%
(c)	M&A impacts in 2021	(1,405)	(37)	88	-	-	-
Numerator	Adjusted numerator 12M (a+b-c)	2,287	2,383	2,527	-	-	-
	RORWA (%) ex M&A impacts	1.0%	1.1%	1.2%	-	-	-

g. 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.

		IFRS 4				IFRS 17/9	
		1Q22	2Q22	3Q22	4Q22	4Q22	1Q23
Numerator	Administrative expenses, depreciation and amortisation 12M	8,391	6,366	6,226	6,070	5,574	5,603
Denominator	Gross income 12M	10,987	11,046	11,210	11,594	11,093	11,537
	Cost-to-income ratio	76.4%	57.6%	55.5%	52.4%	50.3%	48.6%
Numerator	Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M	6,305	6,194	6,092	6,020	5,525	5,558
Denominator	Gross income 12M	10,987	11,046	11,210	11,594	11,093	11,537
	Cost-to-income ratio stripping out extraordinary expenses	57.4%	56.1%	54.3%	51.9%	49.8%	48.2%
Numerator	Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M	6,305	6,194	6,092	6,020	5,525	5,558
Denominator	Core income 12M	11,293	11,347	11,529	11,997	11,504	12,307
	Core cost-to-income ratio	55.8%	54.6%	52.8%	50.2%	48.0%	45.2%

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).

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

		1Q22	2Q22	3Q22	4Q22	1Q23
Numerator	Allowances for insolvency risk 12M	892	885	892	982	1,009
Denominator	Average of gross loans + contingent liabilities 12M	382,176	382,125	384,113	386,862	389,593
	Cost of risk (%)	0.23%	0.23%	0.23%	0.25%	0.26%

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.

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

		1Q22	2Q22	3Q22	4Q22	1Q23
Numerator	Non-performing loans and contingent liabilities	13,361	12,424	11,643	10,690	10,447
Denominator	Total gross loans and contingent liabilities	380,895	391,816	391,522	391,199	390,190
	Non-performing loan ratio (%)	3.5%	3.2%	3.0%	2.7%	2.7%

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.

Purpose: indicator used to monitor NPL coverage via provisions.

		1Q22	2Q22	3Q22	4Q22	1Q23
Numerator	Provisions on loans and contingent liabilities	8,648	8,126	7,867	7,867	7,921
Denominator	Non-performing loans and contingent liabilities	13,361	12,424	11,643	10,690	10,447
	Coverage ratio (%)	65%	65%	68%	74%	76%

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.

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

		1Q22	2Q22	3Q22	4Q22	1Q23
(a)	Gross debt cancelled at the foreclosure	4,262	4,030	3,893	3,774	3,622
(b)	Net book value of the foreclosed assets	2,223	2,110	2,044	1,893	1,826
Numerator	Total coverage of the foreclosed asset (a - b)	2,039	1,920	1,849	1,881	1,796
Denominator	Gross debt cancelled at the foreclosure	4,262	4,030	3,893	3,774	3,622
	Real estate available for sale coverage ratio (%)	48%	48%	48%	50%	50%

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.

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

		1Q22	2Q22	3Q22	4Q22	1Q23
Numerator	Accounting provisions of the foreclosed assets	960	917	892	952	903
(a)	Net book value of the foreclosed assets	2,223	2,110	2,044	1,893	1,826
(b)	Accounting provisions of the foreclosed assets	960	917	892	952	903
Denominator	Gross book value of the foreclosed asset (a + b)	3,183	3,027	2,936	2,845	2,729
	Real estate available for sale accounting coverage (%)	30%	30%	30%	33%	33%

3. Liquidity

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.

		1Q22	2Q22	3Q22	4Q22	1Q23
(a)	High Quality Liquid Assets (HQLAs)	170,170	161,451	141,124	95,063	95,798
(b)	Available balance under the ECB facility (non-HQLAs)	1,033	1,397	857	43,947	37,069
	Total liquid assets (a + b)	171,202	162,847	141,981	139,010	132,867

b. Loan-to-deposits:

Explanation: quotient between:

- > net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions).
- > Customer deposits and accruals.

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

		1Q22	2Q22	3Q22	4Q22	1Q23
Numerator	Loans and advances to customers, net (a-b-c)	341,477	351,449	351,410	350,670	350,504
(a)	Loans and advances to customers, gross	353,404	362,770	362,465	361,323	361,077
(b)	Provisions for insolvency risk	8,277	7,767	7,508	7,408	7,437
(c)	Brokered loans	3,650	3,554	3,547	3,245	3,136
Denominator	Customer deposits and accruals (d+e)	385,827	398,789	389,779	386,054	380,859
(d)	Customer deposits	385,816	398,773	389,757	386,017	380,761
(e)	Accruals included in Reverse repurchase agreements and other	11	16	22	37	99
	Loan to Deposits (%)	89%	88%	90%	91%	92%

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 (includes the impact of the share buy-back programme for the executed volume). The average is calculated as the average number of shares at the closing of each month of the analysed period.

		IFRS 4				IFRS 17/9	
		1Q22	2Q22	3Q22	4Q22	4Q22	1Q23
Numerator	Profit/(loss) attributable to the Group 12M ex M&A impacts	2,552	2,654	2,794	3,145	3,129	3,278
Denominator	Average number of shares outstanding, net of treasury shares	8,054	8,034	7,945	7,819	7,819	7,690
	EPS (Earnings per share)	0.32	0.33	0.35	0.40	0.40	0.43
	Additional Tier 1 coupon	(269)	(276)	(272)	(261)	(261)	(253)
Numerator	Numerator adjusted by AT1 coupon	2,283	2,378	2,522	2,884	2,868	3,025
	EPS (Earnings per share) adjusted by AT1 coupon	0.28	0.30	0.32	0.37	0.37	0.39

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

		IFRS 4				IFRS 17/9	
		1Q22	2Q22	3Q22	4Q22	4Q22	1Q23
Numerator	Share price at the end of the period	3.077	3.317	3.311	3.672	3.672	3.584
Denominator	Earnings per share (EPS)	0.32	0.33	0.35	0.40	0.40	0.43
	PER (Price-to-earnings ratio)	9.71	10.04	9.41	9.13	9.18	8.41

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

		1Q22	2Q22	3Q22	4Q22	1Q23
Numerator	Dividends paid (in shares or cash) last year	0.15	0.15	0.15	0.15	0.23
Denominator	Share price at the end of the period	3.077	3.317	3.311	3.672	3.584
	Dividend yield	4.75%	4.41%	4.42%	3.98%	6.43%

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

*The **book value** and **tangible book value** per share include the impact of the share buy-back programme for the amount executed at the end of the quarter, in both the numerator (excluding the repurchased shares from shareholder equity, in spite of not having been redeemed yet) and the denominator (the number of shares does not include the repurchased shares). Outstanding shares equals shares issued (less treasury shares) at a specific date.*

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

- > equity less minority interests and intangible assets.
- > the number of 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.

		IFRS 4				IFRS 17/9	
		1Q22	2Q22	3Q22	4Q22	4Q22	1Q23
(a)	Equity	35,916	34,843	34,274	34,263	33,708	33,034
(b)	Minority interest	(32)	(31)	(32)	(32)	(32)	(33)
Numerator	Adjusted equity (c = a+b)	35,884	34,811	34,242	34,230	33,675	33,001
Denominator	Shares outstanding, net of treasury shares (d)	8,053	7,862	7,604	7,494	7,494	7,495
e= (c/d)	Book value (€/share)	4.46	4.43	4.50	4.57	4.49	4.40
(f)	Intangible assets (reduce adjusted equity)	(5,304)	(5,340)	(5,300)	(5,594)	(5,399)	(5,371)
g=((c+f)/d)	Tangible book value (€/share)	3.80	3.75	3.81	3.82	3.77	3.69
(h)	Share price at the end of the period	3.077	3.317	3.311	3.672	3.672	3.584
h/e	P/BV (Share price divided by book value)	0.69	0.75	0.74	0.80	0.82	0.81
h/g	P/TBV tangible (Share price divided by tangible book value)	0.81	0.88	0.87	0.96	0.97	0.97

RECONCILIATION BETWEEN THE ACCOUNTING AND MANAGEMENT INFORMATION

Adapting 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.
- > 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 2023

€ million

Financial assets at amortised cost - Customers (Public Balance Sheet)	352,267
Clearing houses and sureties provided in cash	(1,880)
Other, non-retail, financial assets	(256)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss - Loans and advances (Public Balance Sheet)	50
Fixed income bonds considered retail financing (Financial assets at amortised cost - debt securities, Public Balance Sheet)	3,459
Provisions for insolvency risk	7,437
Loans and advances to customers (gross) using management criteria	361,077

INSURANCE CONTRACT LIABILITIES

March 2023

€ million

Insurance contract liabilities (Public Balance Sheet)	65,369
Financial component's correction as a result of updating the liabilities in accordance with IFRS 17 (excluding Unit Linked and other)	1,515
Financial liabilities designated at fair value through profit or loss (Public Balance Sheet)	3,409
Financial liabilities of BPI Vida registered under Financial liabilities at amortised cost - Customer deposits	767
Insurance contract liabilities, using management criteria	71,059

CUSTOMER FUNDS

March 2023

€ million

Financial liabilities at amortised cost - Customer deposits (Public Balance Sheet)	388,356
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customer deposits)	(7,347)
Multi-issuer covered bonds and subordinated deposits	(4,668)
Counterparties and other	(2,679)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	1,301
Retail issues and other	1,301
Liabilities under insurance contracts, using management criteria	71,059
Total on-balance sheet customer funds	453,368
Assets under management	154,007
Other accounts ¹	7,233
Total customer funds	614,608

(1) It mainly includes transitional funds associated with transfers and collection activity.

INSTITUTIONAL FINANCING FOR BANKING LIQUIDITY PURPOSES

March 2023

€ million

Financial liabilities at amortised cost - Debt securities issued (Public Balance Sheet)	51,059
Institutional financing not considered for the purpose of managing bank liquidity	(3,847)
Securitised bonds	(1,095)
Value adjustments	(1,807)
Retail	(1,301)
Issues acquired by companies within the group and other	356
Customer deposits for the purpose of managing bank liquidity¹	4,668
Institutional financing for the purpose of managing bank liquidity	51,881

(1) A total of €4,635 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 2023

€ million

Non-current assets and disposal groups classified as held for sale (Public Balance Sheet)	2,372
Other non-foreclosed assets	(585)
Inventories under the heading - Other assets (Public Balance Sheet)	39
Foreclosed available for sale real estate assets	1,826
Tangible assets (Public Balance Sheet)	7,528
Tangible assets for own use	(5,976)
Other assets	(317)
Foreclosed rental real estate assets	1,236

HISTORICAL FIGURES FOR THE CABK AND BPI PERIMETERS

A. QUARTERLY PERFORMANCE OF THE INCOME STATEMENT AND SOLVENCY RATIOS

€ million	CABK				
	1Q23	4Q22	3Q22	2Q22	1Q22
Net interest income	1,957	1,785	1,452	1,394	1,340
Dividend income	68	31		39	1
Share of profit/(loss) of entities accounted for using the equity method	63	3	62	49	37
Net fee and commission income	864	882	894	918	865
Trading income	75	23	59	89	118
Insurance service result	263	287	235	227	213
Other operating income and expense	(465)	(480)	(89)	(227)	(121)
Gross income	2,825	2,531	2,613	2,489	2,453
Recurring administrative expenses, depreciation and amortisation	(1,313)	(1,263)	(1,263)	(1,252)	(1,292)
Extraordinary expenses	(2)	(15)	(11)	(16)	(8)
Pre-impairment income	1,509	1,253	1,339	1,221	1,154
Pre-impairment income stripping out extraordinary expenses	1,512	1,268	1,350	1,237	1,161
Allowances for insolvency risk	(233)	(406)	(166)	(141)	(262)
Other charges to provisions	(24)	19	(28)	(44)	(45)
Gains/(losses) on disposal of assets and others	(19)	(31)	(19)	(27)	(9)
Profit/(loss) before tax	1,233	835	1,125	1,008	837
Income tax expense	(463)	(257)	(335)	(268)	(220)
Profit/(loss) after tax	771	578	790	740	617
Profit/(loss) attributable to minority interest and others		1			1
Profit/(loss) attributable to the Group	771	577	790	740	616
<i>Risk-weighted assets</i>	<i>197,014</i>	<i>197,823</i>	<i>196,298</i>	<i>196,566</i>	<i>195,596</i>
<i>Fully-loaded Common Equity Tier 1 (CET1)</i>	<i>12.5%</i>	<i>12.6%</i>	<i>12.3 %</i>	<i>12.3 %</i>	<i>13.4%</i>
<i>Fully-loaded total capital</i>	<i>17.8%</i>	<i>17.2%</i>	<i>16.5%</i>	<i>16.5%</i>	<i>17.9%</i>

€ million	BPI				
	1Q23	4Q22	3Q22	2Q22	1Q22
Net interest income	207	175	140	124	115
Dividend income				91	
Share of profit/(loss) of entities accounted for using the equity method	16	28	13	17	14
Net fee and commission income	73	77	75	73	71
Trading income	6	(12)	14	13	24
Insurance service result					
Other operating income and expense	(26)	3		(28)	(19)
Gross income	277	270	241	290	205
Recurring administrative expenses, depreciation and amortisation	(126)	(113)	(116)	(111)	(114)
Extraordinary expenses					
Pre-impairment income	150	157	126	179	91
Pre-impairment income stripping out extraordinary expenses	150	157	126	179	91
Allowances for insolvency risk	(22)	(28)	(6)	(6)	34
Other charges to provisions	(1)	(25)	(6)		
Gains/(losses) on disposal of assets and others	(1)		(1)	1	
Profit/(loss) before tax	125	103	114	174	125
Income tax expense	(41)	(21)	(32)	(22)	(35)
Profit/(loss) after tax	84	82	82	152	90
Profit/(loss) attributable to minority interest and others					
Profit/(loss) attributable to the Group	84	82	82	152	90
<i>Risk-weighted assets</i>	<i>18,119</i>	<i>17,280</i>	<i>19,201</i>	<i>18,949</i>	<i>18,653</i>
<i>Fully-loaded Common Equity Tier 1 (CET1)</i>	<i>14.3%</i>	<i>14.8%</i>	<i>13.5%</i>	<i>13.6%</i>	<i>13.7%</i>
<i>Fully-loaded total capital</i>	<i>18.3%</i>	<i>18.9%</i>	<i>17.1%</i>	<i>17.3%</i>	<i>17.5%</i>

B. QUARTERLY COST AND INCOME AS PART OF NET INTEREST INCOME

CAIXABANK										
€ million		1Q23			4Q22			1Q22		
		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions		42,433	277	2.65	103,621	293	1.12	129,157	265	0.83
Loans and advances	(a)	313,243	2,438	3.16	315,500	1,853	2.33	305,524	1,208	1.60
Debt securities		83,698	201	0.97	85,525	168	0.78	81,097	56	0.28
Other assets with returns		57,929	381	2.67	56,321	341	2.40	67,709	376	2.25
Other assets		85,733	58		88,146	39		92,228	12	
Total average assets	(b)	583,036	3,355	2.33	649,113	2,694	1.65	675,715	1,917	1.15
Financial Institutions		49,825	(352)	2.86	110,786	(208)	0.74	119,233	(163)	0.55
Retail customer funds	(c)	349,635	(278)	0.32	354,686	(143)	0.16	353,384	13	(0.02)
Wholesale marketable debt securities & other		45,101	(331)	2.98	46,295	(184)	1.58	46,874	(27)	0.23
Subordinated liabilities		9,798	(53)	2.19	8,796	(25)	1.15	9,936	(5)	0.21
Other funds with cost		72,999	(374)	2.08	70,969	(339)	1.90	81,479	(375)	1.87
Other funds		55,678	(10)		57,581	(10)		64,809	(20)	
Total average funds	(d)	583,036	(1,398)	0.97	649,113	(909)	0.56	675,715	(577)	0.35
Net interest income		1,957			1,785			1,340		
Customer spread (%)	(a-c)	2.84			2.17			1.62		
Balance sheet spread (%)	(b-d)	1.36			1.09			0.80		

BPI										
€ million		1Q23			4Q22			1Q22		
		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions		2,627	18	2.78	6,421	25	1.55	7,581	13	0.72
Loans and advances	(a)	25,260	212	3.40	25,319	160	2.50	24,387	98	1.64
Debt securities		8,380	30	1.45	8,328	22	1.06	8,158	10	0.49
Other assets with returns			2			4				
Other assets		2,444	2		3,276	2		2,595	3	
Total average assets	(b)	38,711	264	2.77	43,344	213	1.95	42,721	124	1.18
Financial Institutions		2,380	(18)	3.03	5,932	(10)	0.67	6,780	(5)	0.29
Retail customer funds	(c)	29,096	(21)	0.29	30,093	(10)	0.13	29,029	2	(0.03)
Wholesale marketable debt securities & other		1,899	(13)	2.69	1,899	(12)	2.60	1,898	(3)	0.55
Subordinated liabilities		425	(6)	5.25	425	(5)	4.70	322	(4)	5.50
Other funds with cost										
Other funds		4,911			4,995			4,693		
Total average funds	(d)	38,711	(57)	0.60	43,344	(38)	0.34	42,721	(9)	0.09
Net interest income		207			175			115		
Customer spread (%)	(a-c)	3.11			2.37			1.67		
Balance sheet spread (%)	(b-d)	2.17			1.61			1.09		

C. QUARTERLY CHANGE IN FEES AND COMMISSIONS

€ million	CAIXABANK				
	1Q23	4Q22	3Q22	2Q22	1Q22
Banking services, securities and other fees	508	524	525	556	486
Sale of insurance products	91	81	87	88	94
Mutual funds, managed accounts and SICAVs	191	196	205	197	206
Pension plans and other	74	81	78	76	78
Net fee and commission income	864	882	894	918	865

€ million	BPI				
	1Q23	4Q22	3Q22	2Q22	1Q22
Banking services, securities and other fees	47	47	46	45	41
Sale of insurance products	13	13	13	13	14
Mutual funds, managed accounts and SICAVs	8	8	9	9	10
Pension plans and other	6	8	7	7	7
Net fee and commission income	73	77	75	73	71

D. QUARTERLY CHANGE IN ADMINISTRATIVE EXPENSES, DEPRECIATION AND AMORTISATION

€ million	CAIXABANK				
	1Q23	4Q22	3Q22	2Q22	1Q22
Gross income	2,825	2,531	2,613	2,489	2,453
Personnel expenses	(806)	(769)	(770)	(772)	(807)
General expenses	(340)	(325)	(325)	(320)	(325)
Depreciation and amortisation	(168)	(169)	(168)	(161)	(159)
Recurring administrative expenses, depreciation and amortisation	(1,313)	(1,263)	(1,263)	(1,252)	(1,292)
Extraordinary expenses	(2)	(15)	(11)	(16)	(8)

€ million	BPI				
	1Q23	4Q22	3Q22	2Q22	1Q22
Gross income	277	270	241	290	205
Personnel expenses	(62)	(68)	(59)	(57)	(58)
General expenses	(46)	(27)	(38)	(37)	(38)
Depreciation and amortisation	(18)	(19)	(19)	(18)	(18)
Recurring administrative expenses, depreciation and amortisation	(126)	(113)	(116)	(111)	(114)
Extraordinary expenses	—	—	—	—	—

E. CHANGES IN THE NPL RATIO

	CAIXABANK		BPI	
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2023	31 Dec. 2022
Loans to individuals	3.0%	3.1%	1.8%	1.7%
Home purchases	2.4%	2.5%	1.2%	1.2%
Other	4.8%	4.8%	6.4%	5.9%
Loans to business	2.9%	3.0%	2.5%	2.6%
Public sector	0.2%	0.1%		
NPL Ratio (loans and contingent liabilities)	2.7%	2.8%	1.9%	1.9%

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. 2023	31 Dec. 2022	Change	Change %
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	163,842	166,628	(2,786)	(1.7)
Home purchases	122,698	124,862	(2,164)	(1.7)
Other	41,144	41,766	(622)	(1.5)
of which: Consumer lending	17,782	17,701	81	0.5
Loans to business	148,213	146,415	1,798	1.2
Public sector	19,613	18,974	639	3.4
Loans and advances to customers, gross	331,667	332,017	(350)	(0.1)
CUSTOMER FUNDS				
Customer deposits	352,592	355,962	(3,370)	(0.9)
Demand deposits	330,202	338,333	(8,131)	(2.4)
Time deposits	22,390	17,630	4,760	27.0
Insurance contract liabilities	66,595	64,673	1,922	3.0
of which: Unit Linked and other	15,635	14,903	732	4.9
Reverse repurchase agreements and other	1,538	2,623	(1,085)	(41.4)
On-balance sheet funds	420,724	423,258	(2,534)	(0.6)
Mutual funds, managed accounts and SICAVs	104,213	99,115	5,098	5.1
Pension plans	41,107	40,224	883	2.2
Assets under management	145,319	139,339	5,980	4.3
Other accounts	7,153	5,647	1,506	26.7
Total customer funds	573,196	568,245	4,951	0.9

Portugal

€ million	31 Mar. 2023	31 Dec. 2022	Change	Change %
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	16,234	16,156	78	0.5
Home purchases	14,282	14,183	99	0.7
Other	1,952	1,972	(20)	(1.1)
of which: Consumer lending	1,615	1,611	4	0.3
Loans to business	11,326	11,365	(39)	(0.3)
Public sector	1,851	1,786	65	3.6
Loans and advances to customers, gross	29,410	29,307	103	0.4
CUSTOMER FUNDS				
Customer deposits	28,169	30,055	(1,886)	(6.3)
Demand deposits	19,421	21,563	(2,142)	(9.9)
Time deposits	8,748	8,492	256	3.0
Insurance contract liabilities	4,465	4,313	152	3.5
of which: Unit Linked and other	3,398	3,407	(9)	(0.3)
Reverse repurchase agreements and other	11	8	3	42.2
On-balance sheet funds	32,645	34,376	(1,731)	(5.0)
Mutual funds, managed accounts and SICAVs	5,599	5,510	89	1.6
Pension plans	3,088	3,088	—	—
Assets under management	8,688	8,598	90	1.0
Other accounts	80	81	(1)	(1.5)
Total customer funds	41,412	43,055	(1,643)	(3.8)

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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 5 October 2015 (ESMA/2015/1415) ("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. The Group has applied IFRS 17: "Insurance Contracts" and IFRS 9: "Financial Instruments" to the assets and liabilities of the insurance business as of 1 January 2023 and hence the income statement for the fiscal year 2022 and the balance sheet at 31 December 2022 have been restated for comparative purposes. The Group has also considered the IFRS 9 requirements, an accounting standard that it had already been applying to recognise and measure its financial assets and liabilities in its banking business.

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