English translation for information purposes only. In case of inconsistency between the English version and the original Spanish version, the Spanish version shall prevail.

UNIVERSAL REGISTRATION DOCUMENT

CAIXABANK, S.A.

April 2023

This Universal Registration Document was registered with the official registers of the *Comisión Nacional del Mercado de Valores* (Spanish Securities Market Commission) on 18 April 2023

INFORMATIVE NOTE OF THE CONTENT OF THIS DOCUMENT

This Universal Registration Document ("URD"), which has been prepared in accordance with the provisions laid out by Appendix II of Regulation (EU) 2017/1129 of the European Parliament and of the Council and Appendix 2 Commission Delegated Regulation (EU) 2019/980, jointly integrated with the chapters prepared expressly for this URD (Risk Factors and Complimentary Information), as well as the CaixaBank Group's Consolidated Annual Accounts and the corresponding auditors' report, and the Consolidated Management Report, all corresponding to the 2022 financial year, as well as the reference documents included as listed below in this section.

The following pages include a table of references that have been cross-referenced to the content required by the above-mentioned Regulations, thus providing direct access to the information relating to each of the items.

The following documents are added for reference, and are not included as attached documents; they may be accessed via the Group's website www.caixabank.com, and the website of the Spanish National Securities Market Commission (CNMV) www.cnmv.es. The links to said documents are included below:

- Consolidated Annual Accounts and auditors' report and CaixaBank's consolidated management report for 2021: https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Informacion_economico_financiera/CCAA_GRUPCAIXABANK_2021_con_navegacion.pdf
- Consolidated Annual Accounts and auditors' report and CaixaBank's consolidated management report for 2020: https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Informacion_economico_financiera/MEMGRUPCAIXABANK_31-122020-WEB-CAS.pdf
- Annual Directors' Remuneration Report for 2020:https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Gobierno_Corporativo/IARC_maquetado_v15_febrero.pdf

Except when otherwise indicated, the references in this URD to other documents, as well as, by way of example, other reports and webpages, including that of CaixaBank, are made strictly for informative purposes. The contents of these other documents or webpages shall not be included in this URD for reference purposes nor shall they be considered part of it for any purpose. Furthermore, they have not been examined or approved by the CNMV, except for the information which has been included as reference in the URD.

In accordance with point 1.1 of Annex 2 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, below follows the information required for the registration documents of equity securities as established in Annex 1 of the aforementioned delegated regulation, having included in point 1.5 below the declaration referred to in point 1.2 of Annex 2.

REQUIREMENTS OF REGULATION (EU) 2017/1129	LOCATION * OR DIRECT RESPONSE
CHAPTER 1 - PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL	
1.1 PERSONS RESPONSIBLE FOR THE CONTENTS OF THE URD	- CI - Section 1.1
1.2 DECLARATION OF RESPONSIBILITY OF THE REGISTRATION DOCUMENT	- CI - Section 1.2
1.3 DATA RELATING TO INDEPENDENT EXPERTS' REPORTS	There are no Independent Experts reports in the URD
1.4 INFORMATION ON THIRD PARTIES	There are no Information on third parties in the URD
1.5 STATEMENT OF THE APPROVAL BY THE COMPETENT AUTHORITY	- CI - Section 1.3
CHAPTER 2 - STATUTORY AUDITORS	
2.1 NAME AND ADDRESS OF THE AUDITORS	- Note 35. ACC 2022
2.2 WAIVER OF THE AUDITORS	- Note 35. ACC 2022
CHAPTER 3 - RISK FACTORS	- RISK FACTORS
CHAPTER 4 - INFORMATION ABOUT THE ISSUER	
4.1 LEGAL AND COMMERCIAL NAME	- Note 1.1 ACC 2022
4.2 PLACE OF REGISTRATION AND, REGISTRATION NUMBER AND LEGAL IDENTITY NUMBER	- Note 1.1 ACC 2022
4.3 DATE OF INCORPORATION AND LENGTH OF LIFE	- Note 1.1 ACC 2022 As per Article 3 of CaixaBank's Bylaws, its duration will be indefinite.
4.4 DOMICILE, LEGAL FORM, LEGISLATION OF COUNTRY UNDER WHICH THE ISSUER OPERATES, COUNTRY OF INCORPORATION, TELEPHONE NUMBER OF DOMICILE AND WEBSITE	- Note 1.1 ACC 2022 - Note 1.1 ACC 2022
CHAPTER 5 - BUSINESS OVERVIEW	
5.1 PRINCIPAL ACTIVITIES	- Note 1.1 ACC 2022
5.1.1 A description of the nature of the issuer's operations and its principal activities	- Note 8. ACC 2022 - Section "Value Creation model". MR 2022 - Section "Shareholders and Investors ". MR 2022 - Section "Glossary and Group Structure". MR 2022
5.1.2 Significant new products and/or services	- Section 'Value Creation model' MR 2022
5.2 PRINCIPAL MARKETS AND BREAKDOWN OF TOTAL REVENUES BY OPERATING SEGMENT AND GEOGRAPHIC MARKET	- Note 8. ACC 2022 - Appendix 5 – Annual banking report. ACC 2022
5.3 IMPORTANT EVENTS IN THE DEVELOPMENT OF THE ISSUER'S BUSINESS	- Note 1.8. ACC 2022 - Note 7 ACC 2022 - Note 16 ACC 2022 - Section "Our Identity - Significant events in the year". MR 2022
5.4 STRATEGY AND OBJECTIVES	- Section "Corporate strategy and materiality". MR 2022
5.5 DEPENDENCY ON PATENTS, LICENCES OR SIMILAR	- Note 19.2 CAC 2022 - Note 41 ACC 2022
5.6 BASIS FOR ANY STATEMENTS MADE BY THE ISSUER REGARDING ITS COMPETITIVE POSITION	This document does not make any references to the sources of statements regarding the competitive position of CAIXABANK except for those contained, if any, in the consolidated management report. Any such statements either expressly indicate the source or are prepared by CAIXABANK based on public information.
5.7 INVESTMENTS	- Note 13 ACC 2022 - Note 16 ACC 2022 - Note 18 ACC 2022 - Note 19 ACC 2022 - Note 20 ACC 2022 - Note 21 ACC 2022 - Section "Value Creation Model – Technology and digitalisation". MR 2022
5.7.1 Issuer's material investments	- Note 13 ACC 2022 - Note 16 ACC 2022 - Note 18 ACC 2022 - Note 19 ACC 2022 - Note 20 ACC 2022 - Note 21 ACC 2022 - Section "Value Creation Model – Technology and digitalisation". MR 2022
5.7.2 Material investments of the issuer that are in progress or with firm commitment	- Note 13 ACC 2022 - Note 16 ACC 2022 - Note 18 ACC 2022 - Note 19 ACC 2022 - Note 20 ACC 2022 - Note 21 ACC 2022 There are not details of the material investments of the issuer that are in progress or with firm commitment by geographical distribution.
5.7.3 Information relating to the significant joint ventures	- Note 13 ACC 2022 - Note 16 ACC 2022 - Appendix 2 ACC 2022 - Appendix 3 ACC 2022
5.7.4 Environmental issues	- Section "Corporate strategy and materiality – Environment". MR 2022 - Section "Corporate governance – Sustainability governance". MR 2022 - Section "Risk management – Sustainability risk management". MR 2022 - Section "Value creation model – Sustainable business". MR 2022 - Section "Environment and climate". MR 2022 - Note 42.1. ACC 2022

REQUIREMENTS OF REGULATION (EU) 2017/1129	LOCATION * OR DIRECT RESPONSE
CHAPTER 6 - ORGANISATIONAL STRUCTURE	
6.1 DESCRIPTION OF THE GROUP AND THE ISSUER'S POSITION WITHIN THE GROUP	- Note 1.1 ACC 2022 - Note 41 ACC 2022 - Section "Glossary and Group Structure". MR 2022
6.2 MOST SIGNIFICANT SUBSIDIARIES OF THE GROUP	- Appendix 1 ACC 2022 - Note 41 ACC 2022 - Section "Glossary and Group Structure". MR 2022
CHAPTER 7 - OPERATIONAL AND FINANCIAL REVIEW	
7.1 FINANCIAL CONDITION	- Section "Shareholders and Investors". MR 2022
7.2 OPERATING RESULTS	- Section "Shareholders and Investors". MR 2022
CHAPTER 8 - CAPITAL RESOURCES	
8.1 INFORMATION CONCERNING THE ISSUER'S CAPITAL RESOURCES (SHORT-TERM AND LONG-TERM)	- Note 4 ACC 2022 - Note 11 ACC 2022 - Note 15 ACC 2022 - Note 22 ACC 2022 - Note 24 ACC 2022 - Section "Shareholders and Investors – Capital Management". MR 2022 - CI – Section 4.1 - CI – Section 4.2
8.2 ISSUER'S CASH FLOWS	- Consolidated Statement of Cash Flows ACC 2022 - Note 4.4 ACC 2022 - Note 43 ACC 2022 - Section "Shareholders and Investors - Liquidity and financing structure".". MR 2022
8.3 ISSUER'S FUNDING STRUCTURE	- Consolidated Statement of Cash Flows ACC 2022 - Note 4.4 ACC 2021 - Note 22 ACC 2022 - Section "Shareholders and Investors - Liquidity and financing structure".". MR 2022
8.4 RESTRICTIONS ON THE USE OF CAPITAL RESOURCES	- Note 4 ACC 2022 - Note 24 ACC 2022 - Section "Shareholders and Investors - Capital management". MR 2022
8.5 FUNDING FOR PLANNED INVESTMENTS	The investments in progress will be funded using the resources generated through its ordinary activities (see Sections 8.1, 8.2 and 8.3 of the URD).
CHAPTER 9 - REGULATORY ENVIRONMENT	- Note 1.2 ACC 2022 - Note 3.1 ACC 2022 – Section "Regulatory environment" - Note 3.3.2 ACC 2022 - Note 4 ACC 2022 - Note 33. ACC 2022 - Section "Corporate strategy and materiality – Environment – Regulatory context". MR 2022 - Section "Risk management – Operational and –Legal Risk / Regulatory and other operational risks". MR 2022 - CI – Section 3
CHAPTER 10 - TREND INFORMATION	
10.1 MOST SIGNIFICANT RECENT TRENDS	Since 31 December 2022, to the registration date of this document, there have been no significant changes in CAIXABANK's financial results, except for the impact of the recording of the temporary banking sector detailed in note 25.5 ACC 2022.
10.2 KNOWN TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS LIKELY TO AFFECT PROSPECTS	Section I ("Risk Factors") includes a detailed description of the factors and uncertainties that, directly or indirectly, could reasonably be expected to have a material effect on the Group's prospects and operations. - Note 3.1 ACC 2022 – Section "Macroeconomic environment"
CHAPTER 11 - PROFIT FORECASTS OR ESTIMATES	CAIXABANK has not published any profit forecasts or estimates.
CHAPTER 12 - ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
12.1 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
12.1.1 Members of the administrative body	- Section "Corporate Governance". MR 2022 CI – Section 2.7
12.1.2 Directors and other Persons that undertake the management of the CaixaBank Group at the highest level	- Section "Corporate Governance". MR 2022 CI – Section 2.8
12.1.3 Preparation and relevant management expertise of the members of the governing body and senior management. Nature of any family relationship between any of these persons	- Section "Corporate Governance". MR 2022 - Note 9.3 ACC 2022
12.1.4 Activities that the current Directors and senior management have performed outside of CaixaBank (last five years)	- CI - Section 2.3
12.1.5 Any convictions in relation to fraudulent offences for at least the previous five years	According to the information supplied to CAIXABANK, none of the members of the Company's Board of Directors or the Management Committee has been criminally convicted for fraud in the five years preceding the date of this Registration Document.

REQUIREMENTS OF REGULATION (EU) 2017/1129	LOCATION * OR DIRECT RESPONSE
12.1.6 Details of any bankruptcies, suspension of payments, or liquidation with those of the members of the governing bodies or senior management of the Bank were associated with for at least the previous five years	According to the information supplied to the CAIXABANK, none of the members of the Board of Directors or of the Management Committee have been involved, in his/her capacity as member of the Company's Board of Directors or of the Management Committee, in any bankruptcy, receivership, arrangement with creditors or liquidation at any commercial company in the five years preceding the date of this Registration Document.
12.1.7 Details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years	According to the information supplied to CAIXABANK, none of the members of the Board of Directors or of the Company's Management Committee has been criminally convicted or administratively sanctioned by the statutory or regulatory authorities or disqualified by a court from acting as the member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of any issuer in the five years preceding the date of this Registration Document.
12.2 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT CONFLICTS OF INTEREST	
12.2.1 Conflicts of interest	- Note 9.3 ACC 2022 - Section “Corporate Governance”. MR 2022 - CI - Section 2.2
12.2.2 Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the management body or senior management	- Section "Annexes - Annual Corporate Governance Report". MR 2022
12.2.3 Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer’s securities	- CI - Section 2.6
CHAPTER 13 - REMUNERATION AND BENEFITS	
13.1 REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT	- Section "Annexes – ADRR – 03. Remuneration policy - Contributions to pension schemes and other cover. MR 2022 - Note 9 ACC 2022 - Note 34 ACC 2022
13.2 PENSION, RETIREMENT OR SIMILAR BENEFITS	- Section "Annexes - Annual Directors' Remuneration Report". MR 2022 - Note 9 ACC 2022 - Note 34 ACC 2022
CHAPTER 14 - BOARD PRACTICES	
14.1 TERM AND DATE OF EXPIRATION OF CURRENT TERM OF OFFICE	- Section "Corporate Governance". MR 2022 - CI - Section 2.7
14.2. INFORMATION ABOUT MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES' SERVICE CONTRACTS WITH THE BANK OR ANY OF ITS GROUP COMPANIES PROVIDING BENEFITS UPON TERMINATION OF DUTIES OR AN APPROPRIATE STATEMENT TO THE EFFECT THAT NO SUCH BENEFITS EXIST	- Section "Annexes – ADRR – Section “Terms and conditions of the general agreements and those of the CEO and Chairman”. MR 2022 - Note 9 ACC 2022
14.3 AUDIT AND CONTROL COMMITTEE AND REMUNERATION COMMITTEE, INCLUDING THEIR MEMBERS AND THE INTERNAL REGULATIONS	- Section "Corporate governance - The Administration and Management of the Entity- Board committees". MR 2022 - CI - Section 2.7
14.4 STATEMENT ON COMPLIANCE WITH APPLICABLE CORPORATE GOVERNANCE REGIME	- CI - Section 2.1 - Section "Corporate Governance". MR 2022
14.5 POTENTIAL MATERIAL IMPACTS ON CORPORATE GOVERNANCE	- Section "Corporate Governance". MR 2022
CHAPTER 15 - EMPLOYEES	
15.1 NUMBER OF EMPLOYEES	- Section "People and culture". MR 2022 - Note 34 ACC 2022 - Appendix 5 – Annual banking report. ACC 2022
15.2 SHAREHOLDINGS AND STOCK OPTIONS WITH REFERENCE TO THE GROUP OF PEOPLE MENTIONED IN SECTION 12.1	- Section "Corporate governance – The Management and Administration of the Entity". MR 2022 - CI - Section 2.4
15.3 DESCRIPTION OF ANY AGREEMENTS OF THE PARTICIPATION OF EMPLOYEES IN THE CAPITAL	- Section "Corporate governance -Remuneration - Variable component". MR 2022
CHAPTER 16 - MAJOR SHAREHOLDERS	
16.1 SIGNIFICANT SHAREHOLDINGS IN THE CAPITAL OF THE COMPANY	- Section "Corporate Governance – Property". MR 2022 - CI - Section 2.5
16.2 VOTING RIGHTS OF MAJOR SHAREHOLDERS	- Section "Corporate Governance – Property ". MR 2022 - CI - Section 2.5
16.3 STATEMENT OF WHETHER THE ISSUER IS UNDER CONTROL	On the date of publication of this document, CAIXABANK is the company that heads the Group, and is not under the control of any shareholder.
16.4 EXISTENCE OF CONTROL AGREEMENTS	- Section "Corporate Governance – Property ". MR 2022
CHAPTER 17 - RELATED PARTY TRANSACTIONS	- Note 41 ACC 2022 - Section "Corporate Governance – Management and Administration of the Entity- Board committees" – Audit control Commission. MR 2022
CHAPTER 18 - HISTORICAL FINANCIAL INFORMATION	
18.1 - HISTORICAL FINANCIAL INFORMATION	- ACC 2022 - Audit report of the CFS 2022 - Section "Shareholders and Investors". MR 2022

REQUIREMENTS OF REGULATION (EU) 2017/1129	LOCATION * OR DIRECT RESPONSE
	The last period of audited financial information is no older than 18 months prior to the date of this document.
18.2 INTERIM FINANCIAL INFORMATION AND OTHER FINANCIAL INFORMATION	The URD reflects the latest published financial information. No interim financial information has been published subsequently.
18.3 ANNUAL AUDIT OF THE HISTORICAL FINANCIAL INFORMATION	
18.3.1 Statement of audit of the financial information	CAIXABANK's separate and Consolidated Annual Accounts for 2022, 2021 and 2020 were audited by PricewaterhouseCoopers Auditores, S.L., whose opinion was favourable and without qualifications.
18.3.2 Other audited information	No additional audited information in the URD
18.3.3 Financial data not audited	- Section "Glossary and Group structure - Financial Information – Alternative Group Performance Measures". MR 2022
18.4 PRO FORMA FINANCIAL INFORMATION	No Pro Forma Financial Information in the URD
18.5 DIVIDENDS POLICY	
18.5.1 Description of the issuer's policy on dividend distributions	- Note 6.1 ACC 2022 - Section "Shareholders and investors – Shareholder remuneration". MR 2022
18.5.2 Amount of the dividend per share	- Note 6.1 ACC 2022
18.6 LEGAL AND ARBITRATION PROCEEDINGS	- Note 23.3 ACC 2022 - Note 23.5 ACC 2022 From 31 December 2022 to the date of register of this document, there have been no changes or updates in the procedures reported in the Consolidated Annual Accounts that can have or have had in the recent past significant effects on the financial profitability or position of the issuer and/or of the Group. - CI – Section 4.3
18.7 SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL POSITION	- Note 1.9. ACC 2022
CHAPTER 19 - ADDITIONAL INFORMATION	
19.1 SHARE CAPITAL	
19.1.1 Issued capital	- Note 24 ACC 2022 - Section "Corporate Governance – The Property – Share capital". MR 2022
19.1.2 Shares not representing capital	There are not such shares
19.1.3 Number, book value and face value of shares in the issuer held by the issuer itself or its subsidiaries	- Note 24 ACC 2022 - Section "Corporate Governance – The Property– Treasury shares". MR 2022
19.1.4 Convertible and/or exchangeable securities	- Note 22 ACC 2022 - Section "Corporate Governance – The Property – Authorisation to increase capital". MR 2022 - CI – Section 4.1
19.1.5 Rights and obligations over authorised but unissued capital or decisions to increase the capital	- Note 24 ACC 2022
19.1.6 Information about any capital of any member of the Group which is under option	Does not exist.
19.1.7 Share capital history	- Note 24 ACC 2022
19.2 MEMORANDUM AND BY-LAWS	
19.2.1 Register, entry number and a brief description of the issuer's objects and purposes	- Note 1.1 ACC 2022
19.2.2 Description of the classes of existing shares	- Section "Corporate Governance – The Property – Share Capital". MR 2022
19.2.3 Description of any provision of the issuer's by-laws or internal regulations that would have an effect of delaying, deferring or preventing a change in control of the issuer	There are no by-law provisions or internal regulations that delay, defer or prevent a change in control of CAIXABANK.
CHAPTER 20 - MATERIAL CONTRACTS	- Note 41 ACC 2022
CHAPTER 21 - DOCUMENTS AVAILABLE	The corporate by-laws of CAIXABANK are available to the public and can be consulted during the period of validity of this URD on the corporate website (https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Gobierno_Corporativo/Texto_resultante_Estatutos_inscritos-RM_EN.pdf), and at the registered address of the Company. The financial statements and management reports, separate and consolidated, of CAIXABANK for the financial years 2020, 2021 and 2022 can be consulted during the period of validity of this URD at https://www.caixabank.com/es/accionistas-inversores/informacion-economico-financiera/cuentas-Annuales-semestrales.html, at www.cnmv.es and they have been filed with the CNMV. Furthermore the Annual Corporate Remuneration Report for the financial years 2020, 2021 and 2022 can be consulted during the period of validity of this URD at https://www.caixabank.com/es/accionistas-inversores/gobierno-corporativo/remuneracion-consejeros.html and they have been filed with the CNMV.

(*) CI: Complementary Information ACC 2022: Consolidated Annual Accounts 2022; MR 2022: Consolidated Management Report 2022.

RISK FACTORS

Below follow the risk factors which in accordance with the provisions set forth in the above-mentioned applicable legislation, could be considered specific to CAIXABANK, S.A., (hereinafter, "**CAIXABANK**", "**CaixaBank**", the "**Company**" or the "**Issuer**") and relevant when adopting an informed investment decision.

All references made to CAIXABANK, the Company or the Issuer shall be understood to include all those companies that form part of the CAIXABANK Business group of which CAIXABANK is the parent company (hereinafter, “the **CAIXABANK Group**” or “**the Group**”).

As part of the global internal control framework, CaixaBank has a risk management framework that analyses the economic relevance of all risk exposure. The risk management framework is based on the following pillars: (i) the appropriate organisation and governance, (ii) the implementation of strategic processes for identifying, assessing, defining and monitoring risks and (iii) risk culture.

One of the results of the aforementioned strategic process is the Group's internal risk taxonomy, known as the Corporate Risk Taxonomy (hereinafter, the "**Taxonomy**"). It consists of a description of the material risks identified by the Risk Assessment strategic process, which is reviewed on an annual basis. The materialisation of any of the risks included in the Taxonomy could have a negative impact on the business, economic results, financial condition, or even the image and reputation of the Group, as well as affect the credit rating of the Company (“**Rating**”) and the price of the shares admitted to trading on the markets, which could result in partial or total loss of any investment made.

The Taxonomy is organised into categories (risks specific to the financial activity, business model, operational risk and reputational risk).

In the future, risks which are not considered as relevant or unknown to the Company may have a substantially negative impact on the business, economic results, financial condition, image or reputation of the Group.

The materiality of these risks is therefore conditional to the level of exposure and the efficiency of the Company's management and control systems as well as to certain relevant events that may result in a medium-term significant impact for the CaixaBank Group which, due to being external to the Group's strategy, may threaten its performance. The Risk Assessment process is also the main source of identification of these events (hereinafter, "**Strategic Events**").

Using the abovementioned architecture for identifying and analysing risks and events, the RISK FACTORS of the URD is structured as follows:

1. Risk factors arising from Strategic Events that may impact the future materiality of one or more risks of the Taxonomy.
2. Risk factors linked to the main quantitative and qualitative risk indicators of the Taxonomy, ordered by materiality within each one of their respective categories.
3. Risk factor of the Issuer's credit rating.

1. RISK FACTORS ARISING FROM STRATEGIC EVENTS

The Strategic Events are those events that may potentially result in a medium-term material impact on the Group. The inability of anticipating and reacting properly to said events may have a material impact on the Group's business, economic results, financial standing, image and reputation. If a Strategic Event occurs, the impact may materialise through one or more of the risks of the Taxonomy.

The most relevant Strategic Events currently identified by the Group are: shocks arising from the geopolitical and macroeconomic environment, new competitors and application of new technologies, cybercrime and data protection; evolution of the legal, regulatory or supervisory framework; pandemics and other extreme events; and operational and technological integration with Bankia.

With regard to the aforementioned Strategic Events, the following stand out:

Shocks stemming from the geopolitical and macroeconomic environment (including, among others, inflation)

Disturbances arising from the depreciation of the geopolitical and macroeconomic environment could affect us significantly. A significant and persistent impairment of macroeconomic perspectives and the resulting increase of risk aversion in financial markets could negatively impact our activity. This could result from, for example, an escalation of the war in Ukraine, prolongation and intensification of inflationary tensions, other global geopolitical shocks, domestic political factors (such as territorial tensions, populist governments or social protests), a strong resurgence of the pandemic or renewed tensions within the euro area that would increase the risks of fragmentation. The potential consequences of this stage include the following: a rise of the country risk premium (cost of financing), pressure on costs (due to inflation), reduction in business volumes, deterioration in credit quality, outflows of deposits, material damage to offices or impediments to access to corporate centres (due to protests or sabotage as a result of social unrest).

The rise in inflation has triggered a significant monetary policy response, which has resulted in the European Central Bank (**ECB**) raising interest rates. This increase will be passed on to the financial burden borne by some households, self-employed workers, small and medium enterprises (**SME**) and large companies, and could lead to difficulties in the repayment of debt, especially by those indebted at variable rates or with lower income. In this context, in relation to mortgages, in November 2022, CaixaBank's Board of Directors approved its adherence to the Codes of Good Practice, which include measures to support mortgagors in difficulty. CaixaBank has signed up to the extension of the current Code of Good Practices and also to the new one, which will have a two-year transitional period. CaixaBank is committed to applying this package of measures, which aims to anticipate and alleviate the possible difficulties that some households may have in the future in paying the mortgage on their primary residence as a result of the rise in interest rates. The NPL ratio could eventually be affected in the coming years as a result of a context of raising inflation and interest rates, together with the application of the aforementioned Code of Good Practices.

Continued inflation and related increases in interest rates could also potentially lead to a decrease in the value of certain financial assets of the Group, such as fixed-income assets, and may reduce gains or require the Group to record losses on sales of its loans or securities. Additionally, a combination of sustained interest rates and higher inflation could result in higher funding costs as central banks withdraw liquidity in excess in the banking system as they normalize monetary policy.

The conflict between Russia and Ukraine is causing, among other effects, an increase in the price of certain raw materials and the cost of energy, as well as the adoption of sanctions, embargoes and restrictions towards Russia that affect the global economy generally and companies with operations with and in Russia specifically. The extent to which this conflict will impact in CaixaBank's business will depend on future events which cannot be reliably predicted at the date of this URD. CaixaBank has no relevant direct exposures to companies based in those countries. The risk exposure to customers who are Russian nationals resident in Russia, including both on- and off-balance sheet exposures and considering the total loan portfolio was less than 0.03% as of 31 December 2022.

CaixaBank is particularly exposed to fluctuations in the macroeconomic situation in the Spanish, Portuguese and other European Union markets. Of the total exposure in the credit risk portfolio, as of 31 December 2022, 76% was related to Spain, 6% was related to Portugal, 11% was related to the rest of Europe and 7% was related to the rest of the world. CaixaBank is therefore mainly affected by Spanish, Portuguese and EU events, measures and regulations.

Given the current macroeconomic updates and uncertainties, the Group maintains a Post Model Adjustment (PMA) in the provisioning funds, with a collective provisioning fund of €1,137 million at 31 December 2022. This PMA fund includes the update to the central macroeconomic scenario and the foreseeable effects of inflation and interest rates on the portfolio's credit quality, given that the movements in these macroeconomic figures have not led to increases in non-performing loans in recent years, and allows to absorb uncertainties in the estimation of these future macroeconomic prospects. This PMA fund is temporary in nature, is covered by the guidelines issued by supervisors and regulators and is backed by duly documented processes subject to strict governance. This collective fund will be reviewed in the future in light of new information and reduced macroeconomic uncertainties.

During March 2023, there were episodes of instability in international markets as concerns had arisen with respect to the financial condition of a number of banking organisations in the United States and Europe, in particular those with exposure to certain types of depositors and large portfolios of investment securities. On 10 March 2023, the U.S. authorities intervened in Silicon Valley Bank, and on 11 March 2023 Signature Bank, following a significant outflow of deposits. The CaixaBank Group has no exposure, whether direct or indirect, to these U.S. banks. In Europe, UBS announced on 20 March 2023 the acquisition of Credit Suisse with the support of the Swiss regulatory authorities, following a crisis of confidence. Government support for this acquisition has triggered a complete write-down of the nominal amount of Credit Suisse's bonds issued as eligible Additional Tier 1 (AT1) capital. The CaixaBank Group has no exposure to Credit Suisse's instruments eligible as Common Equity Tier 1 (CET1) or AT1 capital, nor does it have any direct or indirect material exposure to Credit Suisse and its subsidiaries. However, the market turmoil generated by these situations and the solutions adopted by the authorities could have an impact on other financial institutions and the perception of the stability of other financial institutions, and could negatively affect the issuance and placement of AT1 capital instruments by European financial institutions.

Pandemics and other extreme events

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

In the specific context of COVID-19 pandemic, the Group has responded to the financing needs of the public sector, arising from an exceptional context, while continuing to monitor the Group's level of exposure and risk appetite in this segment.

In relation to the private sector in Spain, CaixaBank supplemented the legislative moratoriums with other agreements, mainly of a sectoral nature. These moratoriums expired in full in March 2022.

Also noteworthy is the effort made to ensure the deployment of ICO (Official Credit Institute) guarantee lines, which CaixaBank is extending through working capital lines and special financing lines, among others.

At 31 December 2022, the amount of loans and advances with ICO COVID-19 guarantees drawn by clients was €16,809 million. Of the total amount of loans granted with ICO COVID-19 guarantees, 34% had already been repaid (i.e. either the transaction had been cancelled or the initial amount granted had been reduced after the start of the corresponding repayment period); of the remaining amount, 98% are already paying principal and interest as of 31 December 2022.

2. RISK FACTORS LINKED TO THE MAIN QUANTITATIVE AND QUALITATIVE RISK INDICATORS OF THE TAXONOMY

2.1 CROSS RISKS

This category includes: (i) business risk, (ii) solvency risk and (iii) reputational risk.

2.1.1 Business profitability Risk

Business profitability risk is the risk of obtaining results below market expectations or Group targets that, ultimately, prevent the Group from reaching a level of sustainable returns that exceeds the cost of equity.

The profitability targets, based on a financial planning and monitoring process, are defined in the Group's strategic plan, for a three-year term, and are specified annually in the Group's budget and in the challenges for the commercial network.

The operations that generate this profitability are also carried out through the Group's subsidiaries. Consequently, the ability to pay dividends, insofar it is decided to do so, depends partly on the ability of the subsidiaries to generate profits and pay dividends. The payment of dividends, distributions and advances by the subsidiaries will depend on their earnings and commercial considerations and may be limited by legal, regulatory and contractual restrictions. As at 31 December 2022, average yield profitability measured as the return on tangible equity (ROTE) reached 9.8%, excluding extraordinary impacts linked to the Merger (7.6% as at 31 December 2021).

2.1.2 Own Funds and Solvency Risk

Defined terms relating to own funds and capital requirements in this section shall have, unless expressly defined herein, the meaning ascribed to them in section 9 of URL "*Regulatory Environment*".

Eligible own funds and capital adequacy risk is defined as the potential impairment of the Group's ability to bring its own funds and equity in line with regulatory requirements or with possible changes in its risk profile.

The management of the Bank's capital is mainly shaped by the prevailing legislative framework, the evolution of which is uncertain and may affect the capacity for effective management and the generation of resources for CaixaBank. See section "9 of URL "*Regulatory Environment*" for further information.

On 14 December 2022, CaixaBank received the final update of the result of the supervisory review and evaluation process (SREP), setting the P2R at 1.65%.

Additionally, according to the Bank of Spain's communication in July 2022, the O-SII buffer requirement has increased from 0.375% in 2022 up to 0.50%[1] beginning on 1 January 2023. This increase is due to the phase in granted in 2021 by the Bank of Spain after the merger process with Bankia.

As a result, the CET1 requirement for 2023 is set at 8.46% (8.34% in 2022) of the total amount of risk weighted assets, which include: the Pillar 1 regulatory minimum (4.5% on RWAs); the ECB's P2R requirement[2] (0.93% on RWAs); the capital conservation buffer (2.5%

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1 Capital buffer of Other Systemically Important Institution (O-SII).

2 The P2R does not apply at an individual level.

on RWAs); the O-SII buffer[3] (0.50% on RWAs compared to 0.375% in 2022); and the countercyclical buffer[4] (0.03% of RWA based on the geographical composition of the portfolio as of 31 December 2022 (updated quarterly)). In addition, based on the requirements of Pillar 1 applicable to Tier 1 (6%) and Total Capital (8%) and the P2R (1.65%), the requirements for 2023 stand at 10.27% (10.15% in 2022) and 12.68% (12.56% in 2022), respectively. On the other hand, CaixaBank shall meet the minimum requirements of 3.00% of the LR (3.00% minimum Pillar 1 requirement and 0% P2R-LR add-on).

The regulatory CET1 level under which the Group would be required to limit distributions in the form of dividend payments, variable remuneration and interest to holders of AT1 instruments (commonly referred to as the activation level of the maximum distributable amount trigger (MDA trigger)) is set at 8.46% for 2023, to which potential AT1 or Tier 2 capital shortfall is to be added. As of 31 December 2022, there is no such shortfall.

At 31 December 2022, CaixaBank reached a CET1 of 12.8% of RWAs[5], which totalled €215,103 million. The internal objective of the solvency rate CET1 approved by the Board of Directors is set between 11% and 12% (excluding IFRS 9) and a margin of between 250 and 350 basis points in relation to the SREP requirements. The Tier 1 ratio was 14.8%, covering the entire Tier 1 bucket, both in terms of Pillar 1 requirements (1.5%) and the corresponding part of the P2R requirements (0.31%). The Total Capital ratio stood at 17.3%.

The leverage ratio stood at 5.6% of the regulatory exposure at 31 December 2022.

On 22 February 2023, the Bank of Spain formally notified the minimum requirements of own funds and eligible liabilities (MREL requirements) as determined by the SRB, based on the information as of 31 March 2021. As set out in said notification, CaixaBank, on a consolidated basis, must comply by 1 January 2024, with a minimum amount of own funds and eligible liabilities of 20.92% of RWAs, which would be equal to 23.95% when including the combined buffer requirement (CBR) expected on that date[6]. As for the intermediate requirement, the SRB decided that, since 1 January 2022, CaixaBank must comply with a Total MREL requirement of 19.33% of RWAs, which would be equal to 22.24% when including the current CBR.

With regard to the requirement for a minimum amount of own funds and subordinated eligible liabilities (the Subordinated MREL Requirement), the SRB decided that CaixaBank, on a consolidated basis, must comply by 1 January 2024 with a Subordinated MREL Requirement of 15.69% of RWAs, which would be equal to 18.72% when including the CBR expected on that date. As for the intermediate requirement, the SRB decided that, by 1 January 2022, CaixaBank must comply with a Subordinated MREL Requirement of 13.50% of RWAs, which would be equal to 16.41% when including the current CBR.

Furthermore, CaixaBank, on a consolidated basis, must comply by 1 January 2024 with a Total and Subordinated MREL Requirement of 6.19% of LRE. As for the intermediate requirement, the SRB has decided that, by 1 January 2022, CaixaBank must comply with a Total and Subordinated MREL Requirement of 6.09% of LRE.

As of 31 December 2022, at the consolidated level, CaixaBank reached an MREL[1] ratio of 25.9% of RWAs and 9.9% in terms of LRE. At the subordinated level, including only Senior non-preferred debt, the MREL ratio of subordinated instruments reached 22.5% of RWAs and 8.6% in terms of LRE. All CaixaBank's MREL ratios are comfortably above the applicable regulatory requirements applicable in 2024.

2.1.3 Reputational Risk

Reputational risk is the potential economic loss or lower revenues for the Group, as a result of events that negatively affect the perception that stakeholders have of the CaixaBank Group and the possibility that the Group's competitive edge could be blunted by loss of trust of some of its stakeholders, based on their assessment of actions or omissions, whether real or purported, of the Group, its senior management or governing bodies, or because of related unconsolidated financial institutions going bankrupt (step-in risk). By way of example, this includes the risk of disinformation or fake news, whereby false news is published on the situation or performance. It also includes potential reputational or economic loss resulting from not entirely transparent tax structures, the perception of non-contribution of taxes or the presence of the Group in tax heavens or low tax jurisdictions (either on its own or due to its customers).

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3 It does not apply at an individual level.

4 Applicable at both individual and consolidated level. It is possible to defer between the individual and the consolidated scope. As of 31 December 2022, it coincides in both perimeters.

5 At an individual level, CaixaBank's CET1 ratio reached 12.9% as of 31 December 2022. This is in comparison with a minimum requirement of CET1 for 2023 of 7.03% (including 0.03% of countercyclical buffer to be updated quarterly). Thus, capital requirements are more restrictive at a consolidated level than at an individual level.

6 Combined Buffer Requirements (CBR) applied 3.03% as of January 2023.

7 Adjusted for include the issuance of EUR 1000 million Senior Non Preferred realized in January 2022

In addition, certain legal proceedings may harm the Group's reputation, such as the claim brought against CaixaBank for an alleged breach of anti-money laundering regulations (see Note 23.3 (*Provisions for pending legal issues and tax disputes*) of 2022 Consolidated Annual Accounts).

This risk is monitored using internal and external selected reputational indicators from various sources of stakeholder expectations and perception analysis.

Throughout 2021 and 2022, the measures related to the management of Environmental, Social & Governance (ESG) risks, defined as the risk of a possible reputational or economic loss resulting from failure to integrate ESG aspects in the strategy, in the Group's own performance, in the business (financing, investment and products) and in the support programmes for customers in difficulties or that activate the economy, especially in times of crisis (mortgage debtors, socially excluded groups, entrepreneurs...) have increased.

Although the Group actively manages reputational risk through its policies and reputational risk management committees, implementing internal training in order to mitigate the appearance of the impact of reputational risks, establishing protocols to deal with those affected by the Group's actions, or defining contingency and/or crisis plans that will be activated should certain risks arise, in the case of reputational risks arising, this could have an adverse material effect on the business, the financial condition and the results of the Group's operations.

2.2 FINANCIAL RISKS

In this category, CaixaBank identifies, in order of materiality, (i) credit risk, (ii) actuarial risk, (iii) structural rate risk, (iv) liquidity and funding risk and (v) market risk.

2.2.1 Credit Risk

The Group considers credit risk as the risk of a decrease in the value of its assets due to uncertainty about a customer's ability to meet its obligations to the Group. It includes the risk due to operations in the financial markets (counterparty risk). In addition, it includes the risk of a reduction in the value of the Group's equity holdings and non-financial assets (mainly tangible assets such as real estate, intangible assets and tax assets) and climate risk. The latter is defined as the deterioration in the repayment capacity of the Group's debtors as a consequence of the real or expected materialisation of physical risks of gradual or abrupt climatic events (on its assets, supply chains, etc.) or of the losses that could generate the transition risks to a low carbon economy (regulatory changes, technological changes, new customer preferences, etc.).

Credit risk is the most significant risk on the Group's balance sheet as it is exposed to the credit solvency of its customers and counterparties, therefore it may experience losses in the event of total or partial non-compliance of their obligations as a result of decreases in the credit worthiness and the recoverability of the assets, which could have a negative impact on the results of transactions.

Loans and advances to customers, gross, stood at €361,323 million as of 31 December 2022, 2.4% increase compared to 31 December 2021. Loans and advances to customers, gross, stood at €352,951 million on 31 December 2021.

The Group's non-performing loans as at 31 December 2022 amounted to €10,690 million (€13,634 million on 31 December 2021), resulting in an NPL ratio of 2.7% at 31 December 2022 (3.0% in loans to individuals, 2.9% in loans to business and 0.1% in the public sector). As at 31 December 2021, the NPL ratio stood at 3.6% (4.2% in loans to individuals, 3.5% in loans to business and 0.3% public sector).

Provisions for insolvency risk at 31 December 2022 stood at €7,867 million. As at 31 December 2021, they stood at €8,625 million. The NPL coverage ratio that represents this volume of funds is 74% versus 63% as at 31 December 2021.

The total of refinanced transactions at 31 December 2022 amounted to €10,848 million (of which €5,409 million are classified as non-performing), with expected credit losses totalling €2,566 million. As at 31 December 2021 the total refinanced transactions amounted to €12,661 million (of which €7,216 million are classified as non-performing), with associated expected credit losses of €2,702 million.

The balance of gross non-performing assets, which encompass non-performing loans and foreclosed assets held for sale and rent amounted to €15,534 million at 31 December 2022, versus €19,384 million at 31 December 2021.

With regards to the sovereign risk, the total exposure in Spanish and Portuguese sovereign debt securities and loans totalled €80,791 million at 31 December 2022 (of which €17,502 million related to the exposure to Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB)) and €78,523 million at 31 December 2021 (of which €19,160 million related to the exposure to SAREB). The exposure to Italian investment securities stood at €3,854 million at 31 December 2022 (€3,183 million on 31 December 2021).

Lending to individuals makes up 50.58% of the composition of gross consumer lending at 31 December 2022, followed by financing for manufacturing sectors at 43.67% and the public sector at 5.74% (52.34%, 41.77% and 5.89% at 31 December 2021, respectively).

At 31 December 2022, lending granted to individuals totalled €182,783 million, of which 76.07% was concentrated in home purchases (€184,752 million at 31 December 2021, of which 75.66% was concentrated on home purchases).

The risk relating to the equity portfolio or the banking book is the risk associated with the possibility of incurring losses due to fluctuations in market prices, disagreements with other shareholders or defaults on the positions making up the equity portfolio with a medium to long time horizon (e.g. the stakes in Grupo Telefónica, S.A. and Banco de Fomento de Angola). The Group faces risks derived from both its acquisitions and disinvestments as well as the inherent risks to which the investees are exposed, for example, in their management, business sector, geography and regulatory framework, etc. The exposure and capital requirements of the equity portfolio totalled €6,452 million and €1,598 million respectively as of 31 December 2022 (€7,558 million and €1,818 million, respectively, as of 31 December 2021). This represents 1.2% of the total credit risk exposure and 10.2% of total credit capital requirements as of 31 December 2022 (1.2% and 11.6%, respectively, on 31 December 2021). The exposure and regulatory capital requirements associated with the equity portfolio include those that correspond to the shareholdings in the subsidiary VidaCaixa, S.A.U. de Seguros y Reaseguros (VidaCaixa), given that the insurance business is consolidated by the equity method in the prudential balance sheet according to capital regulation.

2.2.2 Actuarial Risk

Actuarial risk, in line with the Solvency II Directive is defined as the risk of loss or adverse modification of the value of commitments taken on via insurance contracts or pensions with customers or employees, derived from the divergence between the estimate for actuarial variables employed in pricing and reserves and their real evolution.

The CaixaBank insurance group, headed by VidaCaixa (the VidaCaixa Group), is integrated for the regulatory capital requirements purposes of the Group under the optics of prudential banking supervision within credit risk as an investee portfolio. Likewise, the insurance business is also subject to sectorial supervision by the Spanish Directorate General of Insurance and Pension Funds (DGSFP). As of 31 December 2022, VidaCaixa Group had a Solvency Capital Requirement coverage ratio of 150%, 26% lower when compared to the end of the previous financial year. After the Merger, BankiaVida, Sociedad Anonima de Seguros y Reaseguros, the insurance subsidiary of Bankia, was integrated into the Group and afterwards merged with VidaCaixa.

Actuarial risk is managed on the basis of compliance with regulations established by Solvency II Directive (European Union - EIOPA) and the DGSFP. These regulations are the basis for the policies and monitoring procedures of technical trends in products, which are affected by the following risk factors: mortality, longevity, disability, expense and lapse risk in underwriting life contracts and lapse, expense and claims ratio in the lines of business for non-life and health insurance obligations.

Thus, for each line of business/insurance, policies of both underwriting and reinsurance identify different risk parameters for approval, management, measurement, rate-setting and, lastly, to calculate and set the liabilities covering the underwritten contracts. Additionally, general operating procedures are set to control the underwriting process. Of the total profit of €3,145 million attributable to the Group in 2022, €870 million (or 27.66% thereof) came from the insurance business.

2.2.3 Structural Rate Risk

2.2.3.1 Structural interest rate risk

Interest rate risk is defined as the negative impact on the economic value of balance sheet items or on financial income due to changes in the temporary structure of interest rates and their impact on asset and liability instruments and those off the Group's balance sheet not recognized in the trading book.

The possible sources of structural interest rate risk are as follows: Gap risk[8], basis risk[9] and optionality risk[10]. The assets and liabilities subject to interest rate risk in the balance sheet are all those positions that are sensitive to balance sheet interest rates excluding the calculation of positions in the trading book.

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[8] Potential negative impact associated with the different temporary structure or revision frequency of interest rate sensitive instruments together with the parallel shifts of the interest rate curve (parallel risk) or shifts on the yield curve by tranches (nonparallel risk).

[9] This arises from the imperfect correlation between the trend of the underlying interest rates with the different masses of assets and liabilities that make up the balance, even when they have similar re-pricing and maturity characteristics. Basis risk can be broken down into Structural (between market rates and administered rates) and Non-Structural (as a result of the divergent shifts between the different market benchmark indexes).

[10] This derives from the existence of the contractual rights of both customers and CaixaBank to modify the original cash flows from certain asset, liability or off balance sheet transactions, which may be initiated by a customer (their execution also depends on the interest rate levels, other factors could be the level of debt or the offer made by the competition) or activated automatically (changes in payment conditions for an operation due to certain events affecting interest rates).

There are no regulatory capital requirements for this risk. However, at 31 December 2022, the sensitivity of the net interest income and economic value of the assets and liabilities sensitive to a sudden scenario of rising and falling interest rates of 100 basis points is +12.78%/-4.28% and +4.44%/-10.58%.

2.2.3.2 Structural exchange rate risk

Structural exchange rate risk is defined as the potential loss in the market value of the balance sheet in response to adverse movements in exchange rates. The Group has foreign currency assets and liabilities in its balance sheet as a result of its commercial activity and shareholdings, in addition to the foreign currency assets and liabilities deriving from the Bank's measures to mitigate exchange rate risk.

The equivalent euro value of all foreign currency assets and liabilities in the CaixaBank Group's balance sheet at 31 December 2022 is €24,262 million and €15,884 million, respectively, compared to €25,279 million and €15,692 million in 2021, respectively. For further information on foreign currency positions of the Group, as well as the main balance sheet items by currency, see Note 3.4.3 (*Risks in the banking book*) of the 2022 Consolidated Annual Accounts.

2.2.4 Liquidity and funding Risk

Liquidity and funding risk refers to the deficit of liquid assets, or limitation in the capacity of access to market financing, to meet deposit withdrawals, contractual maturities of liabilities, regulatory requirements or the investment needs of CaixaBank. CaixaBank manages this risk with the dual objective of maintaining a liquidity position that makes it possible to comfortably meet payment commitments and that does not harm its investment activity due to a lack of loanable funds, remaining within the Group's Risk Appetite Framework at all times.

While CaixaBank has in place a liquidity-risk-management policy seeking to manage, mitigate and control these risks, unforeseen systemic market factors make it difficult to completely eliminate them. Constraints in the supply of liquidity, including in inter-bank lending, could materially and adversely affect the cost of funding of its business, and extreme liquidity constraints may affect the Bank's current operations and ability to fulfil regulatory liquidity requirements, as well as limit growth possibilities. Additionally, the Bank's activities could be adversely affected by liquidity tensions arising from generalised drawdowns of committed credit lines to its customers.

Customer deposits accounted for 81% of the Group's liabilities at amortised cost at 31 December 2022. Since CaixaBank primarily relies on retail deposits, there is a risk that ongoing availability of this type of funding is sensitive to a variety of factors beyond its control, such as general economic conditions and the confidence of retail depositors in the economy and in the financial services industry, and the availability and extent of deposit guarantees, as well as competition for deposits between banks or with other products, such as mutual funds. Any of these factors could significantly increase the amount of retail deposit withdrawals in a short period of time, thereby reducing the ability of the Group to access retail deposit funding on appropriate terms, or at all, in the future. If these circumstances were to arise, this could have a material adverse effect on the Group operating results, financial condition and prospects.

CaixaBank's cost of obtaining funding is directly related to prevailing interest rates and to our credit spreads. Increases in interest rates and/or in our credit spreads can significantly increase the cost of our funding. Credit spreads variations are market-driven and may be influenced by market perceptions of our creditworthiness. Changes to interest rates and to our credit spreads occur continuously and may be unpredictable and highly volatile. Debt securities issued accounted for 11% of the Group's liabilities at amortised cost at 31 December 2022.

In response to the 2008 financial market crisis, followed by the reduced liquidity available to operators in the banking sector, the ECB has implemented important monetary policy measures, such as the Targeted Longer-Term Refinancing Operations first introduced in 2014. In March 2019 the ECB announced a new series of quarterly targeted longer-term refinancing operations (**TLTRO III**) that were launched between September 2019 and March 2021, each with a maturity of two years, subsequently extended for an additional year.

As of 31 December 2022, BCE financing amounted to €15,620 million. Corresponding it to TLTRO III (Targeted Longer-Term Refinancing Operations III) During 2022, CaixaBank made a TLTRO III repayment of €65,132 million of which €13,495 million was ordinary repayment and €51,637 million was early repayment. The Group also maintains issuance programmes to facilitate the issuance of short and medium-term securities in the market, as well as access to interbank and repo financing and central counterparty clearing houses.

As of 31 December 2022, the Group's Total Liquid Assets (calculated as the sum of High Quality Liquidity Asset (**HQLAs**) plus the undrawn committed facilities granted by the ECB non-eligible as HQLA) stood at €139,010 million, €95,063 million of which were HQLA.

The Liquidity Coverage Ratio (**LCR**), ratio is designed to ensure that banks have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period. CaixaBank's average (last 12 months) LCR as of 31 December 2022 was 194% (336% as of 31 December 2021). Above the minimum regulatory threshold of 100%.

The Net Stable Funding Ratio (**NSFR**) measures the relationship between the amount of stable funding available (defined as the amount of own and third-party funding expected to be reliable for a one-year period) and the amount of stable funding required (given the liquidity characteristics and residual maturities of its assets and balance sheet exposures) was 142% as of 31 December 2022 (154% as of 31 December 2021), with a regulatory minimum level of 100% from June 2021.

At 31 December 2022, the loan-to-deposit ratio was 91%. CaixaBank cannot guarantee that, in the event of a sudden or unexpected shortage of funds in the banking system, it will be able to maintain funding levels without incurring high interest rates. CaixaBank cannot guarantee that, in the event of a sudden or unexpected shortage of funds in the banking system, it will be able to maintain funding levels without incurring high funding costs, a reduction in the maturity of funding instruments or the liquidation of funding instruments. CaixaBank cannot guarantee that, in the event of a sudden or unexpected shortage of funds in the banking system, it will be able to maintain funding levels without incurring high funding costs, reducing the maturity of funding instruments or liquidating certain assets. If this were to occur, the If this were to occur, the Group could be adversely affected.

2.2.5 Market Risk

This risk refers to the loss of value, impacting on performance or solvency, of a portfolio (set of assets and liabilities), due to unfavourable movements in prices or market rates, mainly due to fluctuations in interest rates, exchange rates, credit spread, external factors or prices on the markets where said assets/liabilities are traded.

In relation to the quantification of market risk, in order to standardise the risk measurement across the entire portfolio, as well as to include certain assumptions regarding the extent of changes in market risk factors, the Value at Risk methodology (**VaR**) is used (VaR: statistical estimate of potential losses from historical data on price fluctuations) with a one-day time horizon and a statistical confidence interval of 99% (i.e. under normal market conditions 99 times out of 100 the actual daily losses will be less than the losses estimated using the VaR model).

The consumption of the average 1-day VaR at 99% attributable to the various risk factors stood at €1.8 million in 2022 (€2 million in 2021). They are concentrated in corporate debt spread risk, risk in the interest rate curve, which includes the credit spread on sovereign debt and share price volatility risk.

Furthermore, market volatility can have an impact on the income statement (heading "*Gains or losses from assets and liabilities held for trading, net*") due to changes in the CVA (Credit Valuation Adjustments), or DVA (Debit Valuation Adjustments) and FVA (Funding Valuation Adjustments). CVA and DVA are added to the valuation of OTC derivatives (for both hedges and held for trading) due to the risk associated to the counterparty's and own credit risk exposure, respectively. FVA is a valuation adjustment of derivatives of customer transactions that are not perfectly collateralised that includes the funding costs related to the liquidity necessary to perform the transaction.

2.3 OPERATIONAL RISK

This last risk category includes operational risk. At an internal level, the categories of the Taxonomy identified as operational risk are, according to materiality: (i) conduct and compliance risk, (ii) legal and regulatory risk, (iii) technology risk, (iv) model risk and (v) other operational risks.

2.3.1 Conduct and Compliance Risk

This is defined as the Group's risk arising from the application of conduct criteria that run contrary to the interests of its customers and stakeholders or acts or omissions by the Group that are not compliant with the legal or regulatory framework, or internal policies, rules or procedures or the code of conduct, ethical standards or good practices. CaixaBank monitors this activity to ensure that the Group offers positive results for its customers and the markets in which the Group operates.

This is particularly relevant within the context of laws and regulations that are increasingly more complex and detailed, where their implementation requires a substantial and sophisticated improvement in technological and human resources, particularly those associated with anti-money laundering (AML) or data protection, against the financing of terrorism, against bribes and corruption and sanctions, where such acts or omissions or inappropriate judgements in the execution of commercial activities could result in severe consequences, including complaints, sanctions, fines and an adverse effect on reputation. CaixaBank is currently the subject to a claim for an alleged breach of AML regulations (see Note 23.3 (*Provisions for pending legal issues and tax litigation*) of the 2022 Consolidated Annual Accounts).

Financial crime has become the subject of enhanced scrutiny and supervision by regulators globally. AML, anti-bribery and corruption and international financial sanctions laws and regulations are continually evolving and subject to increasingly stringent regulatory oversight and focus, and the Group must comply with applicable regulations in the jurisdictions where it operates.

The aforementioned laws and regulations require, among other things, to conduct full customer due diligence (including sanctions and politically-exposed-person screening), to keep the Group's customers, documentation and information up to date and to implement policies and procedures against financial crime. The Group is also required to conduct AML training for its employees and to report suspicious transactions and activity to appropriate law enforcement following full investigation by its AML team.

2.3.2 Legal and regulatory Risk

2.3.2.1 Legal Risk

The Group is currently and, in the future, may be involved in various claims, disputes, legal proceedings and governmental investigations in jurisdictions where it is active. See Note 23.3 (*Provisions for pending legal issues and tax litigation*) and Note 23.5 (*Other Provisions*) of the 2022 Consolidated Annual Accounts.

The Group is party to certain legal proceedings arising from the ordinary course of its business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters. The outcome of court proceedings is uncertain. The Group has recognised provisions covering obligations that may arise from various ongoing legal proceedings, totalling €654 million as at 31 December 2022 (€774 million on 31 December 2021). Similarly, CaixaBank has recognised provisions under "*Other Provisions*" that totalled €552 million as at 31 December 2022 (€649 million on 31 December 2021) in order to cover other risks.

Given the nature of these obligations, the expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain. However, in view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation, the provisions made by the Group or the estimate for maximum risk could prove to be inadequate, and may have to be increased to cover the impact of the different proceedings or to cover additional liabilities, which could lead to higher costs for the Group. This could have a material adverse effect on the Group's results and financial condition.

2.3.2.2 Regulatory Risk

The financial services sector is among the most regulated sectors in the world. In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its capacity to respond against future crises. The Group's operations are subject to continuous regulation and associated regulatory risks, including the effects of changes to the laws, regulations, policies and interpretations, in Spain, the EU and other markets in which it operates. This is particularly the case of the current market environment, where greater levels of governmental and regulatory intervention can be observed in the banking sector, which is expected to continue in the foreseeable future. This creates significant uncertainty for CaixaBank and the finance industry in general.

The regulations which most significantly affect the Group are those related to prudential supervision, bank recovery and resolution and capital and liquidity requirements which have become increasingly stringent (see 2.1.2 "*own funds and solvency risk" and 2.2.4 "liquidity and funding risk")* Regulation has also considerably increased in customer and investor protection, digital and technological matters, taxation and anti-money laundering, among others.

Another example of the increased legal, regulatory or supervisory pressure is the promotion of the gradual abandonment of Interbank Offered Rates (**IBORs**) as benchmark indices and their replacement with new risk-free indices, leading to the disappearance of the LIBOR GBP and its replacement with the SONIA. However, the aforementioned does not affect the EURIBOR, as this index, following a reform of its methodology, has received the backing of supervisors and regulators and fully complies with the index regulation.

The specific effects of a series of new laws, regulations and regulatory initiatives continue to create uncertainty because the drafting and implementation of these regulations (or the implementation of the corresponding regulatory initiatives) are still in progress and some of them have only just been adopted. As a result, the Group may be subject to greater liability or regulatory sanctions and it may be required to dedicate additional spending and resources to tackle the potential liability, and this may lead to additional changes in the near future and may also require the payment of levies, taxes, charges and comply with other additional regulatory requirements.

On 29 December 2022, Law 38/2022, of 27 December, for the establishment of temporary levies on energy and credit institutions and the creation of the temporary solidarity tax for high-net-worth individuals (*Ley 38/2022, de 27 de diciembre, para el establecimiento de gravámenes temporales energético y de entidades de crédito y establecimientos financieros de crédito y por la que se crea el impuesto temporal de solidaridad de las grandes fortunas, y se modifican determinadas normas tributarias*) (Law 38/2022) entered into force. This law creates a temporary levy for credit institutions operating in Spain with a total interest and commission income in the year ended 31 December 2019 equal to or greater than €800 million (on an individual or a consolidated basis). This bank levy will apply during the years 2023 and 2024 and taxes, at a rate of 4.8%, the sum of the net interest income and commission income and expenses derived from the activity carried out in Spain. Amounts payable for the proposed levy will not be tax deductible in the taxable base for the purposes of the Corporate Income Tax (Impuesto sobre Sociedades). Moreover, the law expressly prohibits the direct or indirect pass-through of payments of the levy and failure to comply with this obligation would result in sanctions to the corresponding credit institution in the amount of 150% of the amount passed through. In accordance with Law 38/2022, CaixaBank and certain CaixaBank Group entities are subject to the above-described levy, which will accrue on 1 January 2023 for the financial year 2023 (and on 1 January 2024 for the corresponding year) under the heading "*Other operating expenses*" in the income statement. The Group is working towards estimating the impact of this 4.8% levy on net interest income and net fee and commission income on the statement of profit or loss for 2023; although in the absence of a final calculation, it is estimated that the impact would be around €400 million.

Implementation of the relevant procedures, monitoring and other technical and human requirements in relation to recent laws and regulations had and could further have an impact on CaixaBank's business by increasing its operational and compliance costs and, if not implemented correctly or in case of breaches in the relevant procedures, could lead to legal and regulatory claims (see "*The Group is exposed to risk of loss from legal and regulatory claims*").

Any legislative or regulatory actions and any required changes to the business operations of the Group's business resulting from such legislation, as well as any deficiencies in the Group's compliance with such legislation and regulation, could result in significant loss of revenue, limit the ability of the Group to pursue business opportunities in which the Group might otherwise consider engaging and provide certain products and services, affect the value of assets that it holds, require the Group to increase its prices and therefore reduce demand for its products, impose additional compliance and other costs on the Group or otherwise adversely affect its businesses.

2.3.3 Technological Risk

Also within the framework of regulatory operational risk, technology risk in the Taxonomy is defined as the risk of losses due to the inadequacy or failures of the hardware or software of technological infrastructure, due to cyberattacks or other circumstances that may compromise the availability, integrity, accessibility and security of infrastructure and data. The risk is broken down into five subcategories that affect Information and Communications Technology (**ICT**): (i) availability; (ii) information security; (iii) operation and management of change; (iv) data integrity; and (v) governance and strategy.

The Group's business and activities depend on its ability to process and report a large number of complex transactions efficiently and accurately with several and various products and services (generally brief due to their nature), relying on highly sophisticated ICT systems for data transmission, processing and storage. Nevertheless, ICT systems may be vulnerable to disruptions and failures, such as those caused by hardware and software malfunctions, computer viruses, hacking or cyberattacks and physical damage that the ICT centres could experience. This could result in disruptions to operations and unavailability of critical services, financial losses, and harm the Group's business.

The risk is broken down into five sub-categories that affect ICT: (i) availability: risk of impaired performance and availability of ICT systems and data, including the inability to timely recover services in the event of failures of hardware or software ICT components or other weaknesses in ICT systems management; (ii) information security: risk of vulnerabilities allowing unauthorised access or damage to information or information systems; (iii) operation and management of change: risk derived from the inability to operate ICT systems and manage changes in a timely and controlled manner; (iv) data integrity: risk of data stored and processed by ICT systems being incomplete, inaccurate or incompatible with other ICT systems, for example as a result of inappropriate or inexistent controls during the ICT data life cycle (data architecture design, data model construction and/or data dictionaries, data extraction, data transfer and data processing, including data output), impairing the CaixaBank Group's ability to provide services and prepare the relevant and correct (risk) management and financial information; and (v) governance and strategy: risk of not having a proper governance of ICT strategy, aligned with the regulatory guidelines that require, among others, the involvement of Senior Management in strategic decision-making regarding technology, ensuring its contribution to the achievement of the business strategy goals.

2.3.4 Model Risk

Model risk is defined as the possible adverse consequences for the Group that may arise from decisions based on the results of internal models, due to errors in the construction, application or use of these models.

The Group uses a variety of internal models for several purposes: rating and scoring models are used in the approval process of credit transactions, provisions related to the credit and investment portfolio are calculated based on expected loss estimates, the Group's solvency ratios are determined based on calculations of capital requirements, financial projections and planning models, and so on. The decision-making of some strategic matters is based on the information provided by these internal models. In the event that these internal models would not be predictive enough, either due to defects in the way the models were built or failure to update the models over time, this could result in an inaccurate or inadequate decision making, for instance, recording excessive or insufficient provisions, errors in calculating capital requirements or relying on financial planning based on incorrect assumptions. This could have a material adverse effect on its results of operations, financial condition and prospects.

2.3.5 Model Risk

Within the Taxonomy, the category "Other operational risks" includes losses or damages caused by (i) errors or faults in processes, (ii) external events, or (iii) actions of third parties outside of the Group, whether accidental or intentional. It includes, among others, risk related to outsourcing, business continuity or external fraud. Third-party vendors and certain affiliated companies provide key components of the Group's business infrastructure such as loan and deposit servicing systems, back office and business process support, IT production and support, Internet connection and network access.

Relying on these third parties and affiliated companies can be a source of operational and regulatory risk to the Group, including with respect to security breaches affecting such parties. The Group is also subject to risk with respect to security breaches affecting the vendors and other parties that interact with these service providers. As the Group's interconnectivity with these third parties and affiliated companies increases, the risk of operational failure with respect to their systems increases. In addition, any problems caused by these third parties or affiliated companies, including as a result of them not providing their services for any reason, or performing their services poorly, could adversely affect the ability to deliver products and services to customers and otherwise conduct the Group's business, which could lead to reputational damage and regulatory investigations and intervention. Replacing these third-party vendors could also result in significant delays and expenses. Further, the regulatory and operational risk faced as a result of these arrangements may increase if such arrangements are restructured. Any restructuring could result in significant expense to the Group and significant delivery and execution risk, all of which could have a material adverse effect on the business, operations and financial condition of the Group.

3. RISK FACTOR OF THE ISSUER'S CREDIT RATING

The risks assumed by CAIXABANK in accordance with the Taxonomy previously detailed can negatively impact its rating. Any downgrading of CAIXABANK's credit rating could increase its borrowing costs, restrict access to the capital markets, and negatively affect the sale or marketing of products and any involvement in transactions, especially those involving longer terms and derivatives. This could reduce the Group's liquidity and have an adverse effect on its net profit and financial condition.

As at the date of this URD, CAIXABANK has been assigned the following credit ratings:

	LONG-TERM DEBT	SHORT-TERM DEBT	OUTLOOK	REVIEW DATE
Moody's	Baa1	P-2	Stable	25/01/2023
Standard & Poor's Global Ratings	A-	A-2	Stable	25/04/2022
Fitch	BBB+	F2	Stable	30/06/2022
DBRS Ratings GmbH	A	R-1 (low)	Stable	14/03/2023

2022 CONSOLIDATED ANNUAL ACCOUNTS, CONSOLIDATED MANAGEMENT REPORT AND AUDIT REPORT

CaixaBank Group Financial Statements 2022

Consolidated financial statements and consolidated Management Report that the Board of Directors, at a meeting held on 16 February 2023, agreed to submit to the Annual General Meeting

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

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

Independent auditor's report on the consolidated annual accounts

To the shareholders of CaixaBank, S.A.:

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of CaixaBank, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, and the profit or loss account, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2022, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

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

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

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

Key audit maters

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

PricewaterhouseCoopers Auditores, S.L., Pº de la Alameda, 35 Bis, 46023 Valencia, España
Tel.: +34 963 036 900 / +34 902 021 111, Fax: +34 963 036 901, www.pwc.es

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Key audit matters	How our audit addressed the key audit matters
Estimating impairment due to credit risk on financial assets at amortised cost - "Customer loans and advances" - and "Foreclosed property assets"	
Estimating impairment due to credit risk on "Customer loans and advances" and "foreclosed property assets" is based on internal expected loss calculation models which entail significant complexity, specifically in adapting them to uncertain macro-economic scenarios. This estimate is one of the most significant and complex in preparing the accompanying consolidated financial statements and requires significant management judgement and so has been considered a key audit matter. Management's main judgements and assumptions concern the following: • The criteria for identifying and staging impaired assets or assets with a significant increase in risk. • Construction of the parameters for the internal probability of default (PD) models and loss given default (LGD) models. • The use of assumptions with a significant effect on the established credit risk provisions, such as the macroeconomic scenarios considered, along with the probability of occurrence, specifically, the adjustment to the internal provision models made within the current context of uncertainty with respect to these macroeconomic variables, the expected lifetime of operations and the existence of prepayments, among others.	We gained, with the collaboration of our internal credit risk experts, an understanding of management's process for estimating impairment of financial assets at amortised cost – "Customer loans and advances"- with respect to both provisions estimated collectively and provisions estimated individually. Additionally, as part of our audit procedures, we made enquiries of management in order to understand the scope of the impact of climate change on the credit risk. With respect to the internal control system, we gained an understanding of the process for estimating impairment due to credit risk and performed tests on the appropriateness of controls in the different process phases and paid special attention to the determination and approval of the adjustments to the models in order to adapt them to the different macroeconomic scenarios. The regular evaluation of credit risk monitoring alerts was also analysed, as well as the effective completion of the regular review of borrower files in order to monitor their classification and where warranted, recognise impairment. In addition, we carried out the following tests of details: • Analysing the methodology and verifying the main internal models concerning: i) calculation and segmentation methods; ii) criteria for staging loans and discounts; iii) methodology for estimating expected loss parameters (probability of default and realisable value of guarantees); iv) data used and main estimates employed, particularly, those relating to macroeconomic scenarios and their assumptions; and v) internal model recalibration and backtesting.

Key audit matters	How our audit addressed the key audit matters
• The main assumptions employed in determining the expected loss and the recoverable value in the risks assessed on an individual basis. • The realisable value of the real property guarantees associated with the lending transactions granted based on the information and / or valuation value provided by different valuation companies or through the use of statistical methodologies in cases of reduced exposure and risk. Estimating impairment of real estate assets arising from lending activities and which through dation in payment, purchase or the courts are awarded to the Group is also based on internal calculation models and following the same criteria as those used for mortgage guarantees associated with lending transactions. See Notes 2, 3.4.1, 14, 20, 21, 40.2 and 40.3 to the accompanying consolidated financial statements concerning credit risk and foreclosed property assets and Notes 36 and 39 to the accompanying consolidated financial statements concerning the profit or loss generated during the year.	• Analysing the functioning of the "calculation engine" for the internal provision estimation models, re-performing the calculation of the estimates of impairment due to credit risk for certain loan portfolios and verifying the results with those obtained by Group management. Additionally, we verified the variation during the year in the collective provision which was initially established in 2020 due to the post-model adjustment resulting from the change in the macroeconomic scenario triggered by the Covid-19 crisis, as well as its reasonableness in the current environment shaped by macroeconomic uncertainties, at 31 December 2022. • Verifying the appropriate functioning of the "calculation engine" of internal models for estimating impairment of foreclosed property assets, re-performing the calculation of those provisions and verifying results with those obtained by Group management. • Obtaining a sample of individual case files in order to assess their appropriate classification, the application of the loss estimation methodology and the recognition, if appropriate, of the relevant impairment. • Analysing the methodology used to estimate costs to sell, sales periods and reductions in the guarantee value, in order to estimate impairment of foreclosed property assets. • Verifying a sample of valuations in order to assess whether they conform to prevailing legislation, their reasonableness and the degree to which they are up to date. As a result of our tests, no differences were identified, in excess of a reasonable range, in the amounts recognised in the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Recoverability of deferred tax assets	
The evaluation of the capacity to recover deferred tax assets is a complex exercise which requires a significant level of judgement and estimation and we therefore consider such estimation performed by Group management a key audit matter. Group policy is to recognise DTAs, other than those qualifying for monetization, only when the Group considers it probable that sufficient tax gains will be obtained in the future to enable their recovery. During this process, there are specific and complex considerations that management takes into account with respect to the tax consolidated group, in order to assess both the recognition and subsequent capacity to recover the deferred tax assets recognised, based on the Group's financial projections and business plans, and supported by defined assumptions which are projected over a timeline and considering tax legislation in effect at each point in time. Additionally, Group management submits the deferred tax asset recoverability model to review by an independent tax expert, as well as regular back testing to assess predictability. See Notes 2 and 25 to the accompanying consolidated financial statements.	With the collaboration of our tax experts, we obtained an understanding of the estimation process performed by management and the controls designed and implemented in preparing the Group's financial projections to estimate the recoverability of the deferred tax assets and the calculation of deductible temporary differences in accordance with applicable tax and accounting regulations. Additionally, we carried out the following tests of details: • Evaluation of the accounting results taken into account in the financial projections and the reasonableness and accuracy of the calculations performed. • Analysis of the economic and financial assumptions assumed in the calculation of temporary differences, in order to assess whether they are complete, appropriate and usable by the established deadlines. • Analysis of the reasonableness of the amounts of deferred tax assets considered monetizable. As a result of our tests, no differences were identified, in excess of a reasonable range, in the amounts recognised in the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Measurement of insurance contract liabilities	

The Group carries out its life insurance business through its subsidiaries, VidaCaixa, S.A.U is its most important. These contracts are marketed mainly through the Group's bank branches in Spain and Portugal.

The Group recognises insurance contract liabilities in accordance IFRS 4 "Insurance Contracts" which in certain cases requires the application of judgements and estimates by Group's management in order to properly measure insurance contract liabilities, meaning that this is a key audit matter.

For life-risks insurance, the estimated cost of claims not yet settled, paid and reported at the date of presentation of the financial statements at 31 December 2022 is included, inter alia. Additionally, the Group recognises a liability in respect of the necessary internal expenses to settle claims outstanding, as well as an unearned premium reserve and, if the premium is insufficient, an unexpired risk reserve.

For life -savings insurance, the Group calculates the mathematical reserve using actuarial techniques which comprise different calculation methodologies and are based on the use of numerous data and critical calculation assumptions such as the technical interest rate, expense assumptions or mortality tables in accordance with applicable legislation, including judgements and estimates in some cases.

We gained an understanding of the process for estimating and recognising life insurance reserves which are the main item under insurance contract liabilities, and carried out an assessment of internal control, including information system controls connected with the measurement and recognition of these liabilities.

- Our procedures focused on aspects such as:
  - Understanding the methodology used to calculate life insurance reserves in accordance with the nature of the products and the claims reserve, as well as its consistent application with respect to the previous year.
  - Verifying the appropriate recognition of insurance contract reserves, as well as variations during the period.
  - Carrying out tests of details on the consistency of the information concerning the reserves established at the end of the period and payments made during it.

With respect to the mathematical reserve specifically, we carried out additional complementary procedures with the participation of our actuarial specialists in relation to:

- Verifying the completeness, accuracy and reconciliation of the technical-actuarial calculation databases with both the information systems and contractual information.
- Re-performing the actuarial calculation of the mathematical reserve for a selection of policies in accordance with the staging procedures by homogeneous group, as well as verifying the technical terms and the application of biometric assumptions consistent with applicable legislation

Key audit matters	How our audit addressed the key audit matters
Additionally, IFRS 17 on insurance contracts coming into force on 1 January 2023 supersedes IFRS 4. CaixaBank Group has disclosed the main impacts in the accompanying consolidated financial statements, stating the retrospective estimated effect at the transition date, January 1, 2022. See Notes 2 and 17 to the accompanying consolidated financial statements.	• Verifying the application of interest rate, expense and biometric assumptions consistent with applicable regulations and the Group's experience. • Verifying compliance with the specific regulations concerning the interest rates to be applied in calculating the mathematical provision, including an analysis of the liability cash flows matching considered in the portfolio immunization for a selected sample. • Verifying the sufficiency of the liability adequacy test, taking into account IFRS-EU requirements. On the other hand, with respect to the claims reserve specifically, we carried out additional complementary procedures in relation to: • Verifying the calculation of the reserve for claims not reported and the reserve for internal claims settlement expenses in accordance with applicable legislation. • Verifying the sufficiency of the claims reserve established at the period end based on independent statistical projections. With respect to life risks products specifically, we carried out the following audit procedures: • Verifying the calculation and appropriations over time to the unearned premiums reserve. • Verifying the need to establish the unexpired risk reserve in accordance with applicable legislation. Regarding the disclosed information of the impacts derived from the coming into force of IFRS 17 on insurance contracts we have assessed the information contained in the Note 1.2 of the consolidated financial statements, and particularly, the impacts in equity and contractual service margin (CSM) as of the transition date of January 1, 2022.

Key audit matters	How our audit addressed the key audit matters
	As a result of our tests, no differences were identified, in excess of a reasonable range, in the amounts recognised in the accompanying consolidated financial statements
Risks associated with information technologies	
The operation and continuity of the Group's business, due to its nature, and particularly, the process for preparing financial and accounting information, rely heavily on the information systems that make up its technological structure and ensure the correct processing of information. Therefore it is a key audit matter. Besides, as systems become increasingly complex, the risks associated with information technologies, the organisation and therefore the information processed increase. The effectiveness of the general framework of internal control of information systems is a basic aspect supporting the Group's operation, as well as the accounting and closing process.	With the collaboration of our information systems and process specialists, our work consisted of assessing and verifying the control environment connected with the information systems that support the Group's operation and particularly, the accounting close. Within this context, procedures have been carried out on internal control along with substantive tests in order to assess aspects such as: i. the organisation and governance of the information systems area, ii. software change, development and maintenance management, iii. access control and physical and logical security of the software, operating systems and databases that underpin the Group's relevant financial information. Specifically, with respect to the accounting and closing process, we performed the following additional procedures: • Understanding and analysing the process of generating accounting entries and financial information. • Extracting, verifying the completeness and filtering entries included in the accounting records, as well as analysing the reasonableness of certain entries. The results of the above procedures did not bring to light any relevant observation with respect to this matter.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2022 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

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

a) Verify only that the consolidated statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2022 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the Audit and Control Committee for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

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

The Parent company's Audit and Control Committee is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

Auditor's responsibilities for the audit of the consolidated annual accounts

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

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

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

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

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

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's Audit and Control Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Parent company's Audit and Control Committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of CaixaBank, S.A. and its subsidiaries for the 2022 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of CaixaBank, S.A. are responsible for presenting the annual financial report for 2022 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

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

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the Audit and Control Committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the Audit and Control Committee of the Parent company dated 15 February 2023.

Appointment period

The General Ordinary Shareholders' Meeting held on 14 May 2021 appointed us as auditors of the Group for a period of one year, for the year ended 31 December 2022.

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

Additionally, the General Ordinary Shareholders' Meeting held on 8 April 2022 appointed PricewaterhouseCoopers Auditores, S.L. as auditors of the Group for a period of one year, for the year ended December 31, 2023.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 35 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Raúl Ara Navarro (20210)

17 February 2023

CaixaBank Group Financial Statements at 31 December 2022

- Consolidated balance sheet at 31 December 2022, 2021 and 2020, before appropriation of profit
- Consolidated statement of profit or loss for the years ended 31 December 2022, 2021 and 2020
- Consolidated statement of changes in equity for the years ended 31 December 2022, 2021 and 2020
    - Statement of other comprehensive income
    - Statement of total changes in equity
- Consolidated statement of cash flows for the years ended 31 December 2022, 2021 and 2020
- Notes to the consolidated financial statements for the year ended 31 December 2022

CONSOLIDATED BALANCE SHEET
Assets

(Millions of euros)

	NOTE	31-12-2022	31-12-2021 *	31-12-2020 *
Cash and cash balances at central banks and other demand deposits	10	**20,522**	**104,216**	**51,611**
Financial assets held for trading	11	**7,382**	**10,925**	**6,357**
Derivatives		6,963	10,319	5,301
Equity instruments		233	187	255
Debt securities		186	419	801
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	12	**183**	**237**	**317**
Equity instruments		127	165	180
Debt securities		6	5	52
Loans and advances		50	67	85
Customers		50	67	85
Financial assets at fair value with changes in other comprehensive income	13	**12,942**	**16,403**	**19,309**
Equity instruments		1,351	1,646	1,414
Debt securities		11,591	14,757	17,895
Financial assets measured at amortised cost	14	**442,754**	**420,599**	**267,509**
Debt securities		77,733	68,206	24,670
Loans and advances		365,021	352,393	242,839
Central banks			63	4
Credit institutions		12,187	7,806	5,847
Customers		352,834	344,524	236,988
Derivatives - Hedge accounting	15	**649**	**1,038**	**515**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	15	**(753)**	**951**	**1,286**
Investments in joint ventures and associates	16	**2,034**	**2,534**	**3,443**
Joint ventures		44	44	42
Associates		1,990	2,490	3,401
Assets under the insurance business	17	**68,534**	**83,464**	**77,241**
Tangible assets	18	**7,516**	**8,263**	**6,957**
Property, plant and equipment		5,919	6,398	4,950
For own use		5,919	6,398	4,950
Investment property		1,597	1,865	2,007
Intangible assets	19	**5,219**	**4,933**	**3,949**
Goodwill		3,167	3,455	3,051
Other intangible assets		2,052	1,478	898
Tax assets		**20,457**	**21,298**	**10,626**
Current tax assets		2,160	1,805	832
Deferred tax assets	25	18,297	19,493	9,794
Other assets	20	**2,369**	**2,137**	**1,202**
Inventories		101	96	75
Remaining other assets		2,268	2,041	1,127
Non-current assets and disposal groups classified as held for sale	21	**2,426**	**3,038**	**1,198**
TOTAL ASSETS		**592,234**	**680,036**	**451,520**
Memorandum items				
Off-balance-sheet exposures				
Loan commitments given	26	112,800	101,919	78,499
Financial guarantees given	26	10,924	8,835	6,360
Other commitments given	26	38,441	33,663	20,207
Financial instruments loaned or delivered as collateral with the right of sale or pledge				
Financial assets held for trading		20	45	15
Financial assets at fair value with changes in other comprehensive income		3,345	4,819	1,729
Financial assets measured at amortised cost		9,521	8,097	1,756
Tangible assets acquired under a lease	18	**1,565**	**1,829**	**1,447**
Investment property, leased out under operating leases		**1,269**	**1,586**	**1,736**

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

Liabilities

(Millions of euros)

	NOTE	31-12-2022	31-12-2021 *	31-12-2020 *
Financial liabilities held for trading	11	**4,030**	**5,118**	**424**
Derivatives		3,971	4,838	151
Short positions		59	280	273
Financial liabilities at amortised cost	22	**482,501**	**547,025**	**342,403**
Deposits		421,870	486,529	300,523
Central banks		16,036	80,447	50,090
Credit institutions		12,774	13,603	5,266
Customers		393,060	392,479	245,167
Debt securities issued		52,608	53,684	35,813
Other financial liabilities		8,023	6,812	6,067
Derivatives - Hedge accounting	15	**1,371**	**960**	**237**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	15	**(5,736)**	**670**	**1,614**
Liabilities under the insurance business	17	**65,654**	**79,834**	**75,129**
Provisions	23	**5,263**	**6,535**	**3,195**
Pensions and other post-employment defined benefit obligations		579	806	580
Other long-term employee benefits		2,614	3,452	1,398
Pending legal issues and tax litigation		971	1,167	556
Commitments and guarantees given		547	461	193
Other provisions		552	649	468
Tax liabilities		**2,113**	**2,337**	**1,231**
Current tax liabilities		457	189	222
Deferred tax liabilities	25	1,656	2,148	1,009
Other liabilities	20	**2,760**	**2,115**	**1,995**
Liabilities included in disposal groups classified as held for sale		**16**	**17**	**14**
TOTAL LIABILITIES		**557,972**	**644,611**	**426,242**
Memorandum items				
Subordinated liabilities				
Financial liabilities at amortised cost	22	9,280	10,255	6,222

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

Equity

(Millions of euros)

	NOTE	31-12-2022	31-12-2021 *	31-12-2020 *
SHAREHOLDERS' EQUITY	**24**	**36,639**	**37,013**	**27,118**
Capital		**7,502**	**8,061**	**5,981**
Share premium		**13,470**	**15,268**	**12,033**
Other equity items		**46**	**39**	**25**
Retained earnings		**13,653**	**9,781**	**8,719**
Other reserves		**(1,152)**	**(1,343)**	**(1,009)**
(-) Treasury shares		**(25)**	**(19)**	**(12)**
Profit/(loss) attributable to owners of the Parent		**3,145**	**5,226**	**1,381**
ACCUMULATED OTHER COMPREHENSIVE INCOME	**24**	**(2,409)**	**(1,619)**	**(1,865)**
Items that will not be reclassified to profit or loss		**(1,379)**	**(1,896)**	**(2,383)**
Actuarial gains or (-) losses on defined benefit pension plans		(250)	(473)	(580)
Share of other recognised income and expense of investments in joint ventures and associates			1	(70)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income		(1,129)	(1,424)	(1,733)
Failed fair value hedges of equity instruments measured at fair value with changes in other comprehensive income				
Fair value changes of equity instruments measured at fair value with changes other comprehensive income [hedged instrument]		(38)	(12)	
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income [hedging instrument]		38	12	
Items that may be reclassified to profit or loss		**(1,030)**	**277**	**518**
Foreign currency exchange		12	5	(24)
Hedging derivatives. Reserve of cash flow hedges [effective portion]		(499)	(94)	73
Fair value changes of debt securities measured at fair value with changes in other comprehensive income		(506)	337	521
Share of other recognised income and expense of investments in joint ventures and associates		(37)	29	(52)
MINORITY INTERESTS (non-controlling interests)	**24**	**32**	**31**	**25**
Other items		**32**	**31**	**25**
TOTAL EQUITY		**34,262**	**35,425**	**25,278**
TOTAL LIABILITIES AND EQUITY		**592,234**	**680,036**	**451,520**

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of euros)

	NOTE	2022	2021 *	2020 *
Interest income	28	9,233	7,892	6,764
Financial assets at fair value with changes in other comprehensive income (1)		1,751	1,742	1,812
Financial assets measured at amortised cost (2)		7,443	5,500	4,700
Other interest income		39	650	252
Interest expense	29	(2,317)	(1,917)	(1,864)
NET INTEREST INCOME		**6,916**	**5,975**	**4,900**
Dividend income	30	163	192	147
Share of profit/(loss) of entities accounted for using the equity method	16	264	425	307
Fee and commission income	31	4,406	4,129	2,911
Fee and commission expenses	31	(396)	(424)	(335)
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	32	41	37	187
Financial assets measured at amortised cost		1	3	114
Other financial assets and liabilities		40	34	73
Gains/(losses) on financial assets and liabilities held for trading, net	32	476	97	127
Other gains or losses		476	97	127
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net	32	(9)	(3)	(24)
Other gains or losses		(9)	(3)	(24)
Gains/(losses) from hedge accounting, net	32	(18)	51	(3)
Exchange differences (gain/loss), net		(152)	39	(49)
Other operating income	33	604	551	649
Other operating expenses	33	(1,567)	(1,445)	(1,005)
Income from assets under insurance and reinsurance contracts	33	1,329	1,128	1,107
Expenses from liabilities under insurance and reinsurance contracts	33	(463)	(478)	(509)
GROSS INCOME		**11,594**	**10,274**	**8,410**
Administrative expenses		(5,263)	(7,354)	(4,039)
Personnel expenses	34	(3,620)	(5,588)	(2,841)
Other administrative expenses	35	(1,643)	(1,766)	(1,198)
Depreciation and amortisation	18 and	(807)	(695)	(540)
Provisions or reversal of provisions	23	(227)	(418)	(221)
Impairment/(reversal) of impairment on financial assets not measured at fair value through profit or loss or net profit or loss due to a change	36	(882)	(897)	(1,943)
Financial assets at fair value with changes in other comprehensive income		1		(1)
Financial assets measured at amortised cost		(883)	(897)	(1,942)
Impairment/(reversal) of impairment on investments in joint ventures and associates.	16	(18)	(19)	(316)
Impairment/(reversal) of impairment on non-financial assets	37	(102)	(158)	(112)
Tangible assets		(86)	(62)	(110)
Intangible assets		(14)	(58)	(14)
Other		(2)	(38)	12
Gains/(losses) on derecognition of non-financial assets, net	16 and	41	295	27
Negative goodwill recognised in profit or loss	7	0	4,300	
Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	39	(10)	(13)	334
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**4,326**	**5,315**	**1,600**
Tax expense or income related to profit or loss from continuing operations	25	(1,179)	(88)	(219)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**3,147**	**5,227**	**1,381**
Profit/(loss) after tax from discontinued operations		2	2	
PROFIT/(LOSS) FOR THE PERIOD		**3,149**	**5,229**	**1,381**
Attributable to minority interests (non-controlling interests)		4	3	
Attributable to owners of the parent		3,145	5,226	1,381

(*) Presented for comparison purposes only (see Note 1)
(1) Also includes the interest on available-for-sale financial assets (IAS 39) linked to the insurance business
(2) Also includes interest on loans and receivables (IAS 39) of the insurance business

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PART A)

Consolidated statement of other comprehensive income

(Millions of euros)

	NOTE	2022	2021 *	2020 *
PROFIT/(LOSS) FOR THE PERIOD		**3,149**	**5,229**	**1,381**
OTHER COMPREHENSIVE INCOME		**(790)**	**246**	**(740)**
Items that will not be reclassified to profit or loss		**518**	**486**	**(815)**
Actuarial gains or losses on defined benefit pension plans		340	106	(139)
Share of other recognised income and expense of investments in joint ventures and associates		0	70	13
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income	13	298	307	(719)
Profit or loss from hedge accounting of equity instruments measured at fair value with changes in other comprehensive income		0	0	0
Fair value changes of equity instruments measured at fair value with changes in equity [hedged instrument]		(26)	(12)	58
Fair value changes of equity instruments measured at fair value with changes in equity [hedging instrument]		26	12	(58)
Income tax relating to items that will not be reclassified		(120)	3	30
Items that may be reclassified to profit or loss		**(1,308)**	**(240)**	**75**
Foreign currency exchange		7	29	(29)
Translation gains/(losses) taken to equity		7	29	(29)
Cash flow hedges (effective portion)		(596)	(234)	146
Valuation gains/(losses) taken to equity		(636)	(222)	130
Transferred to profit or loss		40	(12)	16
Debt instruments classified as fair value financial assets with changes in other		(1,178)	(241)	65
Valuation gains/(losses) taken to equity		(1,172)	(200)	101
Transferred to profit or loss		(6)	(41)	(36)
Share of other recognised income and expense of investments in joint ventures and associates		(65)	80	(39)
Income tax relating to items that may be reclassified to profit or loss		524	126	(68)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,359**	**5,475**	**641**
Attributable to minority interests (non-controlling interests)		4	3	0
Attributable to owners of the parent		2,355	5,472	641

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PART B)

Consolidated statement of total changes in equity

(Millions of euros)

		Equity attributable to the parent									Minority interests		
		Shareholders' equity											
	NOTE	Capital	Share premium	Other equity	Retained earnings	Other reserves	Less: treasury shares	Profit/(loss) attributable to owners of the parent	Less: interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	Total
BALANCE AT 31-12-2021		**8,061**	**15,268**	**39**	**9,781**	**(1,343)**	**(19)**	**5,226**	**0**	**(1,619)**	**0**	**31**	**35,425**
OPENING BALANCE AT 01-01-2022		**8,061**	**15,268**	**39**	**9,781**	**(1,343)**	**(19)**	**5,226**	**0**	**(1,619)**	**0**	**31**	**35,425**
TOTAL COMPR. INCOME FOR THE PERIOD								**3,145**		**(790)**		**4**	**2,359**
OTHER CHANGES IN EQUITY		**(559)**	**(1,798)**	**7**	**3,872**	**191**	**(6)**	**(5,226)**	**0**	**0**	**0**	**(3)**	**(3,522)**
Capital reduction	24	(559)	(1,798)										(2,357)
Dividends (or remuneration to shareholders)	6				(1,178)							(4)	(1,182)
Purchase of treasury shares	24						(1,818)						(1,818)
Sale or cancellation of treasury shares	24						1,812						1,812
Transfers among components of equity					5,226			(5,226)					
Other increase/(decrease) in equity				7	(176)	191						1	23
CLOSING BALANCE AT 31-12-2022		**7,502**	**13,470**	**46**	**13,653**	**(1,152)**	**(25)**	**3,145**	**0**	**(2,409)**	**0**	**32**	**34,262**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PART B)

Consolidated statement of total changes in equity *

(Millions of euros)

		Equity attributable to the parent									Minority interests		
		Shareholders' equity											
	NOTE	Capital	Share premium	Other equity	Retained earnings	Other reserves	Less: treasury shares	Profit/(loss) attributable to owners of the parent	Less: interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	Total
BALANCE AT 31-12-2019		**5,981**	**12,033**	**24**	**7,795**	**(1,281)**	**(10)**	**1,705**		**(1,125)**		**29**	**25,151**
OPENING BALANCE AT 01-01-2020		**5,981**	**12,033**	**24**	**7,795**	**(1,281)**	**(10)**	**1,705**		**(1,125)**		**29**	**25,151**
TOTAL COMP. INCOME FOR THE PERIOD								**1,381**		**(740)**			**641**
OTHER CHANGES IN EQUITY				**1**	**924**	**272**	**(2)**	**(1,705)**				**(4)**	**(514)**
Dividends (or remuneration to shareholders)					(418)							(4)	(422)
Purchase of treasury shares							(8)						(8)
Sale or cancellation of treasury shares							6						6
Transfers among components of equity	24				1,705			(1,705)					
Other increase/(decrease) in equity				1	(363)	272							(90)
OPENING BALANCE AT 31-12-2020		**5,981**	**12,033**	**25**	**8,719**	**(1,009)**	**(12)**	**1,381**		**(1,865)**		**25**	**25,278**
OPENING BALANCE AT 01-01-2021		**5,981**	**12,033**	**25**	**8,719**	**(1,009)**	**(12)**	**1,381**		**(1,865)**		**25**	**25,278**
TOTAL COMP. INCOME FOR THE PERIOD								**5,226**		**246**		**3**	**5,475**
OTHER CHANGES IN EQUITY		**2,080**	**3,235**	**14**	**1,062**	**(334)**	**(7)**	**(1,381)**				**3**	**4,672**
Issuance of ordinary shares		2,080	3,235										5,315
Dividends (or remuneration to shareholders)					(216)								(216)
Purchase of treasury shares							(15)						(15)
Sale or cancellation of treasury shares							8						8
Reclassification of financial instruments from liability to equity				10									10
Transfers among components of equity	6				1,381			(1,381)					
Other increase/(decrease) in equity				4	(103)	(334)						3	(430)
BALANCE AT 31-12-2021		**8,061**	**15,268**	**39**	**9,781**	**(1,343)**	**(19)**	**5,226**		**(1,619)**		**31**	**35,425**

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

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(Millions of euros)

	NOTE	2022	2021 **	2020 **
A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		**(79,875)**	**38,628**	**37,562**
Profit/(loss) for the period *		3,149	5,229	1,381
Adjustments to obtain cash flows from operating activities		819	(924)	3,062
Depreciation and amortisation		807	695	540
Other adjustments		12	(1,619)	2,522
Net increase/(decrease) in operating assets		(14,823)	15,712	(24,832)
Financial assets held for trading		3,543	1,401	1,013
Financial assets not designated for trading compulsorily measured at fair value through profit or loss		59	95	110
Financial assets at fair value with changes in other comprehensive income		2,446	12,795	(1,488)
Financial assets measured at amortised cost		(24,385)	4,670	(25,193)
Other operating assets		3,514	(3,249)	726
Net increase/(decrease) in operating liabilities		(68,625)	19,462	58,101
Financial liabilities held for trading		(1,088)	(912)	(1,914)
Financial liabilities at amortised cost		(63,400)	18,934	59,369
Other operating liabilities		(4,137)	1,440	646
Income tax (paid)/received		(395)	(851)	(150)
B) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**164**	**13,888**	**484**
Payments:		(1,304)	(1,266)	(776)
Tangible assets		(440)	(358)	(403)
Intangible assets		(476)	(320)	(287)
Investments in joint ventures and associates			(49)	
Subsidiaries and other business units		(250)		
Non-current assets and liabilities classified as held for sale		(138)	(539)	(86)
Proceeds:		1,468	15,154	1,260
Tangible assets		138	311	228
Intangible assets		1	1	
Investments in joint ventures and associates		152	208	644
Subsidiaries and other business units			277	
Non-current assets and liabilities classified as held for sale		1,177	2,266	388
Other proceeds related to investing activities	7		12,091	
C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(3,984)**	**88**	**(1,540)**
Payments:		(9,564)	(4,438)	(5,277)
Dividends	6	(1,178)	(216)	(418)
Subordinated liabilities		(1,760)	(665)	
Purchase of own equity instruments		(1,818)	(15)	(8)
Other payments related to financing activities		(4,808)	(3,542)	(4,851)
Proceeds:		5,580	4,526	3,737
Subordinated liabilities	22	750	1,750	746
Disposal of own equity instruments		15	8	6
Other proceeds related to financing activities		4,815	2,768	2,985
D) EFFECT OF EXCHANGE RATE CHANGES		**1**	**1**	**(5)**
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(83,694)**	**52,605**	**36,501**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**104,216**	**51,611**	**15,110**
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (E+F)		**20,522**	**104,216**	**51,611**
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD				
Cash		2,560	3,044	2,339
Cash equivalents at central banks		16,384	99,574	48,535
Other financial assets		1,578	1,598	737
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR		**20,522**	**104,216**	**51,611**
(*) Of which: Interest received		8,830	8,124	7,413
Of which: Interest paid		1,281	2,637	2,123
Of which: Dividends received		421	431	532

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF CAIXABANK GROUP AT 31 DECEMBER 2022

As required by current legislation governing the content of consolidated financial statements, these notes to the consolidated financial statements complete, extend and discuss the balance sheet, statement of profit or loss, statement of changes in equity and the statement of cash flows, and form an integral part of them to give a true and fair view of the equity and financial position of CaixaBank group at 31 December 2022, and the results of its operations, the changes in equity and the cash flows during the year then ended.

Index of explanatory notes

1. CORPORATE INFORMATION, BASIS OF PRESENTATION AND OTHER INFORMATION

1.1 CORPORATE INFORMATION

CaixaBank, S.A. (hereinafter, CaixaBank —its trade name— or the Entity), is a Spanish public limited company registered in the Commercial Register of Valencia, Volume 10370, Folio 1, Sheet V-178351, and in the Special Administrative Register of the Bank of Spain, under number 2100. The Legal Entity Identifier (LEI) of CaixaBank is 7CUNS533WID6K7DGFI87, and its tax ID (NIF) is A08663619.

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

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

Corporate milestones

- **07/2000** Investee portfolio contribution to CaixaHolding, S.A.U. by Caixa d'Estalvis i Pensions de Barcelona
- **10/2007** The process of Initial Public Offering for the admission to trading of the shares on the Spanish securities exchanges is completed.
- **05/2014** The General Assembly of "la Caixa" approved the transformation into a banking foundation, terminating the indirect exercise of its activity as a credit institution through CaixaBank, S.A.
- **09/2017** Fulfilment of the conditions imposed by the European Central Bank for the prudential deconsolidation of CaixaBank, which becomes the parent company of the supervisory group.

Corporate acts

- **12/12/1980** Incorporation of Grupo de Servicios, S.A. for an indefinite period. **Notary:** Eduardo Blat Gimeno – **Official record number:** 2,375
- **22/12/1983** Amendment of the trade name to GDS-Grupo de Servicios, S.A. **Notary**: Antonio-Carmelo Agustín Torres – **Official record number**: 5,813
- **01/06/1992** Adjustment of the by-laws to the –then in force– Public Limited Companies Act. **Notary:** Ladislao Narváez Acero – **Official record number**: 1,124
- **01/06/2000** Merger by absorption of CaixaHolding, S.A.U., adopting this trade name. **Notary:** Tomás Giménez Duart – **Official record number:** 4,011
- **02/08/2007** Amendment of the trade name to Criteria CaixaCorp, S.A. **Notary:** Tomás Giménez Duart – **Official record number**: 3,511
- **27/06/2011** Reorganisation of "la Caixa" Group: Criteria CaixaCorp, S.A. receives the "la Caixa" holding in MicroBank to which the assets and liabilities comprising the Group's financial activity had previously been transferred. **Notary:** Tomás Giménez Duart – **Official record number**: 2,617
- **30/06/2011** Merger by acquisition of "la Caixa" MicroBank by Criteria CaixaCorp, S.A. and amendment of the resulting trade name for that of CaixaBank, S.A. **Notary:** Tomás Giménez Duart – **Official record number:** 2,685
- **26/03/2021** Merger by acquisition of Bankia, S.A. by CaixaBank, S.A. **Notary:** Alfonso Maldonado Rubio– **Official record number:** 2,929

The corporate purpose of CaixaBank, covered under Article 2 of its By-laws, mainly entails: i) all manner of activities, operations, acts, contracts and services related to the banking sector in general, including the provision of investment services and ancillary services and the performance of the activities of an insurance agency; ii) receiving public funds in the form of irregular deposits or in other similar formats, for the purposes of application on its own account to active credit and microcredit operations, and other investments, providing customers with services including dispatch, transfer, custody, mediation and others; and iii) the acquisition, holding, use and disposal of all kinds of securities and the formulation of public offerings for the acquisition and sale of securities, as well as all kinds of holdings in any company or enterprise.

CaixaBank, S.A. and its subsidiaries comprise CaixaBank Group (hereinafter "CaixaBank Group" or the "Group").

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

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

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

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

1.2 BASIS OF PRESENTATION

The Group's consolidated financial statements have been prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Group at 31 December 2022, which is set forth in the International Financial Reporting Standards adopted by the European Union (hereinafter, "IFRS-EU"). In preparing these statements, Bank of Spain Circular 4/2017 of 27 November has been taken into account, which constitutes the adaptation of the IFRS-EU to Spanish credit institutions, and subsequent amendments in force at the end of the financial year.

The financial statements, which were prepared from the accounting records of CaixaBank and the Group's companies, are presented in accordance with the regulatory financial reporting framework applicable to them and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Group's equity, financial position, results of operations and cash flows for the financial year. The accompanying financial statements include certain adjustments and reclassifications required to apply the policies and criteria used by the Group companies on a consistent basis with those of CaixaBank.

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

Standards and interpretations issued by the IASB but not yet effective

At the date of authorisation for issue of these consolidated financial statements, following are the main standards and interpretations issued by the IASB but not yet effective, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been endorsed by the European Union:

Standards and interpretations issued by the IASB but not yet effective

Standards and interpretations	Title	Mandatory application for annual periods beginning on
IFRS 17	Insurance contracts	1 January 2023
Amendment to IFRS 17	First-time adoption of IFRS 17 and IFRS 9 - Comparative information	1 January 2023

- **IFRS 17 "Insurance contracts"**

The endorsement of IFRS 17 was published in the Official Journal of the European Union on 23 November 2021. This provides for an exception with regard to IFRS in respect of applying the requirement of annual cohorts for specific types of contracts, such as those managed through generations of various contracts that meet the conditions laid down in Article 77c of Directive 2009/138/EC on life insurance and the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), and they have been approved by the supervisory authorities for the purpose of applying the matching adjustment. The Group adopts this exception for the portfolios that fulfil the aforementioned requirements.

On 9 December 2021, the IASB issued an amendment to IFRS 17 on the comparative information in the initial application of IFRS 17 and IFRS 9 with the aim of helping companies to avoid temporary accounting imbalances between financial assets and liabilities from insurance contracts, and thus improve the comparative information for users of financial statements. This modification enables companies to submit comparative information on financial assets in the initial application of IFRS 17 and IFRS 9 based on the expected classification according to IFRS 9, as if the classification and measurement requirements of IFRS 9 had been applied to these financial assets. This presentation can only be applied in comparison periods that have been restated for IFRS 17. The Group will make use of this option.

As specified in Note 2.22, for insurance transactions, the Group's insurance companies have invoked the temporary exemption to the application of IFRS 9, meaning said rule is not yet applicable to the insurance business pursuant to the application of Regulation EU 2017/1988. This regulation has allowed for the deferral of IFRS 9 for insurance companies that form part of a financial conglomerate, as stated in article 2, section 14 of Directive 2002/87/EC. This option was adopted by the Group for the financial investments of the Group's insurance companies (VidaCaixa and BPI Vida e Pensões) from 1 January of 2018, as it fulfilled the conditions laid down by article 2 of the EU Regulation EU 2017/1988. As regards Bankia Vida and Sa Nostra Vida, the temporary exemption from IFRS 9 has also been applied from the date of the companies' takeover (see Note 7), up until the merger with VidaCaixa, in the case of Bankia Vida.

The Group will apply IFRS 17 and IFRS 9 (in the insurance business) for the first time on 1 January 2023. These standards will bring about significant changes in the accounting for insurance and reinsurance contracts and financial instruments, respectively.

Estimated impacts upon adoption of IFRS 17 and IFRS 9

The Group has estimated the impact of the application of IFRS 17 and IFRS 9 on its consolidated financial statements. On the basis of the best estimate available to the Group at that date, a negative impact in the CET1 ratio of 20 bps is estimated at 1 January 2023. If the decisions that affect the implementation of IFRS 9 and IFRS 17 are carried forward to 1 January 2022, and taking into consideration the interest rate changes in 2022, the same impact referring to 1 January 2022 would be a decrease in the CET1 ratio of 6 bps, equivalent to a decrease in equity at that date of EUR 218 million. The Group is currently finalising the estimate of the impact.

The previous impact results mainly from the fact that under the current IFRS 4, what is commonly called the "liability adequacy test" is conducted. This test is used to determine the overall adequacy of the provisions for the set of contract portfolios, and the compensation between them. With the entry into force of the new IFRS 17, this compensation will not be allowed, and as a result of the asymmetrical treatment of excesses and deficits at the portfolio level, the shortage in liabilities in some of them cannot be offset with the surpluses in others. This effect has to be charged to the first application reserves. Other elements that affect that capital impact are the cancellation of certain intangible assets and the impact on other cumulative income (OCI) resulting from the elimination of the shadow accounting figure, and the difference in OCI from the financial investments and the OCI of the liabilities (difference between the locked-in rate, used on the transition date, and the current rate on said date).

The impacts stated above all refer to the date of transition on a consolidated basis for VidaCaixa and SCA; no significant impacts are expected for the rest of the group's insurance companies. For such purposes, it should be noted that the Group took control of Bankia Vida in December 2021 and Sa Nostra Vida in November 2022 (see Note 7). The above impacts have already taken into consideration the elimination of intangible assets, other than intangible assets related to future renewals and goodwill, given that the former will be included in the IFRS 17 measurement.

At the date of authorisation for issue of these consolidated financial statements, these impacts are the best estimate of the effects that could be most significant for the subject scope, but are not a complete and exact listing of all impacts that could ultimately derive from application of this standard upon definitive application as of 1 January 2022. The impacts as at 1 January 2022 and 1 January 2023 of the adoption of both standards could vary by:

- The Group continues to refine the new accounting processes and internal controls required by IFRS 17 and IFRS 9.
- The new accounting policies, judgements and estimation techniques applied are subject to change until the Group has finalised its first financial statements under these new standards.

IFRS 17

A summary of the principles for the recognition, measurement, presentation and disclosure of the insurance contracts to be used by the Group is set out below:

Definition and classification

The Group has evaluated whether its contracts fulfil the definition of an insurance contract, i.e. whether it accepts a significant insurance risk from another party by agreeing to compensate the policyholder should an uncertain future event occur that adversely affects the policyholder. From this evaluation it has been concluded that all insurance contracts that were under the scope of IFRS 4 fulfil the definition of an insurance contract and therefore the introduction of IFRS 17 does not entail any reclassification, except for certain products of BPI Vida e Pensões, which do not transfer significant insurance risk and are therefore measured under IFRS 9.

Unit of account

The Group has analysed the criteria for grouping insurance contracts by taking into consideration whether they are contracts subject to similar risks and are managed jointly, onerousness and whether they are contracts that are not more than one year apart in terms of issue (annual cohorts). This analysis has concluded that the product groups currently used in Solvency II are adequate.

Since the Group has chosen the fair value transition approach, for contracts issued prior to the transition date (1 January 2022) it has not been necessary to aggregate the contracts by previous cohorts.

Contracts issued after the transition date have been grouped by year, except for insurance contracts managed under matching adjustment techniques and unit-linked contracts for which the Group has made use of the derogation in Article 2 of Commission Regulation (EU) 2021/2036 of 19 November 2021 whereby the annual cohort requirement may be waived for groups of insurance contracts managed through different generations of contracts that fulfil the conditions laid down in Article 77b of Directive 2009/138/EC and have been approved by the supervisory authorities to be eligible for the application of the matching adjustment and for groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features as set out in that Regulation.

Recognition and derecognition of accounts

Groups of insurance contracts are initially recognised when the first of the following events occurs:

- The beginning of the hedging period of the group of contracts
- The date on which the first payment of a policyholder of a group policy falls due
- For a group of contracts for pecuniary interest, the date on which the group becomes onerous

Insurance contracts acquired in a business combination within the scope of IFRS 3 will be accounted for as if they were concluded at the acquisition date.

In general, the Group uses the general model for recognising and measuring insurance contracts. However, the variable rate approach is used for unit-linked and similar contracts when they meet the definition of insurance contracts with direct participation features. Furthermore, for contracts with a hedging period of under one year, the Group uses the premium-allocation approach. This is also applied when the Group expects that the use of this simplified approach will yield a measurement that does not significantly differ from that which would be produced by applying the general method or FVA.

An insurance contract will be terminated when:

- It has expired
- The contract is amended and fulfils the requirements of the termination rule.

<u>Measurement</u>

- Initial recognition

  For contract groups not measured under the premium-allocation approach, upon initial recognition the Group measures a group of insurance contracts for the total of:

  - Future cash flows, which include:

    - Estimates of future cash flows. The Group estimates the present value of future cash outflows less the present value of future cash inflows which fall within the limits of the contract. These estimates are based upon the expected value of a full range of possible outcomes, grounded in the Group's perspective (but consistent with observable market prices for the inputs used) and reflect conditions existing at the measurement date.

      These flows include expenses directly attributable to insurance contracts. Expenses that the Group has deemed not to be directly attributable are classified by nature.

    - An adjustment to reflect the time value of money and the financial risks associated with future cash flows. In general, the Group has chosen a top-down approach for the discount rates, whereby the asset rate is taken as a reference and the credit risk is discounted. In the case of contracts priced under the floating rate model and risk products, the discount rate is established on the basis of a bottom-up approach.

    - A risk adjustment for non-financial risk. This reflects the offsetting the Group requires for bearing the uncertainty about the amount and timing of cash flows arising from non-financial risk. The Group applies the Cost of Capital methodology, taking the Solvency II cost of capital (6%) and the regulatory capital requirement currently reported by the Company for underwriting risks (underwriting SCR).

  - The Contractual Service Margin (CSM). It represents the future profits of the insurance contracts issued. This amount is not recognised in the income statement at initial recognition, but is recognised when the services under the contract are rendered. When this margin is negative, the insurance contract is onerous and the loss must be immediately recognised in the income statement, without the contractual service margin being recognised in the balance sheet. The Group expects that the amount of CSM at the transition date will be in the range of EUR 2,600–2,900 million for contracts measured using the general model and the FVA model, and, therefore it does not include the expected profit that will accrue over time for life insurance contracts with a coverage period of less than one year where the Group uses the premium allocation approach and as such this profit is implicit in calculating the insurance liability, and is therefore not a separately accounted for component.

  The Group has applied the premium-allocation approach for contracts which have a hedge period of one year or less, or where this approach is expected to result in a measurement of the remaining hedge liability that does not materially differ from that which would be produced by applying the general model.

At initial recognition the Group measures the remaining hedging liability as the premiums received plus/minus any amount resulting from derecognising assets/liabilities previously recognised for the cash flows related to the group of contracts.

For these contracts, the Group has chosen the policy option to recognise the cash flows from the purchase of the insurance as expenses when incurred.

- Subsequent recognition

The carrying amount of a group of insurance contracts at the close of each reporting period will be the sum of:

  - The remaining hedging liability, which comprises the cash flows derived from the performance of future services allocated to the group at that date and the group's contractual service margin at that date.
  - The liability for claims incurred, which comprises the cash flows arising from the performance of past services assigned to the group at that date.

Changes in cash flows related to present or past services are recorded in the income statement, whereas those related to future services adjust the CSM or loss component.

For contracts measured under the variable rate model the amounts related to future service that adjust the CSM include changes in the amount of the Company's interest in the fair value of the underlying items.

Changes in the measurement of cash flows at current rates are recorded under Other Comprehensive Income because the Group has chosen this accounting policy to minimise accounting asymmetries with the accounting recognition of financial assets. For contracts priced under the variable tariff model these amounts adjust the CSM.

The transfer of insurance contract services in the period is recognised as insurance income in profit or loss.

For insurance contracts in which the premium-allocation approach is applied, at the close of each period the carrying amount of a group of contracts is the sum of the liability for the remaining hedge and the liability for claims incurred. The remaining hedge liability is the result of the opening balance plus premiums received for the period less the amount recognised as insurance income for services provided in that period.

The Group does not adjust the remaining hedge liability for the time value of money because insurance premiums expire within the coverage period of the contracts, which is one year or less. The liability for claims incurred is measured in a similar way to the general model.

- Income and expenses from insurance contracts

Income and expenses from insurance contracts that are recognised using the following criteria:

Heading	Recognition
Income from the insurance service	> Includes income from ordinary insurance activities that show the provision of services associated with the group of insurance contracts for an amount that reflects the compensation the bank expects to receive in exchange for said services. > Includes the expenses of the service, which include the claims paid (excluding investment components) and other expenses of the insurance service, the amortisation of acquisition cash flows, changes in the flows related with past services, and changes related with the current service.
Financial income and expenses from insurance	> The insurance revenue or expenses include the group's book value of insurance contracts that result from the effect of the time value of money and the changes in this value, and from the financial risk effect and changes to this effect. > The Group has opted for the accounting policy of recognising the impact of changes in the discount rates and other financial variables in Other Comprehensive Income to minimise accounting asymmetries with the accounting record of financial assets. > For contracts valued using the premium assignment approach, the discount rate will not be used since the cash flows are expected to be charged and paid in one year. > The Group disaggregates changes in the risk adjustment due to non-financial risk into income from the insurance service, and income or expenses from insurance financing.

Income and expenses from reinsurance contracts held are reported as a single amount and are presented separately from income and expenses from insurance contracts written under the headings "Net expenses from reinsurance contracts held" and "Finance income from reinsurance contracts held".

Presentation and breakdown

IFRS 17 will have material changes to how insurance contracts will be presented and disclosed in the Group's financial statements.

For the balance sheet, portfolios of contracts will be classified as assets or liabilities on the basis of their net balance, and insurance and reinsurance contracts will be recorded separately.

For the Consolidated Statement of Profit or Loss, the amounts recognised will be separated into "Profit or loss on insurance services", which will include insurance service income and expenses, and "Financial income or expenses on insurance". As in the Balance Sheet, reinsurance contracts are presented separately. Based on the above, the main changes that are expected with respect to IFRS 4 are as follows:

- The margin on savings products currently recorded under "Net interest income" will now be recorded under "Profit or loss on insurance services".
- The margin for unit-linked products will be moved from "Fee and commission income" to "Profit or loss on insurance services".
- "Operating expenses" will be reclassified as lower "Profit or loss on insurance services" when they are deemed to be directly attributable to insurance contracts.

In general, to present the changes in the discount rates of insurance liabilities, the Group has chosen the accounting policy option of recording them in "Other Comprehensive Income" to avoid asymmetries with the financial investments whose variations in value are generally recorded in "Other Comprehensive Income". For contracts priced under the variable tariff model these amounts adjust the CSM.

These changes will not have a material impact on either profitability or the ability to pay dividends.

Transition

For the purpose of transition requirements, the date of transition will be 1 January 2022, and given the impracticability of applying IFRS 17 retroactively, the Group has chosen to apply the fair value approach for all contracts in force on that date. For such purpose, the Group has determined the CSM or the loss component of the remaining hedging liability at the transition date as the difference between the fair value of a group of insurance contracts at that date and the cash flows derived from the performance measured at that date.

When implementing this approach, the Group has taken the following considerations into account:

- Only future cash flows within the contract boundaries have been included in the fair value estimate, thereby excluding values of future renewals and new business.
- The requirements of IFRS 13 have been taken into consideration.
- Intangible assets related to future renewals that arose in business combinations have been recognised as insurance acquisition cash flow assets, given that these amounts are not included in the measurement of insurance contracts.

Furthermore, when applying this approach, the Group has opted to:

- Include contracts issued more than one year apart in a group of contracts.
- Determine discount rates at the initial recognition date, rather than at the transition date.
- Given that the Group has chosen to split insurance finance income or expense between profit or loss and other comprehensive income, it has elected to determine the cumulative amount of such income or expense recognised in other comprehensive income at the date of transition retrospectively.

IFRS 9

As previously stated, the Group's insurance companies have availed themselves of the temporary exemption from the application of IFRS 9 for insurance operations. As a consequence, the Group will apply IFRS 9 for these operations for the first time on 1 January 2023.

Note 2 provides details of the accounting principles and policies and measurement bases of IFRS 9, given that the Group has applied IFRS 9 for all other Group companies since 1 January 2018.

Below are the main differences that will arise from replacing IAS 39 with IFRS 9 in insurance operations:

- Most financial assets are classified as available-for-sale financial assets under IAS 39. Under IFRS 9 most portfolios will be classified as Financial assets at fair value through other comprehensive income. However, under certain circumstances, in order to avoid asymmetries between assets and liabilities, some portfolios will be classified as Financial assets at amortised cost.
- As regards the unit-linked business, the financial assets related to these contracts are classified in Other financial assets at fair value through profit or loss under IAS 39. These portfolios are classified under IFRS 9 as financial assets designated at fair value through profit or loss.
- Derivatives designated as hedged items in fair value micro-hedges are classified in IFRS 9 under the heading "Derivatives - hedge accounting"

Given that most financial assets are classified at fair value before and after the application of IFRS 9, no material impact on the Group's equity is expected. The only expected impact is for portfolios that have been reclassified to amortised cost.

Although the introduction of IFRS 9 entails a change from an incurred loss to an expected loss impairment model, because of the composition of the financial asset portfolio no material impact is expected.

1.3 RESPONSIBILITY FOR THE INFORMATION AND FOR THE ESTIMATES MADE

The Entity's consolidated financial statements for 2022 were authorised for issue by the Board of Directors at a meeting held on 16 February 2023. They have not yet been approved by the Annual General Meeting, while it is expected that they will be approved without any changes. The financial statements of 2021 were approved by the Ordinary Annual General Meeting on 8 April 2022.

These consolidated financial statements have been prepared according to a going concern based on the solvency (see Note 4) and liquidity (see Note 3.4.4) of the Group.

The preparation of the consolidated financial statements required the Board of Directors to make certain judgements, estimates and assumptions in order quantify certain assets, liabilities, revenues, expenses and obligations shown in them. These judgements and estimates mainly refer to:

- The measurement of goodwill and intangible assets (Note 2.15 and 19).

- The term of the lease agreements used in the assessment of the lease liabilities (Note 2.18).
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations (Note 7).
- Impairment losses on financial assets, and of the fair value of guarantees associated thereto, according to their classification in accounts, which entail the need to make judgments regarding: i) the consideration of "significant increase in credit risk" (SICR); ii) the definition of default; and iii) the incorporation of forward-looking information and the macro-economic uncertainties – Post Model Adjustment (Notes 2.7 and 3.4.1).
- The measurement of investments in joint ventures and associates (Note 16).
- Determination of the share of profit/(loss) of investments in associate companies (Note 16).
- Actuarial assumptions used to measure liabilities arising from insurance contracts (Note 17).
- The classification, useful life of and impairment losses on tangible assets and intangible assets (Notes 18 and 19).
- Impairment losses on non-current assets and disposal groups classified as held for sale (Note 21).
- Actuarial assumptions used to measure post-employment liabilities and commitments (Note 23).
- The measurement of the provisions required to cover labour, legal and tax contingencies (Note 23).
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets (Note 25).
- The fair value of certain financial assets and liabilities (Note 40).

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

1.4 COMPARISON OF INFORMATION AND CHANGES IN THE SCOPE OF CONSOLIDATION

The 2021 and 2020 figures presented in the accompanying 2022 Financial Statements are given for comparison purposes only. In some cases, in order to facilitate comparability, the comparative information is presented in a summarised way, and the full information is available in the 2021 and 2020 financial statements.

The takeover of Bankia, S.A. took place on 23 March 2021. The financial statements at 31 December 2021 reflect the recognition of the business combination.

1.5 SEASONALITY OF OPERATIONS

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

1.6. OWNERSHIP INTERESTS IN CREDIT INSTITUTIONS

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

1.7. RESERVE RATIO

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

1.8. SIGNIFICANT OPERATIONS

Capital reduction

After receiving the appropriate regulatory approval, the Board of Directors on 16 May 2022 agreed to approve and commence a share buy-back programme for a maximum amount of EUR 1,800 million, in order to bring the CET1 ratio closer to the internal target. As a result, on 22 December 2022, following the completion of the share buy-back programme, CaixaBank's Board of Directors agreed to reduce the Company's share capital by redeeming all 558,515,414 treasury shares (6.93% of the share capital) acquired within the framework of the share buy-back programme for an amount of EUR 1,800 million, the resulting share capital amounting to EUR 7,502,131,619 represented by 7,502,131,619 shares at a nominal value of one euro each (see Note 24).

1.9. EVENTS AFTER THE REPORTING PERIOD

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

Debt securities issued

Issuance of senior non-preferred debt

On 18 January 2023, CaixaBank completed an issuance of senior non-preferred debt amounting to EUR 1,250 million, maturing in 6 years and paying a return of 6.208%.

Subordinated debt issue

On 25 January 2023, CaixaBank completed a subordinated debt issue amounting to GBP 500 million, maturing in 10 years and 9 months, and paying a return of 6.875%.

2. ACCOUNTING PRINCIPLES AND POLICIES, AND MEASUREMENT BASES

The principal accounting policies and measurement bases used in the preparation of the consolidated financial statements of the Group for 2022 were as follows:

2.1 BUSINESS COMBINATIONS AND BASIS OF CONSOLIDATION

In addition to data relating to the parent company, the consolidated financial statements contain information on subsidiaries, joint ventures and associates. The procedure for integrating the assets and liabilities of these companies depends on the type of control or influence exercised.

Subsidiaries

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

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

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

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

The subsidiaries are consolidated, without exception, on the grounds of their activity, using the full consolidation method, which consists of the aggregation of the assets, liabilities, equity, income and expenses of a similar nature included in their separate financial statements. The carrying amount of direct and indirect investments in the share capital of subsidiaries is eliminated in proportion to the percentage of ownership in the subsidiaries held by virtue of these investments. All other balances and transactions between the consolidated entities are eliminated on consolidation.

The share of third parties in the equity and profit or loss is shown under "Minority interests (non-controlling interests)" in the balance sheet and in "Profit/(loss) attributable to minority interests (non-controlling interests)" in the statement of profit or loss.

The results of subsidiaries acquired during the year are consolidated from the date of acquisition. Similarly, the results of subsidiaries that are no longer classified as subsidiaries in the year are consolidated at the amount generated from the beginning of the year up to the date on which control is lost.

Acquisitions and disposals of investments in subsidiaries without a change of control are accounted for as equity transactions, with no gain or loss recognised in the statement of profit or loss. The difference between the consideration paid or received and the decrease or increase in the amount of minority interests, respectively, is recognised in reserves.

According to IFRS 10, on loss of control of a subsidiary, the assets, liabilities, minority interests and other items recognised in valuation adjustments are derecognised, and the fair value of the consideration received and any remaining investment recognised. The difference is recognised in the statement of profit or loss.

Regarding non-monetary contributions to jointly controlled entities, the IASB recognised a conflict in standard between IAS 27, under which on the loss of control, any investment retained is measured at fair value and the full gain or loss on the transaction is recognised in the statement of profit or loss, and paragraph 48 of IAS 31 and the interpretation SIC 13, which, for transactions under their scope, restrict gains and losses to the extent of the interest attributable to the other equity holders of the jointly controlled entity. The Group has elected to apply, in a consistent manner, the provisions of IAS 27 to transactions under the scope of these standards.

Relevant information on these entities is disclosed in Appendix 1. The above information is based on the most recent actual or estimated data available at the time of preparation of these Notes.

Joint ventures

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

Investments in joint ventures are accounted for using the "equity method", i.e. in the proportion to the Entity's share of the assets of the investee, after adjusting for dividends received and other equity eliminations.

Relevant information on these entities is disclosed in Appendix 2. The above information is based on the most recent actual or estimated data available at the time of preparation of these Notes.

Associates

Associates are companies over which the Group exercises significant direct or indirect influence, but which are not subsidiaries or joint ventures. In the majority of cases, significant influence is understood to exist when the company holds 20% or more of the voting rights of the investee. If it holds less than 20%, significant influence is evidenced by the circumstances indicated in IAS 28. These include representation on the board of directors, participation in policy-making processes, material transactions between the entity and its investee, interchange of managerial personnel or the provision of essential technical information.

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

Investments in associates are accounted for using the equity method, i.e. in the proportion to the share of the assets of the investee, after adjusting for dividends received and other equity eliminations. The profits and losses arising from transactions with an associate are eliminated to the extent of the Group's interest in the share capital of the associate.

The amortisation of intangible assets with a finite useful life identified as a result of a Purchase Price Allocation (PPA) is recognised with a charge to "Share of profit/(loss) of entities accounted for using the equity method" in the statement of profit or loss.

The Group has not used the financial statements of companies accounted for using the equity method that refer to a different date than that of the Group's Parent.

Relevant information on these entities is disclosed in Appendix 3. The above information is based on the most recent actual or estimated data available at the time of preparation of these Notes.

Structured entities

A structured entity is that which has been designed so that voting or similar rights are not the dominant factor in deciding its control, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In any case, the Group also uses the percentage of voting rights as an indicator for the purpose of measuring the existence of control in entities of this nature.

Where the Group creates or holds ownership interests in entities to provide customers access to investments or transfer certain risks to third parties, it analyses whether it has control over the investee and, therefore, whether it should or should not be consolidated.

- Consolidatable structured entities:

To determine whether there is control over a structured entity and, therefore whether it should be consolidated, the Group analyses the contractual rights other than voting rights. For this, it considers the purpose and design of each entity and, inter alia, evidence of the ability to direct the relevant activities, potential indications of special relationships or the ability to affect the returns from its involvement.

With regard to securisation funds, the Group is highly exposed to variable returns and has decision-making power over the entity, directly or through an agent. Information on these funds, the financial support given to the vehicles and the reason are detailed in Note 27.8.

At year-end, there were no agreements to provide additional financial support to other types of consolidated structured entities than those described.

- Non-consolidatable structured entities:

The Group creates vehicles to provide its customers access to certain investments or to transfer risks or for other purposes. These vehicles are not consolidated, as the Group does not have control and as the criteria for consolidation set out in IFRS 10 are not met.

At year-end, the Group did not have any significant interests in or provide financial support to unconsolidated structured entities.

Business combinations

Accounting standards define business combinations as the combination of two or more entities within a single entity or group of entities. “Acquirer” is defined as the entity which, at the date of acquisition, obtains control of another entity.

For business combinations in which the Group obtains control, the cost of the combination is calculated. Generally, it will be the fair value of the consideration transferred. This consideration includes the assets transferred by the acquirer, the liabilities assumed by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

In addition, the acquirer recognises, at the acquisition date, any difference between:

i) the aggregate of the fair value of the consideration transferred, of the minority interests and the previously held equity interest in the company or business acquired, and

ii) the net amount of the identifiable assets acquired and liabilities assumed, measured at their fair value.

The positive difference between i) and ii) is recognised under “Intangible assets – Goodwill” in the balance sheet provided it is not attributable to specific assets or identifiable intangible assets of the company or business acquired. Any negative difference is recognised under “Negative goodwill recognised in profit or loss” in the statement of profit or loss.

2.2 FINANCIAL INSTRUMENTS

Classification of the financial assets

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

<table>
<tr><th>Contractual cash flows</th><th>Business model</th><th colspan="2">Classification of financial assets (FA)</th></tr>
<tr><td rowspan="2">Payments, solely principal and interest on the amount of principal pending at specified dates (SPPI test)</td><td>In order to receive contractual cash flows.</td><td colspan="2">FA at amortised cost.</td></tr>
<tr><td>In order to receive contractual cash flows and sale.</td><td colspan="2">FA at fair value with changes in other comprehensive income.</td></tr>
<tr><td rowspan="5">Others – No SPPI test</td><td>Derivative instruments designated as accounting hedging instruments.</td><td colspan="2">Derivatives - Hedge accounting.</td></tr>
<tr><td>They originate from or are acquired with the aim of realising them in the short term.</td><td rowspan="4">FA at fair value through profit or loss.</td><td rowspan="3">FA held for trading.</td></tr>
<tr><td>They are part of a group of financial instruments identified and managed together, for which there is evidence of a recent pattern of short-term profit-taking.</td></tr>
<tr><td>They are derivative instruments that do not meet the definition of a financial guarantee contract and have not been designated as accounting hedging instruments.</td></tr>
<tr><td>Others.</td><td>FA not designated for trading compulsorily measured at fair value through profit or loss.</td></tr>
</table>

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

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

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

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

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

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

The underlying group of instruments referred to in the previous section could also include instruments that reduce the variability of the flows of that group of instruments such that, when they are combined with these instruments, they generate flows that are solely payments of principal and interest on the principal amount outstanding (e.g. an interest rate ceiling or floor option or a contract that reduces the credit risk associated with the instruments). It could also include instruments that allow the flows from the tranches to be aligned with the flows from the group of underlying instruments in order to settle exclusively the differences in the interest rate, the currency in which the flows are denominated (including inflation) and the timing of cash flows.

- Assets without personal liability (non-recourse): the fact that a particular financial asset does not have any personal liability associated with it does not necessarily mean it must be considered a Non-SPPI financial asset. In these situations, the Group assesses the underlying assets or cash flows to determine whether they consist solely of payments of principal and interest on the principal amount outstanding, regardless of the nature of the underlying assets in question.

  In particular, in the case of financing operations for projects that are repaid exclusively with the incomes from the projects being financed, the Group analyses whether the cash flows that are contractually determined to be principal and interest payments do indeed represent the payment of principal and interest on the principal amount outstanding.

- Negative compensation (symmetrical clauses): certain instruments incorporate a contractual clause whereby, if the principal amount outstanding is either fully or partially repaid early, the party that chooses to end the contract early —whether it is the debtor or the creditor— is able to receive fair additional compensation despite being the party choosing to end the contract early. This is the case, for instance, of so-called symmetrical clauses found in certain fixed-rate financing instruments. These clauses stipulate that when the creditor executes the option to make a repayment in advance, there must be compensation for the early termination of the contract, and this compensation will be in either the debtor's or the creditor's favour depending on how interest rates have fluctuated between the initial grant date and the date on which the contract is terminated early.

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

In cases where a characteristic of a financial asset is not congruous with a basic loan agreement, i.e. the asset has characteristics that give rise to contractual flows other than payments of principal and interest on the principal amount outstanding, the Group will assess the materiality and probability of occurrence in order to determine whether this characteristic or element should be taken into consideration when evaluating the SPPI test.

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

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

Classification of the financial liabilities

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

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

Initial recognition and measurement

Upon initial recognition, all financial instruments are recognised at fair value. For the financial instruments that are not registered at fair value through profit or loss, the fair value amount is adjusted, adding or deducting transaction costs directly attributable to the acquisition or issuance thereof. In the case of financial instruments at fair value through profit or loss, the directly attributable transaction costs are immediately recognised in the statement of profit or loss.

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

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

Subsequent measurement of the financial assets

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

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

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

Income and expenses of the financial assets and liabilities

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

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

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

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

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

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

In the case of financial instruments with variable remuneration and contingent upon the fulfilment of certain future events, other than loans originated and deposits and issues made, the accounting criteria applied by the Group if there is a subsequent change in the estimate of the remuneration arising from a change in the expectation as to the fulfilment of the future contingency is based on a recalculation of the amortised cost of the operation and recording the effect of such restatement in the income statement.

In the particular case of the third series of targeted longer-term refinancing operations (known as 'TLTRO III' — see Note 3.4.4), the Group considers that each of the operations falls under the scope of the IFRS 9 Financial Instruments, given that they are operations whose interest rate is not significantly below the market rate. Here, in its initial recognition, the Group considers whether the terms of each operation, in relation to market prices for other loans with similar guarantees available to the Group, and the rates of bonds and other relevant instruments of the money market, are close to market terms or whether they are significantly off market.

For TLTRO III, up to November 2022, the effective interest rate was calculated for each operation of this series, reflecting the Group's estimation in the initial recognition with respect to the amount of final interest to charge upon its specific maturity, and taking into account specific assumptions of fulfilment of eligible volumes. On this basis, the Group accrued the interest rate of each of the TLTRO III operations in tranches. In November, the change in the way these operations are remunerated (ECB decision in October this year) took effect, and the interest rate accrued is now directly linked to the reference rate that determines the interest of each of these series. In accordance with the Group's accounting criteria, this decision has meant that each of the series has changed to a variable interest rate, a fact that has been considered both as a qualitative change resulting in the derecognition of the operations that had been recognised and the recognition of new operations with different characteristics. The accounting effect of recording this derecognition and new recognitions has not been material. Each future change in the ECB's benchmark interest rate will result in a new remuneration to accrue for each of the operations until maturity or early repayment.

Reclassifications between financial instrument portfolios

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

2.3 ACCOUNTING HEDGES

The Group uses financial derivatives as a financial risk management tool, mainly interest rate risk in the banking book (see Note 3.4.3). When these transactions meet certain requirements, they qualify for hedge accounting.

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

For the purpose of verifying the effectiveness requirement:

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

Fair value hedges

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

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

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

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

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

Cash flow hedges

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

The amount adjusted on the hedging item is recognised in "Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Hedging derivatives. Reserve of cash flow hedges [effective portion]" where they will remain until the forecast transaction occurs, at which point it will be recognised in "Gains/(losses) from hedge accounting, net" of the income statement, in symmetry with the forecast cash flow. However, if it is expected that the transaction will not be carried out, in, it will be recognised immediately in the statement of profit or loss. The hedged items are recognised using the methods described in Note 2.3, without any changes for their consideration as hedged instruments.

2.4 OFFSETTING FINANCIAL ASSETS AND LIABILITIES

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

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

A breakdown of the offset transactions is presented below:

Offsetting of assets and liabilities

(Millions of euros)

	31-12-2022			31-12-2021			31-12-2020		
	Gross amount recorded (A)	Offset amount (B)	Net amount in bal. sheet (C=A-B)	Gross amount recorded (A)	Offset amount (B)	Net amount in bal. sheet (C=A-B)	Gross amount recorded (A)	Offset amount (B)	Net amount in bal. sheet (C=A-B)
ASSETS									
FA held for trading - derivatives	26,876	19,914	6,963	18,877	8,558	10,319	10,323	5,022	5,301
FA at amortised cost - Loans and advances	380,057	15,036	365,021	368,419	16,026	352,393	248,137	5,298	242,839
Of which: Collateral	*6,070*	*6,070*		*1,592*	*1,592*		*2,779*	*2,779*	
Of which: Reverse repurchase	*8,940*	*8,940*		*14,434*	*14,434*		*2,045*	*2,045*	
Of which: Tax lease transaction	*26*	*26*					*474*	*474*	
Derivatives - Hedge accounting	2,964	2,315	649	3,656	2,618	1,038	2,382	1,867	515
LIABILITIES									
FL held for trading	26,641	22,671	3,971	17,419	12,581	4,838	9,374	9,223	151
FL at amortised cost	491,949	9,448	482,501	561,290	14,265	547,025	345,074	2,671	342,403
Of which: Other financial liabilities	*482*	*482*		*(169)*	*(169)*		*152*	*152*	
Of which: Repurchase agreement	*8,940*	*8,940*		*14,434*	*14,434*		*2,045*	*2,045*	
Of which: Tax lease transaction	*26*	*26*					*474*	*474*	
Derivatives - Hedge accounting	6,589	5,218	1,371	2,104	1,144	960	574	337	237

FA: Financial assets; FL: Financial liabilities

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

2.5 DERECOGNITION OF FINANCIAL INSTRUMENTS

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

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

- If all the risks and rewards of ownership of the transferred asset are substantially transferred (such as in the case of, among others: unconditional sales, a sale with an option to repurchase the financial asset at its fair value at the time of repurchase, a sale of a financial asset together with a put or call option that is deep out of the money, or asset securitisations in which the transferor does not retain any subordinated loans and does not provide any type of credit enhancement to the new owners), it is derecognised, and any rights or obligations retained or arising as a result of the transfer are simultaneously recognised.
- If the risks and rewards of ownership of the transferred financial asset are substantially retained (such as in the case of, among others: sale and repurchase transactions where the repurchase price is a fixed price or the sale price plus a lender's return, a securities lending agreement under which the borrower has the obligation to return the securities or similar), it is not derecognised and continues to be measured by the same criteria used before the transfer and the following are recognised:
    - A financial liability equal to the consideration received, which is subsequently measured at amortised cost, unless it meets the requirements to be classified under other liabilities at fair value through profit or loss; and
    - The income generated on the transferred (but not derecognised) financial asset and the expenses of the new financial liability, without offsetting.

- If substantially all the risks and rewards of ownership of the transferred financial asset are neither transferred nor retained (such as in the case of, among others, a sale of a financial asset together with a put or call option that is neither deep-in-the-money nor deep-out-of-the-money, securitisations in which the transferor assumes a subordinated loan or other type of credit enhancement for part of the transferred asset), the following distinction is made:
    - If the transferor does not retain control over the financial asset transferred, it is derecognised and any right or obligation retained or arising from the transfer is recognised; or
    - If the transferor retains control over the financial asset transferred, it continues to recognise the asset for an amount equal to its exposure to changes in value of the asset, recognising a liability associated with the financial asset transferred. The net amount of the transferred asset and the associated liability shall be the amortised cost of the rights and obligations retained, if the asset is measured at amortised cost, or at fair value of the rights and obligations retained, if the transferred asset is measured at fair value.

According to the terms of the transfer agreements in place, virtually the entire portfolio of loans and receivables securitised by the Group does not need to be written off the balance sheet.

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

2.6 FINANCIAL GUARANTEES

Financial guarantees given

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

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

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

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

Financial guarantee and guarantee contract portfolios, regardless of the guarantor, instrumentation or other circumstances, are reviewed periodically so as to determine the credit risk to which they are exposed and, if appropriate, estimate any provision required. The credit risk is determined by applying criteria similar to those established for quantifying impairment losses on debt securities measured at amortised cost as set out in Note 2.7 below, except in the case of technical guarantees, where the criteria set out in Note 2.20 are applied.

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

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

Financial guarantees received

No significant guarantees or collateral were received with regard to which there is authorisation to sell or repledge without default by the owner of the guarantee or collateral, except for the collateral inherent to the Group's treasury activity (see Note 3.4.4).

2.7 IMPAIRMENT OF FINANCIAL ASSETS

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

The aim of the regulatory accounting framework requirements as regards impairment is to ensure recognition of the credit losses of operations, assessed collectively or individually, considering all the reasonable and substantiated information available, including information of a prospective nature. In certain circumstances, when the available macroeconomic updates have not been included in the last recalibration of the credit risk models or when these are very uncertain or volatile, the estimate of their impact is recognized as a Post Model Adjustment (PMA) in the provision funds, which will be reviewed in the future based on the new information available and its incorporation into the credit risk models, avoiding in any case a duplicity in the quantification of these impacts.

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

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

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

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

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

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

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

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

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

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

	Observed impairment of credit risk since its initial recognition			
Credit risk category	Normal risk Stage 1	Normal risk in special surveillance Stage 2	Non-performing risk Stage 3	Write-off risk
Classification and transfer criteria	Operations whose credit risk has not significantly increased since their initial recognition.	Operations whose credit risk has significantly increased (SICR), but they do not have any default events.	Operations with credit impairment Default event: with amounts past due of over **90** days.	Operations without reasonable expectations of recovery.
Calculation of the impairment hedge	Expected credit losses at twelve months	Expected credit losses during the life of the operation.	Expected credit losses during the life of the operation.	The recognition in results of losses for the carrying amount of the operation and the total derecognition of the asset
Interest calculation and recognition	It is calculated by applying the effective interest rate to the gross carrying amount of the operation.	It is calculated by applying the effective interest rate to the gross carrying amount of the operation.	It is calculated by applying the effective interest rate at amortised cost (adjusted to reflect any impairment value correction).	They are not recognised in the income statement.
Included operations	Initial recognition of the financial instruments.	Operations included in sustainability agreements that have not completed the trial period. Operations carried out by insolvent borrowers that should not be classified as non-performing or write-off. Refinanced or restructured operations that should not be classified as non-performing and are still in a trial period (unless there is refutable proof to classify them in stage 1) Operations with amounts past due of over **30** days. Operations which can be identified as having registered a significant increase in credit risk on the basis of market indicators/triggers.	**Non-performing due to borrower arrears:** Operations with amounts past due of over **90** days. Operations where all holders are classified as non-performing (personal risk criteria). **Non-performing for reasons other than borrower arrears:** > Operations that pose reasonable doubts regarding full repayment. > Operations with legally demanded balances. > Operations in which the collateral execution process has been initiated. > Operations and guarantees of the holders in insolvency proceedings with no liquidation petition. > Refinanced operations classifiable as non-performing.	Operations with remote recovery possibility. Partial write-offs without the extinction of the rights (partial write-off). Non-performing operations due to arrears of more than 4 years, when the amount not hedged by effective guarantees has been maintained with 100% credit risk hedge for more than 2 years (unless they have effective collateral to hedge at least 10% of the gross amount). Operations with all the holders in insolvency proceedings in the liquidation phase (unless they have effective collaterals that cover at least 10% of the gross amount)

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

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

However, in order to reclassify transactions to this category before these terms expire, the Group must demonstrate the remote likelihood of recovering the corresponding balances.

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

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

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

2.8 REFINANCING OR RESTRUCTURING OPERATIONS

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

These operations may derive from:

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

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

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

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

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

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

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

- After reviewing the borrower's asset and financial position, it is concluded that they are unlikely to have financial difficulties and therefore it is highly probable that they will meet their obligations vis-a-vis the entity in both time and form.
- A minimum period of two years has elapsed from the date of authorisation of the restructuring or refinancing operation, or, if later, from the date of its reclassification from the non-performing category.
- The borrower has covered all the principal and interest payments from the date of authorisation of the restructuring or refinancing transaction, or, if later, from the date of its reclassification from the non-performing category. Additionally: i) the borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing operation, or that were derecognised as a result of it; or ii) when it is deemed more appropriate given the nature of the operations, the borrower complies with other objective criteria that demonstrate their payment capacity.

  If there are contractual clauses that may delay repayments, such as grace periods for the principal, the operation will remain classified as watch-list performing until all criteria are met.
- The borrower must have no other operations with past due amounts for more than 30 days at the end of the period.

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

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

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

- A period of one year has elapsed from the refinancing or restructuring date.
- The borrower has covered all the principal and interest payments (i.e. they are up to date on payments) thereby reducing the renegotiated principal, from the date of authorisation of the restructuring or refinancing operation, or, if later, from the date of its reclassification to the non-performing category.
- The borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing operation, or that were derecognised as a result of it, or, when it is deemed more appropriate given the nature of the operations, the borrower complies with other objective criteria that demonstrate their payment capacity.
- The borrower has no other operations with past due amounts for more than 90 days at the date the refinancing or restructured operation is reclassified to the watch-list performing category.

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

2.9 FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

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

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

2.10. RECOGNITION OF INCOME AND EXPENSE

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

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

(*) Exceptions: Fees for the financial instruments that are measured by their fair value through profit or loss and the non-availability fee (in operations where drawing down funds is optional for the credit holder) are immediately registered in the statement of profit or loss.
The accrued fees deriving from typical products or services of the financial activity are presented separate to those deriving from products and services that do not correspond to typical activity, which are presented under the heading "Other operating income" in the statement of profit or loss.

In particular, the Group adheres to the following stages:

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

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

In accordance with the accounting framework applicable to the Group, all incremental costs of obtaining and/or fulfilling a contract are capitalised provided that the costs are directly related to a contract or to an expected contract that the entity can specifically identify (e.g., costs related to services that will be provided as a result of the renewal of an existing contract or design costs of an asset that will be transferred under a specific contract that has not yet been approved);

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

The Group attributes these capitalised costs to the statement of profit or loss based on the term of the framework agreement or the operations that give rise to the costs and additionally, at least on a half-yearly basis, conducts an impairment test to assess to what degree the future profits generated by these contracts bear the capitalised costs. In the event that the costs exceeded the current value of the future profits, these assets would be impaired by the appropriate proportion.

2.11 ASSETS UNDER MANAGEMENT

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

2.12 EMPLOYEE BENEFITS

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

Short-term employee benefits

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

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

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

Remuneration to employees based on equity instruments

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

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

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

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

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

Post-employment benefits

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

Defined contribution plans

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

Defined benefit plans

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

Plan assets are defined as follows:

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

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

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

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

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

The assets and liabilities of subsidiaries that include the mathematical provisions of the policies taken out directly by CaixaBank are included on consolidation. Therefore, in this process the amount under "Liabilities under insurance contracts" is deducted and the investments in financial instruments under policies are registered.

Post-employment benefits are recognised as follows:

- Service cost is recognised in the statement of profit or loss and includes the following:

  - Current service cost, understood as the increase in the present value of obligations arising from employee service in the current period, recognised under "Administrative expenses – Personnel expenses".
  - Past service cost, resulting from amendments to existing post-employment benefits or the introduction of new benefits, and the cost of curtailments, recognised under "Provisions or reversal of provisions".
  - Any gain or loss arising on settlement of a plan is recognised in "Provisions or reversal of provisions".
- The net interest on the net defined benefit post-employment benefit liability/(asset), understood to be the change during the period in the net defined benefit liability/(asset) that arises from the passage of time, is recognised in "Interest expense", or "Interest income" if it results in income, in the statement of profit or loss.
- Remeasurements of the net liability/(asset) for defined benefit post-employment benefits are recognised in "Accumulated other comprehensive income" in the balance sheet. It includes:
  - Actuarial gains and losses arising in the period from differences between the previous actuarial assumptions and what has actually occurred and from changes in the actuarial assumptions used.
  - The return on plan assets, excluding the amounts included in the net interest on the liability/(asset) for defined benefit post-employment benefits.
  - Any change in the impact of the asset ceiling, excluding the amounts included in the net interest on the liability/(asset) for defined benefit post-employment benefits.

Other long-term employee benefits

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

Termination benefits

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

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

In the case of payments of over 12 months, the same treatment is applied as for the other long-term employee benefits.

2.13 INCOME TAX

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

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

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

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

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

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

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

2.14 TANGIBLE ASSETS

Property, plant and equipment for own use

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

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

Investment property

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

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

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

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

Useful life of tangible assets
(Years)

	Estimated useful life
Constructions	
Buildings	16 - 50
Installations	8 - 25
Furniture and fixtures	4 - 50
Electronic equipment	3 - 8
Other	7 - 14

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

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

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

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

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

2.15 INTANGIBLE ASSETS

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

Goodwill

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

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

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

Goodwill is recognised in "Intangible assets – Goodwill" and is not amortised.

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

Other intangible assets

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

Other intangible assets have an indefinite useful life when, based on an analysis of all the relevant factors, it is concluded that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group, and a finite useful life in all other cases.

Intangible assets with an indefinite life are not amortised. However, at the end of each reporting period, or whenever there is any indication of impairment, the remaining useful lives of the assets are reviewed in order to determine whether they continue to be indefinite and, if this is not the case, to take the appropriate steps.

Intangible assets with a finite useful life are amortised over the useful life, applying policies similar to those followed for the depreciation of tangible assets.

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

<u>Software</u>

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

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

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

2.16. OTHER ASSETS AND LIABILITIES

- **Other assets**: Includes the amount of the not recorded in other items, broken down as follows:
  - Insurance contracts linked to pensions: includes the fair value of insurance policies to cover pension commitments that must be recorded as a separate asset because they do not meet the requirements to be considered assets related to defined benefit post-employment plans.
  - Inventories: This item in the balance sheet includes non-financial assets held for sale in the ordinary course of business, that are in the process of production, construction or development for such sale, or that are to be consumed in the production process or in the rendering of services.

    Inventories are measured at the lower of cost, including borrowing costs, and net realisable value. Net realisable value is defined as the estimated selling price less the estimated costs of production and the estimated costs necessary to make the sale.

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

    When inventories are sold, the carrying amount of those inventories is derecognised and an expense recognised in the statement of profit or loss for the period in which the related revenue is recognised.
  - Remaining other assets: includes the amount of all asset accrual accounts, except those corresponding to interest, the net assets in pension plans corresponding to the difference between the value of the plan assets and the defined benefit pension plan obligations with a favourable balance for the entity, the transactions in transit between different units of the entity when it is not possible to allocate them and the amount of the remaining assets not included in other categories.
- **Other liabilities**: Includes the amount of all the liability accrual accounts, except those corresponding to interest, and the amount of the remaining liabilities not included in other categories.

2.17 ASSETS AND LIABILITIES HELD FOR SALE

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

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

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

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

- To estimate provisions for the financial assets, the estimated fair value less the costs to sell the asset to be foreclosed are taken as the recoverable value of the guarantee when the Company's sales experience attests to its ability to realise this asset at fair value. This recalculated carrying amount is compared with the previous carrying amount and the difference is recognised as an increase or a release of provisions as appropriate.

- To determine the fair value less the costs to sell the asset to be foreclosed, the Entity uses the market value extended in the full individual ECO appraisal at the time of foreclosure or reception. Internal valuation models are used to calculate the adjustment to be applied to this market value in order to estimate the discount on the reference price and the costs to sell. These in-house models factor in prior sales experience for similar assets in terms of price and volume.

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

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

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

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

2.18. LEASES

The means of identifying and accounting for leasing operations in which the Group acts as lessor or lessee, are set out below:

Determination if the contract constitutes or contains a lease (*)

At the beginning or upon amending the conditions of the contract

Is the asset identified in the contract? — YES → Does the party that receives the asset, have the right to control its use? — YES → **It is a lease contract**

NO → **It is not a lease contract**

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

Recording as a lessor

According to the economic fund of the transaction, regardless of its legal form

Finance leases

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

Operational leases

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

Recording as a lessee

Term of the contract

- The terms of the lease contracts are determined by the type of property (Store branch, rural, etc.), the existing contract clauses, which may include provisions for early renewal or cancellation, and commitments made by the Company (for example, branches subject to competition agreements).

Accounting record

		At the beginning date of the contract	Subsequently
Contracts with a term above 12 months or in which the underlying asset is not of a low value (set at EUR 6,000)	Lease liabilities («Other financial liabilities»)	A lease liability is valued based on the current value of any lease payments that have not been paid by said date, using, as a discount rate, the interest rate that the lessee would have to pay to borrow - with a similar term and guarantee - the funds necessary to purchase an asset whose value is similar to that of the right-of-use asset in an similar economic climate. This rate is called "additional financing rate"*.	It is valued at amortised cost using the effective interest rate method and is re-valued (with the corresponding adjustment in the relative right-of-use asset) when there is a change in the future lease payments during renegotiation, changes to an index or rate or a new evaluation of contract options.
	Asset for right of use ("Tangible assets - land and buildings")	The asset is measured at cost and includes the amount of the initial valuation of the lease liability, the payments made on or before the start date and the initial direct costs, dismantling costs or restoring costs when there is obligation to bear the same.	It is amortised on a straight-line basis and is subject to any loss due to depreciation, where applicable, in accordance with the procedure established for the rest of the tangible and intangible assets. In particular, right-of-use assets are included within the banking CGU impairment test together with the corresponding lease liabilities.
Rest of contracts		Lease liabilities are recorded as operating leases	

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

Sale transactions with subsequent leasing

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

2.19 CONTINGENT ASSETS

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

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

2.20 PROVISIONS AND CONTINGENT LIABILITIES

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

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

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

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

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

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

2.21. TREASURY SHARES

Own equity instruments are recorded at acquisition cost as a reduction of equity under “Shareholders’ equity - Treasury shares” in the balance sheet. Gains or losses that may arise as a result of subsequent disposal or redemption are recognised directly in equity, without any gain or loss being recognised.

2.22. INSURANCE TRANSACTIONS

Financial instruments

The Group's insurance companies (VidaCaixa, BPI Vida e Pensões and Se Nostra Vida) have made use of the temporary exemption from IFRS 9, which is why its financial instruments are presented in accordance with IAS 39 in the heading "Assets under the insurance business" of the accompanying balance sheet (see Notes 1 and 17).

Classification of financial assets and liabilities

Financial assets are presented in the balance sheet, grouped in the section "Assets under the insurance business" in different categories in which they are classified for management and assessment purposes, and which are described below:

- "Financial assets and liabilities held for trading": This item mainly comprises financial assets or liabilities acquired or issued for the purpose of selling in the short term or which are part of a portfolio of identified financial instruments managed together and for which there is evidence of a recent pattern of short-term profit-taking. Financial liabilities held for trading also comprise short positions arising from sales of assets acquired temporarily under a non-optional reverse repurchase agreement or borrowed securities. Also included as financial assets or liabilities held for trading are derivative assets and liabilities that do not meet the definition of a financial guarantee contract and have not been designated as hedging instruments.
- "Financial assets and liabilities designated at fair value through profit and loss": includes, where applicable, financial instruments designated upon initial recognition, e.g. hybrid financial assets or liabilities mandatorily measured in full at fair value, or with financial derivatives, the purpose of which is to mitigate the exposure to changes in fair value, or managed as a group with financial liabilities and derivatives to mitigate the overall exposure to interest rate risk. In general, the category includes all financial assets and liabilities when such designation eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatches) that would otherwise arise. Financial instruments in this category must be subject at all times to an integrated and consistent measurement system, management and control of risks and returns permitting verification that risk has effectively been mitigated. Financial assets and liabilities may only be included in this category on the date they are acquired or originated.
- "Available-for-sale financial assets": includes debt securities and equity instruments not classified under any of the preceding categories.
- "Loans and receivables": includes financing granted to third parties through ordinary lending and credit activities carried out by said subsidiaries, their receivables from policyholders and for debt securities not quoted in an active market.

Measurements of financial assets and liabilities

All financial instruments are initially recognised at their fair value, which, unless there is evidence to the contrary, is the transaction price.

Subsequently, at a specified date, the fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The most objective reference for the fair value of a financial instrument is the price that would be paid for it on an active, transparent and deep market. Accordingly, the quoted or market price is used.

If there is no market price, fair value is estimated on the basis of the price established in recent transactions involving similar instruments and, in the absence thereof, of valuation techniques commonly used by the international financial community, always taking into account the specific features of the instrument to be measured and, in particular, the various types of risk associated with it.

Any changes in fair value of financial instruments, except for trading derivatives, due to the accrual of interest and similar items, are recognised in the statement of profit or loss of the year of the accrual. Dividends received from other companies are recognised in the statement of profit or loss of the year in which the right to receive the dividend is established.

Changes in fair value after initial recognition for reasons other than those indicated in the preceding paragraph are treated as described below based on the category of financial asset or financial liability:

- Financial instruments classified as “Financial assets held for trading”, “Financial assets designated at fair value through profit or loss”, “Financial liabilities held for trading” and “Financial liabilities designated at fair value through profit or loss” are measured initially at fair value, with any changes in fair value recognised with a balancing entry in the statement of profit or loss.
- In turn, financial instruments classified as "Available-for-sale financial assets" are initially measured at fair value, with subsequent changes, net of the related tax effect, recognised with a balancing entry in "Equity – Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Available-for-sale

financial assets" and "Equity – Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Foreign currency exchange" in the balance sheet.

- Derivatives are recognised in the balance sheet at fair value. When derivatives are entered into, in the absence of evidence to the contrary, fair value is the transaction price. The derivative is recognised as an asset if the fair value is positive and a liability if it is negative. For derivatives classified in Levels 1 and 2 of the fair value hierarchy (see section on "Fair value of financial instruments" of this Note), if the price differs from the fair value when the derivative is entered into, the difference is recognised immediately in the statement of profit or loss.

  Subsequent changes in fair value of derivatives are recognised in the statement of profit or loss, except with cash flow hedges, in which case they are recognised under "Equity – Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Hedging derivatives. Cash flow hedges.

  Derivatives embedded in other financial instruments or in other contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the instrument or host contract, provided a reliable fair value can be attributed to the embedded derivative taken separately.

- Financial instruments classified as "Loans and receivables" and "Financial liabilities at amortised cost" are measured at amortised cost. Amortised cost is acquisition cost, minus principal repayments and plus or minus the cumulative amortisation (as reflected in the statement of profit or loss by the effective interest rate method) of any difference between the initial amount and the maturity amount. And, in the case of assets, minus any allowances for impairment.

The effective interest rate is the discount rate that exactly equates the initial value of a financial instrument to the estimated cash flows for all items until the instrument matures or is cancelled. For fixed-rate financial instruments, the effective interest rate coincides with the contractual interest rate plus any commission or transaction costs included in its yield. Where the fixed rate of interest is contingent, the Group includes it in the estimate of the effective interest rate only if it is highly probable that the triggering event will be reached. For floating-rate financial instruments, the effective interest rate is calculated as a fixed rate until the next reference rate reset.

Reclassifications between financial instrument portfolios

At the close of the financial year, the amounts of financial assets under IAS 39 processing reclassified in previous financial years were not significant.

Impairment of financial assets (IAS 39)

A financial asset is considered to be impaired when there is objective evidence of an adverse impact on the future cash flows that were estimated at the transaction date, where the borrower is unable or will be unable to meet its obligations in time or form, or when the asset's carrying amount may not be fully recovered. However, a decline in fair value to below the cost of acquisition is not in itself evidence of impairment.

As a general rule, the carrying amount of impaired financial instruments is adjusted with a charge to "Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net profit or loss due to a change" in the statement of profit or loss for the period in which the impairment becomes evident. The reversal, if any, of previously recognised impairment losses is recognised in the same item in the statement of profit or loss for the period in which the impairment no longer exists or has decreased.

For the case of debt instruments at amortised cost, the categories specified in Note 2.7 remain, although the calculation of the hedges is based on the provisions of IAS 39. The calculated hedging or provision is defined as the difference between the gross carrying amount of the transaction and the estimated value of future expected cash flows, discounted at the original effective interest rate of the transaction. Effective guarantees received are taken into consideration. For the purposes of estimating hedging, the amount of the risk for debt instruments is the gross carrying amount, and for off-balance exposures, the estimated value of the disbursements.

Both transactions classified as not bearing appreciable risk and those that, due to their type of collateral, are classified as not bearing appreciable risk, could have 0% hedging. This percentage will only be applied to the hedged risk.

The accounting policy referring to the recognition of losses due to impairment of the categories of available-for-sale instruments is described below:

- Debt securities classified as available for sale: the market value of quoted debt securities is deemed to be a reliable estimate of the present value of their future cash flows.
- When there is objective evidence that the negative differences arising on measurement of these assets are due to impairment, they are removed from “Equity – Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Available-for-sale financial assets” and the cumulative amount considered impaired at that date is recognised in the statement of profit or loss. If all or part of the impairment loss is subsequently reversed, the reversed amount is recognised in the statement of profit or loss for the period in which the reversal occurs.

Assets under insurance and reinsurance contracts

Furthermore, the chapter "Assets under the insurance business – under insurance and reinsurance contracts" of the balance sheet also covers the amounts that the consolidated companies have the right to receive that originate from reinsurance contracts that they hold with third parties, and more specifically, the share of the reinsurance in the technical provisions constituted by the consolidated insurance companies.

Liabilities under insurance contracts

The chapter "Liabilities under the insurance business - Liabilities under insurance contracts" of the balance sheet covers the technical provisions of the direct insurance and of the accepted reinsurance recorded by the consolidated companies to cover the obligations originating from insurance contracts that they hold that are in force at the close of the period. The main components of technical provisions are as follows:

- Unconsumed premiums and risk in progress:
  - The provision for unearned premiums includes the proportion of premiums written in the year that must be allocated to the period between the close of the reporting period and the expiry of the policy period.
  - The provision for unexpired risks is designed to complement the provision for unearned premiums by the amount which is not sufficient to cover the measurement of all the risks and expenses corresponding to the coverage period not elapsed at the end of the period.
- Life insurance provision: consists mainly of the mathematical provisions of the insurance contracts and the provision for unearned premiums of insurance contracts with a period of coverage equal to or less than one year. Mathematical provisions represent the excess of the current actuarial value of the future obligations of subsidiary insurance companies over that of the premiums which the policyholder must satisfy.
- Relating to life insurance when the policyholder assumes the investment risk: they correspond to the technical provisions of insurance contracts where the investment risk is born by the policyholder.
- Claims: this represents the total amount of outstanding liabilities on claims occurring before the end of the reporting period. The Group calculates this provision as the difference between the total estimated or exact cost of the claims that have occurred and are pending declaration, settlement or payment, including external and internal expenses for handling and processing the files, and the combined amount of the amounts already paid as a result of the claims.
- Provisions for bonuses and rebates: these include the benefits accrued to the policyholders or beneficiaries and not yet assigned at the end of the reporting period. Not included is the effect of allocating part of the unrealised gains on the investment portfolio to policyholders.

Technical provisions linked to risks assigned to reinsurers are calculated on the basis of the reinsurance contracts entered into and by applying criteria similar to those used for direct insurance.

Additionally, the Group has applied the accounting option provided for in IFRS 4 named "shadow accounting", whereby the insurer is permitted to change its accounting policies so that a recognised but unrealised gain or loss on an asset related to insurance contracts affects those measurements of liabilities under insurance contracts in the same way as a realised gain or loss does. The related adjustment to the insurance liability (or deferred acquisition costs or intangible assets) shall be recognised in the statement of profit or loss in other comprehensive income if, and only if, the unrealised gains or losses are recorded in other recognised income and expense.

The Group carries out an annual liability adequacy test in order to identify any provision shortfall and to make the related provision. Otherwise, if the result of the liability adequacy test shows that the provisions recognised were adequate or that excess provisions were recognised, the Group adopts the principle of prudence as established in IFRS 4. The liability adequacy test consists of assessing liabilities under insurance contracts based on the most up-to-date estimates of future cash flows from their contracts in relation to the assets covered. In this respect, it determines:

- The difference between the carrying amount of the insurance contracts less any related deferred acquisition costs and any related intangible assets, and the present value of contractual cash flows from the insurance contracts and any related cash flows, such as claims handling costs, as well as cash flows resulting from embedded options and guarantees.
- The difference between the carrying amount and the present value of projected cash flows from the financial assets related to the insurance contracts.

The future estimated cash flows arising from insurance contracts and affected financial assets are discounted subject to a yield curve of assets with high credit quality (Spanish sovereign debt). In order to estimate future cash flows arising from insurance contracts, the surrender rates observed in the portfolio in accordance with the average over the last five years are taken into consideration. In addition, sensitivity exercises are carried out with regard to the discount curve used. This sensitivity analysis consists of entering a drop in the interest rate of 100, 150 and 200 basis points of the discount curve used, and an increase of 80, 100 and 200 basis points.

The Group does not unbundle any deposit component of insurance contracts. This unbundling is voluntary. In addition, the fair value of the policyholders' option to surrender insurance contracts is estimated to be zero, otherwise it is measured as part of the value of the insurance contract liabilities.

2.23. STATEMENTS OF CASH FLOWS

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

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

2.24. STATEMENT OF CHANGES IN EQUITY. PART A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

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

2.25. STATEMENT OF CHANGES IN EQUITY. PART B) STATEMENT OF TOTAL CHANGES IN EQUITY

This statement presents all changes in the Group's consolidated equity, including those due to accounting policy changes and error corrections. This statement presents a reconciliation between the carrying amount of each component of equity at the beginning and the end of the period, grouping movements by nature under the following headings:

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

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

- The shareholder equity heading, 'Retained earnings', includes, at year-end, undistributed gains from the appropriation of the profit/loss of the companies of the consolidated group, and income coming from the sale of investments classified in 'Financial assets at fair value with changes in other comprehensive income – Equity instruments', among others.
- The shareholder equity heading, 'Other reserves', includes, at year-end, the implications of the 1st application of accounting regulations, the application of the profit/(loss) of companies consolidated using the equity accounting method, net of the dividends distributed to companies of the consolidated group, the remuneration of issuances with certain characteristics, and gains/losses deriving from operations with own shares, among others.

3. RISK MANAGEMENT

3.1 ENVIRONMENT AND RISK FACTORS

The following risk factors had a significant influence on the Group's management in 2022, due to their impact during the year and their long-term implications for the Group:

- **Macroeconomic environment**

  - **Global economy**

    Following the extraordinary shock of the pandemic in 2020 and the strong upturn in 2021, 2022 was expected to serve as a stepping stone for the global economy to get back on track. However, the outbreak of war in Ukraine came as another extraordinary shock when several major economies were still operating below pre-COVID levels and inflationary pressures were already emerging from the aftermath of the pandemic (supply disruptions, demand readjustments, fiscal stimuli, etc.). Consequently, the global economic context in 2022 was marked by the war in Ukraine, with an impact on energy that exacerbated the intensity and persistence of inflationary pressures, thereby resulting in a tightening of monetary policy from the main central banks.

    For the year as a whole, this all led to declines in international markets, particularly in technology, and sharp increases in debt rates. On the other hand, global economic activity showed some resilience thanks to the recovery of the services sector, the strength in the labour market and the excess savings accumulated over the previous two years. In particular, it is estimated that the world's economy grew 3% in 2022, with some fluctuation throughout the year and with some variation among different countries. The US showed very moderate GDP growth (2.1%), even suffering slight contractions in some quarters, while eurozone GDP grew around 3%, albeit with marked disparity between countries. China's GDP grew above 3%, although this figure was much lower than expected, hampered by the zero-COVID policy and the string of lockdowns, in addition to the decline in the real estate sector, both of which look likely to continue in 2023.

    Looking to the quarters to come, a further slowdown in global activity is expected, held back by increased uncertainty, the erosion of purchasing power due to rising inflation, diminishing confidence and the tightening of monetary policy. Nonetheless, the cooldown in global demand, alongside improvements in the bottlenecks, should help bring inflation down and, therefore, facilitate the end to monetary tightening, although rates will remain high. After a difficult winter, the global economy should pick up in 2023. Even so, the environment is very uncertain and there are significant risks of further weakness in activity, more persistent inflation and greater monetary tightening. In this context, the following will be key: i) the persistence of the energy price shock; ii) second-round effects on inflation; iii) the anchoring of inflation expectations; iv) the alignment of tax policy with the monetary aim of cooling demand; and v) the effectiveness of the monetary tightening carried out.

  - **Eurozone**

    The eurozone has been was of the regions worst affected by the war in Ukraine due to its high dependency on Russian gas imports. Russia's decision to gradually reduce the flow of gas into Europe throughout 2022 (to virtually zero since September), catapulted gas prices, which in August set record highs and forced the European Commission to adopt a battery of measures to confront this energy crisis. In order to weather the winter months and avoid energy rationing, the EC recommended energy saving measures, while pushing gas reserves to 90% of their total storage capacity by November. This challenge was met comfortably, allowing us to get through winter with more peace of mind. In addition, the eurozone economy performed better than expected up to the third quarter thanks to the boost provided by the lifting of COVID restrictions. The deterioration in leading indicators of industry and business and household confidence point to moderate declines in activity towards the end of 2022 and early 2023. This is more pronounced in Germany and Italy, two of the large economies most exposed to Russian gas. Despite the slowdown at the end of the year, the eurozone's GDP grew 3.5% in 2022. More caution is needed for 2023, when the eurozone is expected to grow barely 0.5%.

Spain and Portugal

The performance of the Spanish economy throughout 2022 was conditioned, on the one hand, by the lifting of pandemic control restrictions, which encouraged the reactivation of international tourism, and on the other, by the outbreak of the war in Ukraine, the accentuation of inflationary pressures and the rise in interest rates. In a macroeconomic context marked by great uncertainty, economic activity slowed throughout the year, particularly affected by declining household spending due to the impact of the upturn in inflation and interest rates on their purchasing power, with the 12-month Euribor closing December with a monthly average of 3%.

Nonetheless, the Spanish economy overcame a turbulent year with relative success, and thanks to the country's low dependence on Russian gas and the high regasification capacity of liquefied natural gas, the impact of the crisis in Spain was lower than in other major European economies. Furthermore, the excess household savings accumulated during the pandemic and the fiscal and regulatory measure implemented partially cushioned the impact of higher energy prices. For the year as a whole, GDP has grown 5.5%, although at year-end the recovery was not yet complete and GDP was 0.9% below pre-pandemic levels (Q4 2019). In positive terms, the good performance of the labour market stands out during the year, with an increase of 471,360 workers registered with the Social Security system up to the end of the year.

For 2023, in a context of weakness in the major eurozone economies, activity is expected to cool significantly and GDP growth is expected to moderate to an annual average of 1.3% as the impact of rising inflation and interest rates will peak. However, activity is expected to pick up from the spring onwards as the deployment of Next Generation EU funds (NGEU) increases and the energy market tensions begin to ease and inflation begins to moderate, which will benefit the recovery of agents' real incomes and an improvement in confidence. In any case, the Spanish economy is better positioned than other large European economies to cope with the energy crisis, thanks to its low dependence on Russian gas, the high regasification capacity of liquefied natural gas and greater flexibility to diversify the gas supplies.

Moreover, inflation decelerated following the peak reached in July (10.8%) and closed the year at 5.7%, registering an annual average of 8.4%. In 2023, inflation is expected to continue decelerating and reach an annual average of 4.2%, due to the inflation correction in energy and food and the completion of the pass-through of the increase in energy costs to the final selling prices in a context of moderate second-round effects.

The Portuguese economy posted remarkable growth in 2022, despite the substantial challenges it faced: High energy costs, rising inflation and tightening of monetary policy. GDP growth was around 6.7%, thus, exceeding pre-pandemic levels. In any case, the economy's trajectory throughout the year was markedly downwards, with GDP increasing 12% year-on-year in the first quarter, in contrast to the expansion of just 3.1% year-on-year in the third quarter. The main drivers of growth were domestic demand components, particularly private consumption, which benefited from a dynamic labour market and from savings accumulated during the lockdown periods. Investment also performed positively, although less than expected, due to the persistence of bottlenecks in global supply chains and the environment of increased uncertainty resulting from the war in Ukraine. The year was also marked by the rise in inflation, which in October exceeded 10%, the highest level since 1992; in average annual terms, inflation in 2022 stood at 7.8%.

In 2023, we will see a marked slowdown in GDP growth, expected to come in up to 1.0% for the year, while inflation will ease to 5.5%. Despite the containment of inflation expected through the year and the gradual stabilisation of interest rates in the eurozone, the cumulative effect of the rising prices of goods and services, alongside the notable increase in financing costs, will foreseeably cause a sharp slowdown in private consumption and investment.

Regulatory environment

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

Proposals for legislative and regulatory changes, as well as new legislation and regulation passed in 2022, include:

- **Geopolitical and macroeconomic events:**
  - As a result of the conflict between Ukraine and Russia and rising inflation, a series of regulatory measures were established, including:
    - Royal Decree Law (RDL) 6/2022 and the modification of the Code of Good Practice provided in RDL 5/2021, establishing a package of urgent measures to address the economic and social consequences of the war in Ukraine.
    - Five legislative packages of sanctions against Russia for its armed conflict against Ukraine including, inter alia, restrictions on the provision of credit rating services to any Russian person or entity; constraints to new investments in the Russian energy sector; freezing of assets and the prohibition to make funds or other economic resources available to the sanctioned persons and entities; and restriction on the provision of specialised financial messaging services (SWIFT) to certain Russian and Belarusian banks.
    - European Commission's consultation on the process for implementing the sanctions imposed on Russia and Belarus.
    - Royal Decree Law 19/2022, establishing a Code of Good Practice to alleviate the rise in interest rates on mortgage loans for primary residences.
- **Sustainable financing and environmental, social and governance (ESG) factors:**
  - Reports from authorities subject to public consultation: i) the EBA's discussion paper on the role of ESG risks within the prudential framework; ii) the ITS (Implementing Technical Standards) for ESG risk disclosures under Pillar 3 of the EBA; iii) consultation of the Sustainable Finance Platform on the draft report on minimum guarantees; iv) European Financial Reporting Advisory Group's (EFRAG) public consultation on sustainability disclosure standards.
  - Legislative and regulatory proposals in discussion: i) the proposal for a Regulation on a European Green Bond Standard; ii) the proposed Corporate Sustainability Reporting Directive (CSRD) from the European Commission.
  - Legislative and regulatory texts that entered into force/application: Sustainable Finance Disclosure Regulations ("SFDR"). As well as public consultation to update the ESMA Guidelines on certain aspects of MiFID suitability requirements with the aim of setting common provisions for entities to consider customers' sustainability preferences when assessing suitability.
  - Other important texts and milestones: i) ISSB consultation on the proposal to create a global basis for sustainability disclosure.
- **Pillar 3 regulation:**
  - European Commission public consultation on the review of the banking package (Capital Requirements Regulation - CRR III - and Capital Requirements Directive - CRD IV) implementing the final reforms of the Basel III agreements in Europe.
  - Bank of Spain Circular 3/2022, of 30 March, establishing the criteria for exercising various regulatory options contemplated by the capital requirements regulation (Regulation (EU) no. 575/2013).
  - Bank of Spain Public Consultation on the role of environmental risks within the Pillar 1 prudential framework.
  - Bank of Spain Public Consultation on the development of new macro-prudential tools introduced by RD-L 22/2018.
  - EBA Public Consultation on draft ITS on NPL templates.
  - EBA Guidelines on improving resolvability for financial institutions.
  - European Commission Public Consultation on improvement of macroprudential framework.

- EBA Public Consultation relating to the introduction of changes to interest rate risk (IRRBB) and credit spread risk (CSRBB) frameworks.
- Second Public Consultation of the Basel Committee on the prudential processing of crypto-assets.
- EBA Public Consultation on draft Guidelines for institutions and resolution authorities on the transferability of parts of or a whole bank in the context of resolution.

Digital regulation and payments:

- European consultation on key design characteristics of a digital euro, covering a wide range of issues, including consumer needs and expectations, retail payments, the provision of a digital euro, the impact on the financial sector and financial stability, the prevention of money laundering and terrorist financing, privacy and international payments.
- European Commission proposed Regulation on harmonised standards related to the access and the fair use of data (Data Law), with the aim of making it easier for users to access the data resulting from the use of connected products and services, their portability and other rights.
- European Commission consultation on the review of the Payment Services Directive (PSD2), with a view to helping the regulator assess the need to update this legislation.
- Open Finance Framework consultation, which aims to provide third-party providers with access to the data of financial institutions' customers, both corporate and consumer, with the agreement of the latter.
- European Commission proposed Regulation on Cyber Resilience, with the aim of guaranteeing that digital products are more secure for consumers throughout the EU.
- Draft Law on Securities Markets and Investment Services, introducing amendments to existing Spanish legislation to adapt it to the implementation of the Regulation on markets in crypto-assets (MiCA) and the Regulation on a pilot regime for market infrastructures based on Distributed Ledger Technology (DLT).
- European Commission proposed Regulation on instant transfers in euros, with the aim of guaranteeing that instant payments in euros are affordable, secure and processed without hindrance across the EU.
- Circular 1/2022 of 10 January of the National Securities Market Commission (CNMV), on the advertising of crypto-assets presented as an investment product.
- EBA Guidelines on the limited network exclusion under PSD2.
- Bank of Spain Circular 2/2022 of 15 March on rules for the submission to the Bank of Spain of payment statistics by payment service providers and payment system operators.
- Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act).
- Regulation 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market for Digital Services and amending Directive 2000/31/EC (Digital Services Act).

Retail and markets:

- Proposal to reform the Consumer Credit Directive.
- Draft law on Customer Services.
- Draft law protecting whistleblowers and anti-corruption, with the aim of transposing Directive 2019/1937.
- Draft law on the Securities Market and Investment Services which, among other aspects, transposes the quick fix of MiFID II.

- Draft law for the promotion of the start-up ecosystem.
- Draft law transposing European Union Directives on accessibility of certain products and services.
- Draft law creating the Independent Administrative Authority for the Defence of Financial Customers, which will centralise the current complaints services of the Bank of Spain, National Securities Market Commission (CNMV) and the Directorate General of Insurance and Pension Funds
- Follow-up to the initiatives of the Commission on CNMV's Retail Investor Strategy public consultation on the Code of Good Practice for institutional investors, asset managers and proxy advisers.
- EBA public consultation on the draft implementing technical standards (ITS) specifying the templates to be used by credit institutions for reporting as referred to in Directive (EU) 2021/2167 of 24 November 2021.
- Bank of Spain public consultation on Covered Bonds.
- ESMA consultation on MiFID II product governance guidelines.
- Publication of the EIOPA warning regarding matters related to remuneration and conflicts of interest from the sale of credit protection insurance.
- Publication of Act 4/2022, of 25 February, on the protection of consumers and users in situations of social and economic vulnerability.
- Publication of Bank of Spain Circular 3/2022, of 30 March, amending Circular 2/2016, of 2 February, to credit institutions on supervision and capital adequacy, completing the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) 575/2013; Circular 2/2014, of 31 January, to credit institutions on exercising different regulatory options contained in Regulation (EU) 575/2013 of the European Parliament and of the Council, of 26 June 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) 648/2012; and Circular 5/2012, of 27 Junes, to credit institutions and payment service providers on transparency of banking services and responsibility in the granting of loans.
- Publication of ESMA Guidelines on certain aspects of the MiFID II appropriateness and execution-only requirements.
- Publication of ESMA Guidelines on certain aspects of the MiFID II remuneration requirements. Entry into force: From 6 months after the date of publication on the ESMA website in all official EU languages.
- Publication of National Securities Market Commission (CNMV) Circular 3/2022, of 21 July, on the collective investment schemes prospectus and registration of the key investor information document.
- Publication of Act 18/2022, of 28 September, on the creation and growth of companies.
- Publication of:
    - Implementing Regulation (EU) 2022/1859 amending the implementing technical standards laid down in Implementing Regulation (EU) 1248/2012 as regards the format for applications for registration as trade repositories and for applications for extension of registration as trade repositories.
    - Commission Delegated Regulation (EU) 2022/1857 amending the regulatory technical standards laid down in Delegated Regulation 150/2013 as regards the details of applications for registration as a trade repository and for applications for extensions of registration as a trade repository.
    - Commission Delegated Regulation (EU) 2022/1856 amending the regulatory technical standards laid down in Delegated Regulation 151/2013 by further specifying the procedure for accessing details of derivatives as well as the technical and operational arrangements for their access.
    - Commission Delegated Regulation (EU) 2022/1855 supplementing Regulation 648/2012 (EMIR REFIT) with regard to regulatory technical standards specifying the minimum details of the data to be reported to trade repositories and the type of reports to be used.

- Commission Implementing Regulation (EU) 2022/1860 laying down implementing technical standards for the application of Regulation 648/2012 (EMIR REFIT) with regard to the standards, formats, frequency and methods and arrangements for reporting.
- Commission Delegated Regulation (EU) 2022/1858 supplementing Regulation 648/2012 (EMIR REFIT) with regard to regulatory technical standards specifying the procedures for reconciliation of data between trade repositories and the procedures to be applied by the trade repository to verify the compliance by the reporting counterparty or submitting entity with the reporting requirements and to verify the completeness and correctness of the data reported.

- Publication of Royal Decree Law 19/2022 of 22 November, establishing a Code of Good Practice to alleviate the rise in interest rates on mortgage loans for primary residences, amending Royal Decree Law 6/2012 of 9 March, on urgent measures to protect mortgage debtors without resources, and adopting other structural measures to improve the mortgage loan market.

- **Anti-money laundering and countering the financing of terrorism** (AML/CFT)**:**

  - Follow-up work was done on various legislative initiatives, most notably the 4 legislative proposals of the EU in the area of anti-money laundering and countering the financing of terrorism (AML/CFT), which is currently under development: i) Regulation creating a new European supervisory authority with regard to AML/CFT (AMLA); ii) the Regulation on obligations involving AML/CFT; iii) the 6th AML/CFT Directive (amends the 5th by repealing the 4th); and iv) the Regulation on the information that must accompany the transfer of funds and certain crypto-assets
  - Publication, on 14 June, of the European Banking Authority (EBA) Guidelines on the role of AML/CFT compliance officers and the management body of credit or financial institutions.
  - Public hearing in March on the Royal Decree creating the Register of Real Estate Ownership, and the prior public consultation, on 13 April, on the draft Royal Decree amending the Royal Decree implementing Act 10/2010, of 28 April, on AML/CFT.

- **Strategic events**

The so-called "strategic events" are the most relevant occurrences that may result in a medium-term material impact on the Group. Only events that are not yet materialised and do not form part of the Catalogue, but which the organisation's strategy is exposed to are considered, even if the severity of their impact can be mitigated through management. If a strategic event occurs, the impact may be on one or more of the risks of the Catalogue simultaneously.

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

- **Shocks stemming from the geopolitical and macroeconomic environment**

  Significant and persistent impairment of macroeconomic perspectives, and increase of risk aversion in financial markets. For example, this could be the result of: intensification of the war in Ukraine, the prolongation and intensification of inflationary tensions, fast and persistent increases in interest rates, other geopolitical shocks of a global scope, domestic political factors (such as territorial tensions, populist governments and social protests), an intense resurgence of the pandemic, or the reappearance of tensions in the eurozone that rekindle the risks of fragmentation. Possible consequences: rise of the country risk premium (cost of financing), pressure on costs (due to inflation), reduction of business volume, a worsening of credit quality, deposit withdrawals, material damages to offices or impeded access to corporate centres (due to protests or sabotage due to social unrest).

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

- **New competitors and application of new technologies**

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

However, the main newcomers—including digital banks and big BNPL (buy now pay later) players—continue to perform negatively despite the growth in customer numbers, and in the current market context there have been significant changes to their valuations and even forced staff layoffs, casting doubt over their sustainability.

In parallel to the evolutions of new market entrants, the development of technology is also driving initiatives fostered by the regulator, such as the Central Bank Digital Currencies (CBDC) or the Digital Identity initiative. In that regard, the launch of a Digital euro could facilitate the entry into the financial business of actors other than banks (e.g. payment institutions and digital money institutions), should intermediation be authorised in the management of digital euro wallets (e-wallets).

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

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

- **Cybercrime and data protection**

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

The constant campaigns to impersonate different companies and official bodies have made it possible for cybercriminals to materialise certain cybersecurity events in many organisations. In parallel, regulators and supervisors in the financial field have escalated the priority of this field. Taking into account the global context, existing threats regarding cybersecurity and recent attacks received by other organisations, these events on the Group's digital environment could pose serious impacts of a different kind, notably including mass data corruption, the unavailability of critical services (e. g. ransomware), attacks on the supply chain, the leaking of confidential information or fraud on digital service channels. Should these impacts directly related to banking operations occur, they could entail significant sanctions by the competent organisations and potential reputational damage for the Group.

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

- **Changes to the legal, regulatory or supervisory framework**

  The risk of increased pressure from the legal, regulatory or supervisory environment is one of the risks identified in the risk self-assessment that could entail a higher impact in the short-medium term. Specifically, we have observed a need to continue to uphold constant monitoring of new regulatory proposals and their implementation, given the high activity of legislators and regulators in the financial sector. Currently of particular note, among others, are the increasing expectations regarding ESG aspects from different stakeholders (supervisory bodies, regulators, governing bodies, etc.).

  Mitigating factors: The regulations that affect the Group are controlled and monitored, with the support of an external provider to carry out a double control of said regulations. The *Regulatory Implementation Management* team carries out the centralised control of effective regulatory implementation in the Group's companies. Regulatory implementation processes are submitted to each of the relevant internal committees (e.g. to the Transparency Committee for the adaptation of the new regulation on contracts, rules, policies and internal procedures). The status and evolution of the implementation is reported to the Risk Committee on a six-monthly basis. Furthermore, given the increase in legislative activity, relations with the authorities has been intensified in order to anticipate possible new legislative initiatives and, in turn, to be able to represent and convey CaixaBank's interests to the authorities in an efficient manner.

- **Pandemics and other extreme events**

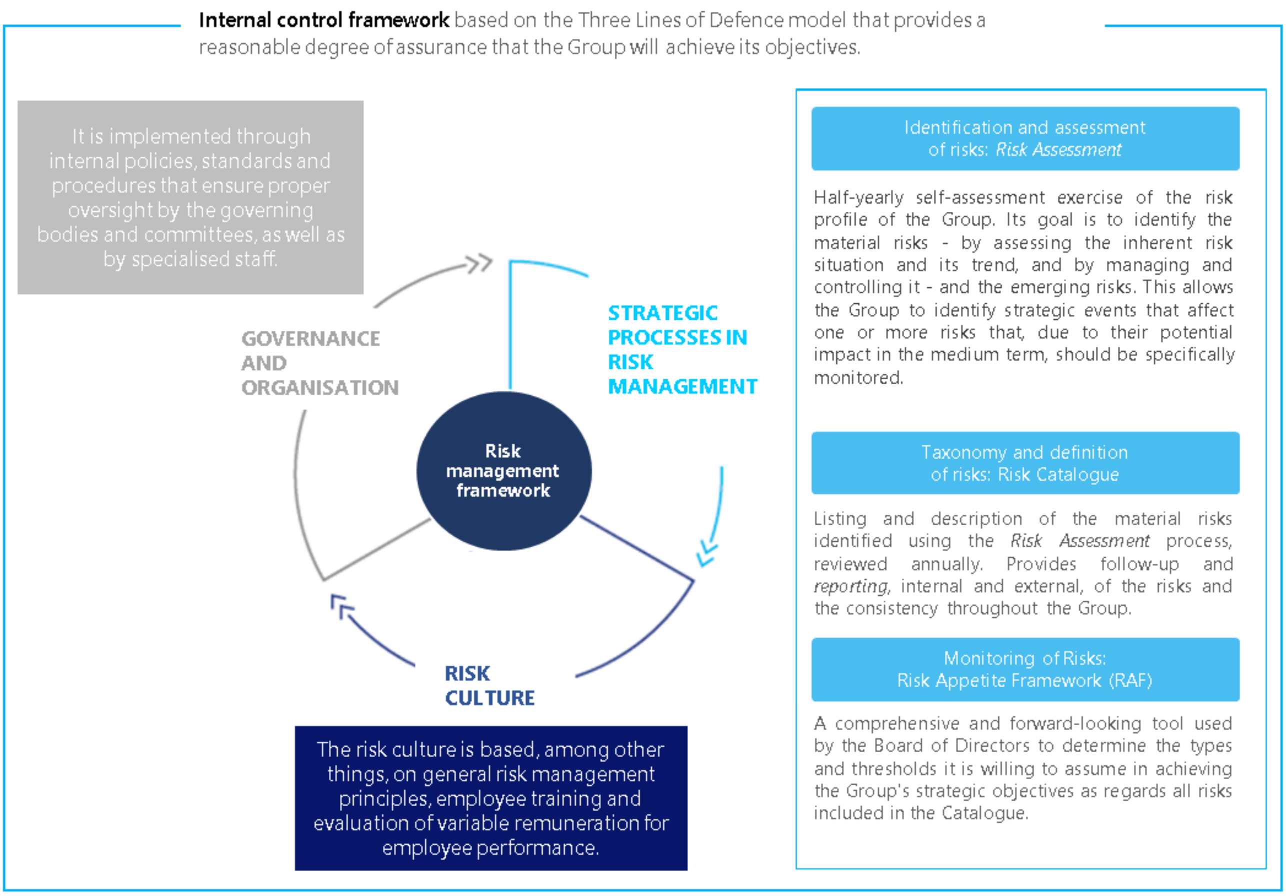
  It is not known what the exact impact of extreme events will be, such as future pandemics or environmental events, for each of the risks of the Catalogue, which will depend on uncertain future events and developments, including actions to contain or treat the event and curb its impact on the economies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

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

3.2 RISK GOVERNANCE, MANAGEMENT AND CONTROL

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

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



3.2.1. Internal control framework

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

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

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

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

First line of defence

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

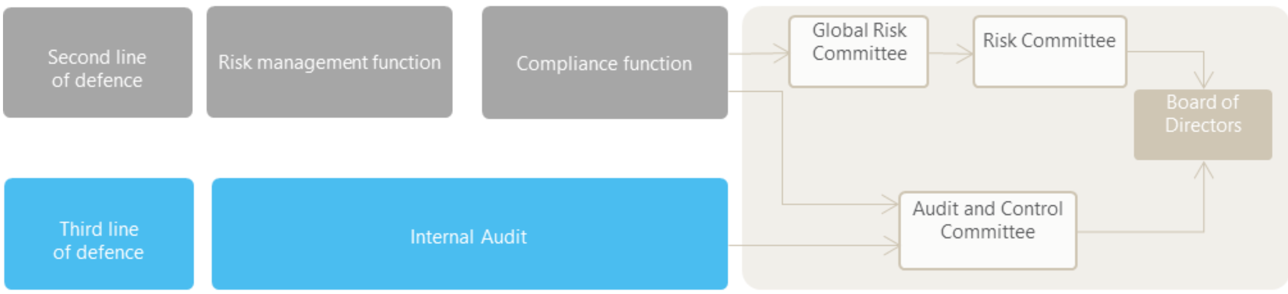
The business lines and support departments integrate control in their daily activities as a basic element that reflects the Group's risk culture.

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

Second line of defence

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

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



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

- **Risk management function**

  In addition to identifying, defining assumption limits, measuring, monitoring, managing and reporting on the risks within its scope of responsibility, i) it ensures that all risks to which the Group is, or may be, exposed are identified, assessed, monitored and controlled adequately; ii) it provides the Governing Bodies with an aggregated vision of all the risks to which the Group is, or may be, exposed, including an aggregated view of the operational control environment of the risk processes; iii) it monitors the risk generating activities, assessing their alignment with the approved risk tolerance and ensuring the prospective planning of the corresponding capital and liquidity needs in normal and adverse circumstances; iv) it monitors compliance with the risk appetite limits approved by the Board of Directors, and v) validates and controls the appropriate functionality and governance of the risk models, verifying their suitability in accordance with the regulatory uses.

At CaixaBank, the risk management function is carried out by the *Corporate Risk Management Function & Planning* and Compliance and Control divisions.

The responsibilities of the Corporate Risk Management Function & Planning directorate include the corporate coordination of the risk management function in CaixaBank Group; the direct exercise of the functions of second line of defence for risks of a financial nature, as well as being responsible for determining the general risk management framework and other common aspects for financial and non-financial risks, and the cross-cutting coordination of the risk management of the various Group companies. The Corporate Risk Management Function & Planning Director will be responsible for CaixaBank Group's risk management function and, therefore, will attest to the compliance of the supervisor's requirements in this matter and perform the functions allocated to this position by the applicable regulations.

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

- **Compliance function**

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

To this end, the mission of Regulatory Compliance is expressed through the following objectives:

- Supervising compliance risk in connection with the processes and activities carried out by the Bank.
- Fostering, championing and promoting the corporate values and principles enshrined in the Code of Ethics that guide the Bank's actions.
- Promoting a culture of control and compliance with the law and with all rules and regulations in force (both external and internal) so as to help ensure that they are known and respected across the entire organisation.

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

The management model of the compliance function has two main pillars: the compliance risk taxonomy and the three lines of defence model. The function is served by the following key elements to ensure an adequate coverage of Compliance Risk: compliance programme, annual compliance plan and monitoring of gaps (control deficiencies or breaches of regulations) identified and of the action plans to mitigate them. Furthermore, the function carries out advisory activities on the matters that fall under its responsibility, and carries out actions to foster the culture throughout the organisation (training, awareness-raising and corporate challenges.

To help ensure compliance with the Code of Ethics in general and internal regulations in particular, CaixaBank has set up a Whistleblowing Channel, available to all directors, employees, temporary staff, agents and suppliers; this channel is essential in preventing and remedying regulatory breaches. Requests for clarification of concrete queries arising from the application or interpretation of the abovementioned texts can be submitted through the Queries Channel, and confidential and swift communication of irregularities that may involve infringements can be made through the Whistleblowing Channel.

Lastly, after CaixaBank obtained, in July 2021, the ISO 37301 certification on the Compliance Management System, which involved a comprehensive review of the elements comprising the function, seeking to confirm alignment with regulatory best practices, between June and July 2022, the annual monitoring audit was carried out by AENOR, confirming that CaixaBank's Compliance Management System meets the requirements of the Standard and the rest of the audit criteria.

Third line of defence

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

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

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

- The effectiveness and efficiency of internal control systems in offsetting the risks associated with the Group's activities.
- Compliance with the legislation in force, with special attention to the requirements of supervisors and the suitable application of the defined global management and risk appetite frameworks.
- Compliance with internal policies and regulations, and alignment with best practices and uses in the sector, for adequate internal governance of the Group.
- The reliability and integrity of information, including the effectiveness of the Internal Control System over financial and non-financial reporting (ICFR and ICNFR).

Its main supervisory functions include:

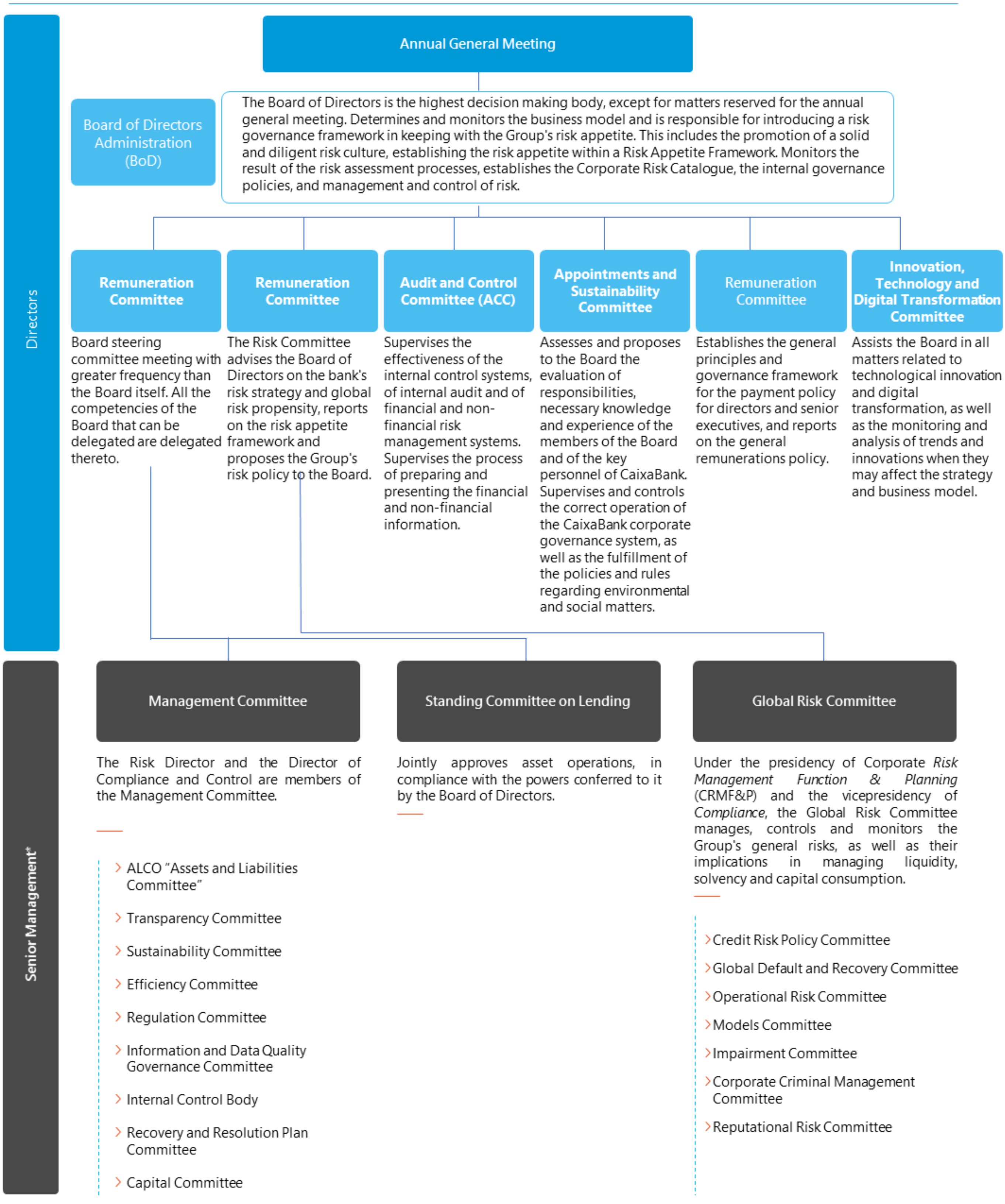
- The adequacy, effectiveness and implementation of policies, regulations and procedures.
- The effectiveness of controls.
- Adequate measurement and monitoring of first line of defence and second line of defence indicators.
- The existence and correct implementation of action plans to remedy shortcomings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

Its duties also include:

- Preparing the multi-year Annual Audit Plan based on risk assessments, which includes regulatory requirements and tasks and projects requested by Senior Management and the Audit and Control Committee. In that regard, the 2022 Annual Audit Plan has focused on six particularly relevant fields: the post-merger with Bankia, the governance of the Entity, the evolution of the lending portfolio in the macroeconomic context (portfolio quality post-COVID and Ukraine-Russia conflict), cybersecurity, profitability and sustainability.
- The periodical report on the conclusions of works carried out and weaknesses detected, passed on to Governing Bodies, senior management, external auditors, supervisors and all other relevant control and management environments.
- Adding value by proposing recommendations to address weaknesses detected in reviews and monitoring their implementation by the appropriate centres.

3.2.2 Governance and organisation

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



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

3.2.3 Strategic risk management system

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

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

Identification and risk assessment

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

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

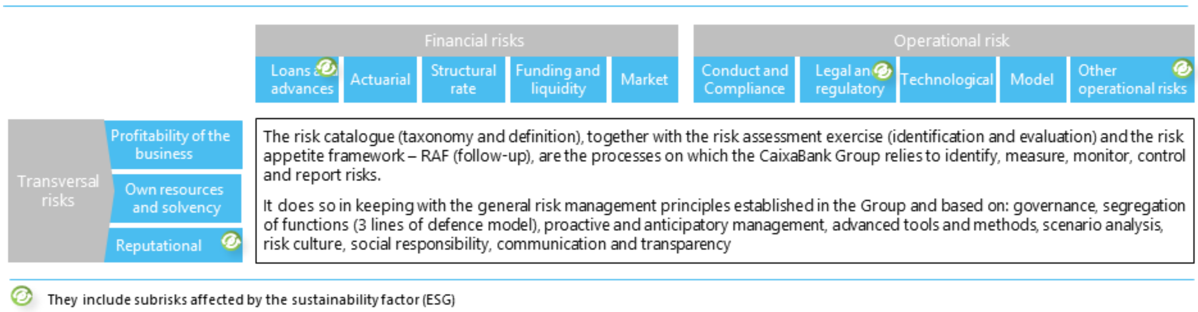
This process makes it possible to determine the status of each of the material risks identified in the Corporate Risk Catalogue and, also taking into account the internal governance assessment, to determine the Group's risk profile.

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

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

Corporate Risk Catalogue

The Corporate Risk Catalogue is the Group's risk taxonomy. It promotes internal and external monitoring and reporting of risks and consistency across the Group, and is subject to regular review at least on an annual basis. This update process also evaluates the materiality of the emerging risks previously identified in the Risk Assessment process and covers the definition of strategic events.



The definition of each risk is set out below:

Risks		Description
Transversal risks	Business profitability	Results achieved that are below market expectations or the Group's targets and that ultimately impede the Group from reaching a sustainable level of profitability that exceeds the cost of capital.
	Own resources and solvency	Restriction of the CaixaBank Group's ability to adapt its volume of own resources to the regulatory demands or to modify its risk profile.
	Reputational (ESG)	Potential financial losses or reduced income for the Group, as a result of events that negatively affect the perception that stakeholders have of the CaixaBank Group.
Financial risks	Loans and advances (ESG)	Loss of value of the assets of the CaixaBank Group due to a customer's impaired ability to make good on its commitments to the Group. It includes the risk generated by financial market operations (counterparty risk).
	Actuarial	The risk of loss or adverse change in the value of liabilities undertaken through insurance or pension contracts with customers or employees resulting from a divergence between actuarial variables used for pricing and reserves, and their real performance.
	Structural risk	Negative impact on the economic value of the balance sheet's items or on the financial margin due to changes in the temporary structure of interest rates and its impact on asset and liability instruments and those outside of the Group's balance sheet not recorded in financial assets held for trading.
	Funding and liquidity	Risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.
	Market	Loss of value, impacting on performance or solvency, of a portfolio (set of assets and liabilities), due to unfavourable movements in prices or market rates.
Operational risk	Conduct and Compliance	The application of conduct criteria that run contrary to the interests of customers and stakeholders, or acts or omissions that are not compliant with the legal or regulatory framework, or with internal codes and rules, or with codes of conduct and ethical and good practice standards.
	Legal and regulatory (ESG)	The potential loss or decrease in the profitability of the CaixaBank Group as a result of changes in the legislation, of the incorrect implementation of this legislation in the CaixaBank Group's processes, of the inappropriate interpretation of the same in various operations, of the incorrect management of court or administrative injunctions, or of the claims or complaints received.
	Technological	Losses due to inadequacies or faults in the hardware or software of the technology infrastructure, due to cyberattacks or other circumstances, that could compromise the availability, integrity, accessibility or security of the infrastructure and the data.
	Model	Potential adverse consequences for the Group that could arise as a result of decisions based primarily on the outcome of internal models that are incorrectly built, applied or used.
	Other operational risks (ESG)	Losses or damages caused by errors or faults in processes, due to external events, or actions of third parties outside the Group, whether accidentally or intentionally. It includes, among others, risk factors related to outsourcing, operational continuity or external fraud.

(ESG) They include subrisks affected by the sustainability factor (ESG)

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

- The risk of reliability is derecognised as it is not considered so much a risk as a set of processes that are absolutely critical and necessary to ensure the existence of a robust control environment that minimises the possibility of errors in the generation of information for the monitoring and management of risks.
- With respect to sustainability risk (ESG), it considers a cross factor with an impact on several risks in the Catalogue (credit, reputational and other operational risks), also adding mentions of climate change and other environmental risks in the definitions of legal and regulatory risk. Liquidity and market risks are not specifically mentioned given the low level of materiality applicable to them. However, in any case it has been assessed that the stress tests conducted are of sufficient magnitude to include impacts in these areas of climatic origin.

ESG risk factors

The consideration of sustainability risks (ESG) as a cross-cutting factor is also the approach adopted by the majority of financial institutions and regulators/supervisory bodies.

Within the ESG risk factors, climate risks in particular are highly complex to measure. The climate risk assessment is based on climate change scenarios and takes into account various time horizons. In line with supervisory expectations, CaixaBank has taken into account in its materiality assessment the following climate scenarios laid down by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS): i) orderly transition; ii) disorderly transition and iii) *hot house world*. Out of the three scenarios identified, the orderly transition scenario has been selected as the base scenario for the materiality assessment, given that it is consistent with the commitments assumed by CaixaBank and is currently still the most likely scenario in the European Union framework.

In a scenario of an orderly transition, the main impacts of climate risk relate to the long term in legal persons' credit portfolios, whereas the impact on the rest of financial risks is lower or circumstantial (see section "Sustainability risk management" in the Consolidated Management Report).

Risk Appetite Framework

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

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

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

Body responsible

Equivalence in Risk Catalogue	Board of Directors (advised by the Risk Committee)	Global Risk Committee	Areas that manage/ control the Risks and Human Resources
	Statements and primary metrics LEVEL I	Metrics that supplement and implement those of LEVEL I LEVEL 2	Management mechanisms LEVEL 3

Priority dimensions

Qualitative statements

- Maintain a medium-low (moderate) risk profile with a comfortable capital adequacy level to boost customer confidence through financial soundness.
- Be permanently in a position to meet its obligations and funding needs in a timely manner, even under adverse market conditions.
- Have a stable and diversified funding base to preserve and protect the interests of its depositors.
- Generate revenue and capital in balanced and diversified manner.
- Align business strategy and customer relations with socially responsible actions by meeting the highest ethical and governance standards and addressing potential impacts on climate change and the environment.
- Promote a risk culture embedded in management through policies, communication and staff training.
- Pursue excellence, quality and operational resilience to continue to provide financial services to customers in line with their expectations, even under adverse conditions.

Transversal risks

Equivalence in Risk Catalogue:
- Business profitability
- Own funds and capital adequacy
- Reputational

Level I:
- Cost-to-income ratios
- Regulatory solvency ratios
- Quantitative metrics on non-financial risks (i.e. reputational)

Financial risks

Equivalence in Risk Catalogue:
- Loans and advances
- Actuarial
- Structural rate
- Funding and liquidity
- Market

Level I:
- Calculations based on advanced models and approaches
- Accounting figures (cost of risk and NPL ratio)
- Indicators that encourage diversification (e.g. by borrower, sector)
- Regulatory and internal liquidity metrics that oversee the upholding of comfortable liquidity levels

Operational risk

Equivalence in Risk Catalogue:
- Conduct and Compliance
- Legal and regulatory
- Technological
- Model
- Other operational risks

Level I:
- Quantitative metrics on non-financial risks (i.e. operational)
- Metrics of number of complying incidents

Level 2 (Global Risk Committee)

- Detailed metrics deriving from the factorial decomposition of Level I metrics or from a greater breakdown. They also include more complex and specialised risk measurement parameters

Level 3 (Areas that manage/control the Risks and Human Resources)

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

Alert System Reports

Monthly to the Global Risk Committee

Level 1:

Appetite	Tolerance	Non-compliance	*Recovery Plan*
	The Global Risk Committee foments an action plan and draws up a schedule.	Monitoring of the action plan by the Global Risk Committee and specific communication to the Risk Committee.	Governance Process of the Recovery Plan to reduce the possibility of bankruptcy.

Quarterly to the Risk Committee

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

Half-yearly to the Board of Directors

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

Level 2: **Through threshold benchmarks.**

3.2.4. Risk culture

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

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

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

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

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

Responsibility

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

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

Communication

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

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

Throughout 2022, the risk news channel on the intranet has published items explaining the most important projects and providing generic information on risk management concepts. Among these initiatives, of particular note is the communication of the Code of Good Practice for risk management of the ICO COVID facility, the development and deployment of the risk exposure limit tool for large exposures (LEX) and the implementation of the first phase of the Environmental Risk Reports (IRMA) for eligible customers under the new Corporate Sustainability Policy.

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

Training

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

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

The Group structures its training programme through the Risk School. It sees training as a strategic tool to provide support to business areas, whilst providing a conduit for disseminating the Group's risk policies, providing training, information and tools for all of the personnel. The proposal comprises a training calendar for specialising in risk management, which will be linked to the professional development of all employees, from Retail Banking staff to specialists in any field.

The figures for the Group's main training initiatives in the field of promoting risk culture are as follows:

Risk training and culture

Course	Title	Group trained	Number of people
Banking risk basic course (latest edition)	Basic level university qualification	Generalist managers and staff from the business network of branches and other stakeholders who may need a basic knowledge of the organisation’s risk management criteria to carry out their work	2,259 (accumulated)
Postgraduate Diploma in Banking Risk Analysis (8th retail edition and 4rd business edition)	University diploma	Business network branch deputy managers and managers and other stakeholders who, given their role, may be involved in approving loans or may require in-depth knowledge of risk	300 on-going for retail and 700 for business (Employees certified: 1,937 accumulated in retail and 423 business)
Specialist training in risks for AgroBank branches	Speciality	Employees that make up the AgroBank branch network	2,105 (accumulated)
Specialist training in risks for BusinessBank branches	Speciality	Employees that make up the BusinessBank branch network	631 (accumulated)
Specialist training in risks for Private Banking branches	Speciality	Employees that make up the Private Banking network	595 (accumulated)
Training in Property Credit Contract Act 5/2019 (6th and 7th editions)	Certificate of specialisation from Pompeu Fabra University — BSM	A refresher course on the new act 5/2019 intended for employees that comprise the Retail, Business and Risk network	28,278 (accumulated)
Training in document compliance and data quality	Internal training	Aimed at all employees to improve awareness of risk aspects such as document integrity and the quality of data entered into the systems	20,293
Basic Course on Economic – Financial Analysis	Internal training	Intended for the Retail and Company Centre network collective, including Welcome - Company Banking, Welcome - Business Bank	474
Risk Management and Company Banking Circuits training	Internal training	A specific training course on risk policies and circuits has been developed for the group of professionals in the Risk department arising from the merger with Bankia	610

Performance assessment and remuneration

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

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

3.3 CROSS RISKS

3.3.1 Business profitability risk

Business profitability risk refers to obtaining results below market expectations or Group targets that, ultimately, prevent the company from reaching a level of sustainable returns that exceeds the cost of capital.

The profitability targets, based on a financial planning and monitoring process, are defined in the Group's Strategic Plan, for a three-year term, and are specified annually in the Group's budget and in the challenges for the commercial network.

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

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

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

3.3.2 Risk of own funds and capital adequacy

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

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

Regulatory capital is the metric required by regulators and used by analysts and investors to compare financial institutions. It is governed by Regulation 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council (CRD 4) which incorporated the Basel III regulatory framework (BIS III) into the European Union. Whereas the CRR was directly applied in Spain, CRD 4 was transposed to Spanish law through Act 10/2014 on the arrangement, monitoring and solvency of credit institutions and its subsequent regulatory development through Royal Decree 84/2015 and Bank of Spain Circular 2/2016.

On 27 June 2019, a comprehensive package of reforms to amend the CRR and CRD 4 came into force. i) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2) ii) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (CRD 5). CRD5 partially incorporated Spanish legislation through Royal Decree Law 7/2021 (amending, inter alia, Act 10/2014). Similarly, Royal Decree 970/2021 amended, among others, RD 84/2015. Lastly, with the approval of Bank of Spain Circular 3/2022, amending Circular 2/2016, CRD5 is fully transposed into Spanish law. Similarly, following the transposition to European legislation in 2013, the Basel Committee and other relevant bodies published a series of additional rules and documents containing new specifications for the calculation of capital.

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

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

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

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

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

3.3.3 Reputational risk

Reputational risk is defined as any potential economic loss or lower revenue for the Group as a result of events that negatively affect the perception that stakeholders have of CaixaBank Group.

Some areas of risk identified by the Group in which such perceptions could be impaired are, among others, the inadequate design and marketing of products, inefficient information security systems, and the need to promote ESG aspects (Environmental, Social and Corporate Governance) in the business, including climate change, talent development, work-life balance, diversity and occupational health.

The risk is monitored using internal and external selected reputational indicators from various sources of stakeholder expectations and perception analysis. The measurement indicators are weighted according to their strategic importance and are grouped in a balanced reputation scorecard that enables a Global Reputation Index (GRI) to be obtained. This metric allows for the positioning to be temporarily monitored on a quarterly basis, by sector, and for the tolerated ranges and metrics to be established in the Risk Appetite Framework.

The Group has a specific policy for reputational risk management based on the Company's three lines of defence model, which outlines and extends on the principles governing the management and control of this risk in the Group. It covers the regulatory framework, general principles and strategy governing reputational risk management, governance framework, control framework and functions, as well as the reporting framework for this risk. Its scope covers all Group companies.

Specifically, the Group's reputational risk management and control strategy includes:

- The regular identification and assessment of reputational risks, for which there is a specific taxonomy (risk catalogue) and regular assessment and analysis processes (half-yearly risk assessment, regular analysis of perceptions, identification of crisis milestones, studies and market benchmarks).
- Management and prevention policies and procedures including, besides the creation of the abovementioned policy, the development of the reputational risk culture in all Group companies and internal procedures for reputational crisis management with detection protocols, severity scales, and actions to curtail or eliminate potential negative effects.
- Risk prevention and fostering of reputation by managing communication channels and dialogue with stakeholders, analysing business operations from this perspective, and developing communication initiatives that strengthen the visibility and recognition of corporate values among stakeholders.
- Risk monitoring and control through both internal and external indicators, such as RAF reputation metrics, control framework review, regulatory compliance, and the development of regular reputation control and measurement systems.
- Lastly, regular reporting to the governing bodies, to the Entity's senior management, as well as to the supervisors, for informed decision-making in this area.

In addition, in 2022, the Board of Directors approved the biennial update of the Corporate Communication Policy. This policy includes reference to the Corporate Reputational Risk Management Policy, which was approved after the Corporate Communication Policy. In this regard, it is indicated that both policies are aligned.

3.4 Financial Risks

3.4.1 Credit risk

Overview

Credit risk corresponds to a decrease in value of the Group's assets due to uncertainty about a customer's ability to meet its obligations to the Group. It includes the risk generated by financial market operations (counterparty risk). It is the Group's most significant risk financial activity, based on banking and insurance marketing, treasury operations and long-term equity instruments (shareholder portfolio).

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

Maximum exposure to credit risk
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Maximum exposure to credit risk	Hedge	Maximum exposure to credit risk	Hedge	Maximum exposure to credit risk	Hedge
Financial assets held for trading (Note 11)	**419**		**606**		**1,056**	
Equity instruments	233		187		255	
Debt securities	186		419		801	
Financial assets not designated for trading compulsorily measured at fair value through profit or loss (Note 12)	**183**		**237**		**317**	
Equity instruments	127		165		180	
Debt securities	6		5		52	
Loans and advances	50		67		85	
Financial assets at fair value with changes in other comprehensive income (Note 13)	**12,942**		**16,403**		**19,309**	
Equity instruments	1,351		1,646		1,414	
Debt securities	11,591		14,757		17,895	
Financial assets at amortised cost (Note 14)	**450,171**	**(7,417)**	**428,873**	**(8,274)**	**273,129**	**(5,620)**
Debt securities	77,749	(16)	68,220	(14)	24,681	(11)
Loans and advances	372,422	(7,401)	360,653	(8,260)	248,448	(5,609)
Central banks			63		4	
Credit institutions	12,195	(8)	7,814	(8)	5,847	
Customers	360,227	(7,393)	352,776	(8,252)	242,597	(5,609)
Trading derivatives and hedge accounting	**2,922**		**4,466**		**4,120**	
Assets under the insurance business (Note 17)	**68,534**		**83,464**		**77,241**	
TOTAL ACTIVE EXPOSURE	**535,171**	**(7,417)**	**534,049**	**(8,274)**	**375,172**	**(5,620)**
TOTAL GUARANTEES GIVEN AND CONTINGENT COMMITMENTS (*)	**162,165**	**(547)**	**144,417**	**(461)**	**105,066**	**(193)**
TOTAL	**697,336**	**(7,964)**	**678,466**	**(8,735)**	**480,238**	**(5,813)**

(*) CCF (Credit Conversion Factors) for guarantees given and credit commitments amount to EUR 110,335, 96,458 and 75,560 million at 31 December 2022, 2021 and 2020, respectively

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

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

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

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

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

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

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

Credit risk cycle

The full credit risk management cycle covers the entire life of the transaction, from feasibility studies and the approval of risks as per established criteria, to monitoring solvency and returns and, ultimately, to processing and recovering non-performing assets. The Corporate Credit Risk Policy lays down the general framework and core principles that primarily pursue consistency with the Group's overall risk appetite and strategy and effective risk management at each stage of the cycle.

Approval and granting

The approval function is the primary step in the credit risk management process, and the application of strict methodologies in the application, analysis and approval processes will largely contribute to the successful repayment of transactions. The process for admitting and granting new loans is based on the analysis of the solvency of the parties involved and characteristics of the transaction.

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

- **Amount**: financial amount applied for plus any risk already granted; this is the first key element and it involves calculating the accumulated risk for each of the title holders of the application and, where applicable, their economic group. The amount of the operation is defined through two alternative methods according to the sector to which the operations belong:
  - Product-weighted loss: based on the expected-loss calculation formula, it takes into account the risk appetite according to the nature of each product. This system is used for applications where the principal borrower is a legal person.
  - Nominal: it factors in the nominal amount and guarantees of risk operations. It applies to individuals.

- **Guarantee:** the group of assets and/or funds pledged to secure fulfilment of a repayment obligation. However, the risk decision is generally based on the debtor's repayment capacity, not on their guarantees.
- **Term:** this refers to the duration of the operations requested, which must be coherent with the purpose. There are specific policies according to the type of operation and its term, which require a higher level of authority for their approval.
- **Policies that amend the approval level:** raft of criteria identifying and assessing the relevant variables of each type of transaction, and which involve specific processing. It takes into account aspects such as default alerts in external or internal databases, the scoring/rating diagnosis, the debt ratio, the ratings as a result of the monitoring activity or the fact that the transaction is of a small amount.

Except those that can be approved at branch level or by the Business Area Manager, the approval of the risk of any transaction.

Transactions beyond the powers of the commercial network will be transferred to the appropriate Risk Acceptance Centre according to the type of holder. Risk Acceptance Centres will have certain levels of risk approval, in such a way that if the level of risk requested to approve a transaction is not beyond its authority, it may be approved within its remit. Otherwise the request will be forwarded to the required top-level centre.

In order to facilitate agility in granting, there are Risk Acceptance Centres according to the type of holder:

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

Credit pre-granting is also conducted for legal entities and individuals in the micro-enterprise and small enterprise segments for certain products and in accordance with defined risk limits and criteria.

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

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

Lastly, the Standing Credit Committee holds the power to approve transactions on the basis of specific limits both in terms of individual transactions and in terms of cumulative risk with the client or its group and, in general, it holds the power to approve transactions that involve exceptions in their characteristics to those that can be approved in branches and in Risk Acceptance Centres. In the event of exceeding the aforementioned powers, the power of approval corresponds to the Executive Committee.

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

For pricing purposes, all the factors associated with the transaction are taken into account, which are essentially the costs of structure, financing and the cost of risk. Furthermore, operations must provide a minimum contribution to capital requirements, which will be calculated net of tax.

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

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

Mitigation of the risk

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

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

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

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

Categorisation by stage of the credit investment and affected guarantees *
(Millions of euros)

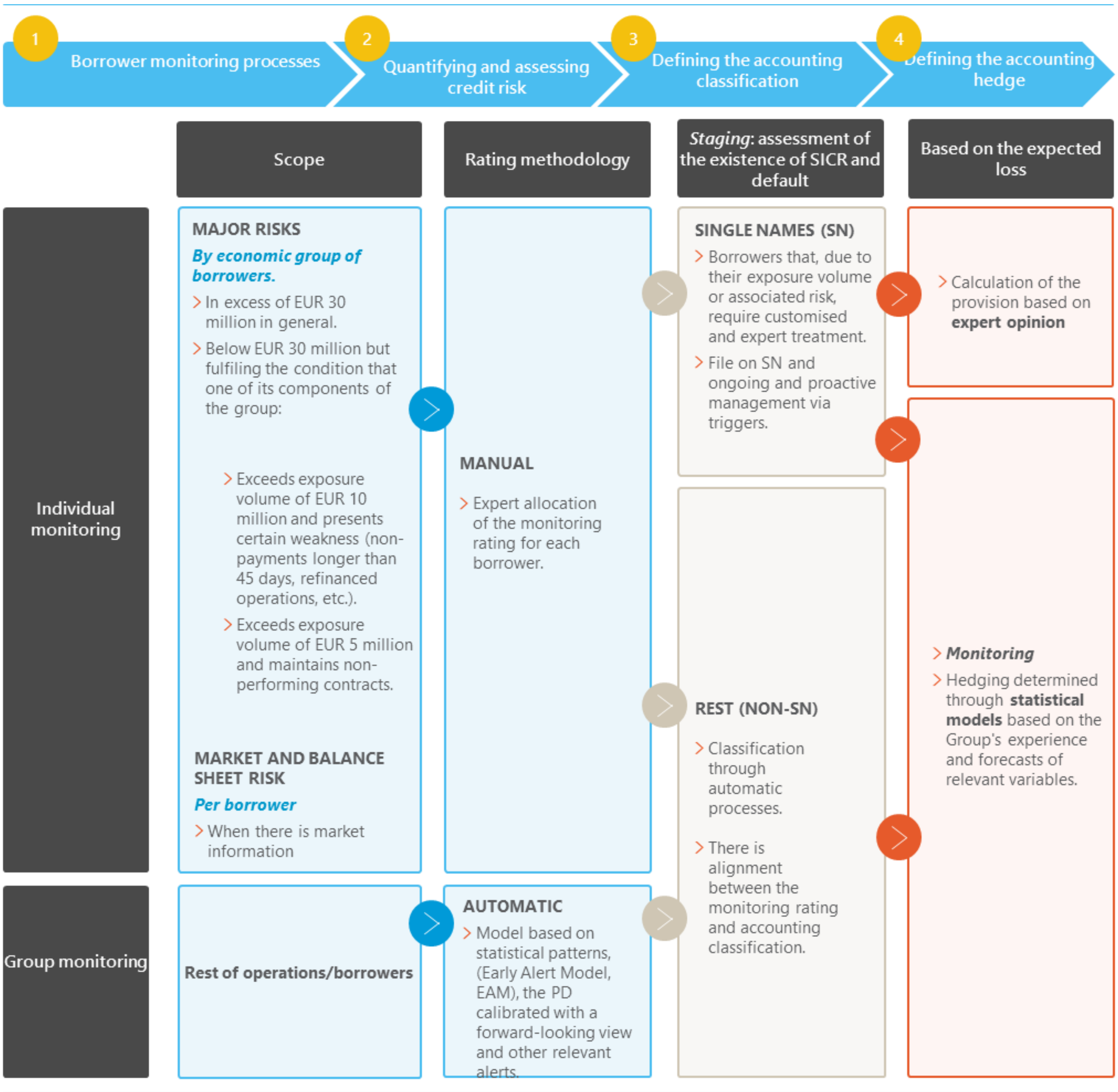
	31-12-2022			31-12-2021			31-12-2020		
	Gross amount	Allowances for impair-ment	Value of the collateral **	Gross amount	Allowances for impair-ment	Value of the collateral **	Gross amount	Allowances for impair-ment	Value of the collateral **
Stage 1:	**319,367**	**(1,342)**	**418,522**	**306,212**	**(966)**	**426,791**	**212,834**	**(920)**	**276,360**
Unsecured loans	159,000	(747)		139,850	(638)		102,733	(606)	
Real estate collateral	156,037	(589)	412,780	157,084	(298)	418,866	103,520	(280)	269,795
Other collateral	4,330	(6)	5,742	9,278	(30)	7,925	6,581	(34)	6,565
Stage 2 + POCI without	**28,565**	**(1,368)**	**37,484**	**31,440**	**(1,632)**	**37,094**	**20,066**	**(1,064)**	**25,846**
Unsecured loans	12,929	(679)		14,372	(716)		8,299	(606)	
Real estate collateral	15,245	(675)	36,995	16,323	(884)	36,399	11,183	(411)	25,004
Other collateral	391	(14)	489	745	(32)	695	584	(47)	842
Stage 3 + POCI with impairment:	**10,086**	**(4,681)**	**12,108**	**12,967**	**(5,653)**	**15,291**	**8,256**	**(3,625)**	**9,761**
Unsecured loans	3,860	(2,301)		4,158	(2,731)		2,334	(1,869)	
Real estate collateral	6,106	(2,300)	12,063	8,658	(2,839)	15,256	5,787	(1,698)	9,572
Other collateral	120	(80)	45	151	(83)	35	135	(58)	189
TOTAL	**358,018**	**(7,391)**	**468,114**	**350,619**	**(8,251)**	**479,176**	**241,156**	**(5,609)**	**311,967**

(*) Includes loans and advances to customers under the headings "Financial assets measured at amortised cost" (Note 14) and "Financial assets not designated for trading compulsorily measured at fair value through profit or loss" (Note 12).
(**) Reflects the maximum amount of the effective collateral that can be considered for the purposes of the impairment calculation, i.e. the estimated fair value of real estate properties based on their latest available valuation or an update of that valuation based on the applicable standard in force. In addition, the remaining collaterals are included as the current value of the collateral that has been pledged to date, not including personal guarantees.

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

Monitoring and measurement of credit risk

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



① *Borrower monitoring processes*

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

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

The *Monitoring Rating* is an assessment of each customer's situation and risks. All borrowers have a monitoring rating which classifies them into one of five categories[2] which are, from best to worse: insignificant risk, low risk,

[2] The different monitoring rating categories are:
- Insignificant risk: all customer transactions are performing correctly and there are no indications that call the repayment capacity into question.
- Low risk: the payment capacity is adequate, although the customer or one or more of their transactions shows some minor indication of weakness.
- Medium risk: there are indications of customer impairment, nonetheless, these weaknesses do not currently put at risk the debt repayment capacity.
- Medium-high risk: the customer's credit quality has been seriously weakened. If the customer impairment continues, the customer may not have the capacity to repay the debt.
- Doubtful: there is evidence of sustained impairment or non-performance as regards the customer capacity to meet their obligations.
- No rating: there is insufficient information to assign a monitoring rating.

moderate risk, high risk or doubtful; and they can be generated manually (in the case of the scope of borrowers under individualised monitoring) or automatically (for the rest).

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

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

  The Group defines individually significant borrowers (Single Names) as those that meet the following thresholds or characteristics[3]:

  - Exposure of greater than EUR 30 million for two consecutive months or greater than EUR 36 million for one month.
  - Exposure of greater than EUR 10 million for two consecutive months or greater than EUR 12 million for one month, which meet at least one of the following criteria: expected loss of greater than EUR 200 thousand, with refinanced operations, with early non-performing loans (>45 days) or those that form part of the Entity's consolidated group through the equity consolidation method.
  - Exposure of more than EUR 5 million with non-performing operations (objective or subjective) representing more than 5% of the total risk of the borrower.
  - Borrowers that form part of the Group (due to global integration), with the exception of BPI.

- **Collective:** The ratings are obtained by combining a statistical model, referred to as the Early Alert Model (EAM), the Probability of Default (PD) calibrated with a forward-looking view (consistent with the PD used to calculate the credit risk hedges) and other relevant alerts. Both the EAM and the PD are obtained at least on a monthly basis, and daily in the case of the alerts.

Similarly, the EAM and PD models are subject to the credit risk model management policy.

② *Quantifying and assessing credit risk*

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

- **Expected Loss** (EL): This is the average or mathematical expectation of potential anticipated losses calculated by multiplying the three following factors: probability of default (PD), exposure at default (EAD) and loss given default (LGD).

- **Unexpected loss:** potential unforeseen loss caused by variability in losses with respect to the estimated expected loss. It can occur due to sudden changes in cycles or alterations in risk factors, and the dependence between the credit risk for the various debtors. Unexpected losses have a low probability and large amount, and should be absorbed by the Group's own funds. The calculation of unexpected loss is also mainly based on the operation's PD, EAD and LGD.

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

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

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

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

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

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

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

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

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

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

It is worth noting that the Group considers, through severity, the income generated in the sale of defaulted contracts as one of the possible future flows generated to measure the expected impairment losses of the value of loans and advances. This income is calculated on the basis of the internal information of the sales carried out in the Group[4]. The sale of these assets is considered to be reasonably predictable as a method of recovery, thus, as part of its strategy for reducing doubtful balances, the Group considers portfolio sales as one of the recurring tools. In this regard, an active market for impaired debt exists, which ensures with a high probability the possibility to make future sales of debt[5].

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

③ *Defining the accounting classification*

The accounting classification among the different stages of IFRS 9[6] among the different Stages of IFRS 9 is defined in the event of a default and/or significant increase in credit risk (SICR) since the operation's initial recognition.

It will be considered that there has been an SICR from the first recognition, whereby these operations are classified as Stage 2, when there are weaknesses that may involve assuming significantly higher losses than expected at the time the loan is granted. To identify it, the Group has the monitoring and rating processes described in ②.

[4] See Note 2.7, in reference to the fact that sales of exposures with a significant increase in credit risk do not compromise the business model of holding assets to receive contractual cash flows.
[5] See Note 27.4, detailing the sales of the non-performing and defaulted loan portfolio.
[6] See Note 2.7.

Specifically, when the operations meet any of the following qualitative or quantitative criteria, unless they must be classified as Stage 3:

i) Operations with amounts that are more than 30 days overdue (but less than 90, in which case they would be classified as Stage 3).

ii) Operations involving borrowers that are in administration classified as Stage 2. Risks of borrowers declared bankrupt without a liquidation request will be reclassified as Stage 2 when they have fulfilled one of the following conditions:

   a) The borrower has paid at least 25% of the entity's loans affected by the administration situation, after deducting the agreed write-off, where applicable.

   b) Two years have passed since the deed of approval of the creditors' agreement was registered in the Companies Register, provided that this agreement is being faithfully complied with and the company's equity and financial situation eliminates any doubts over the amounts owed being fully reimbursed, unless interest charges that are clearly below market rates have been agreed.

iii) Operations which can be identified as having registered a SICR on the basis of market indicators/triggers.

iv) Operations for which there has been an SICR since the date of initial recognition on the basis of any of the following two criteria[7]: a deterioration in its monitoring rating or a relative increase in PD.

Operations that no longer meet the conditions to qualify for Stage 2 will be classified as Stage 1.

However, the specific structure of certain operations may mean that under individual analysis it may be determined that there is no significant increase in risk despite the resulting downgrading of the rating of their holders and that, as a result, their rating does not correspond to Stage 2.

Conversely, operations of individually significant borrowers will be classified as Stage 2 if it is determined after an individual analysis that a SICR has occurred.

The refinancing or restructuring of an operation will be deemed to be a rebuttable presumption of the existence of a SICR. Consequently, unless otherwise determined, refinancing, refinanced or restructured operations in the probationary period for which classification as Stage 3 is not applicable will be classified as Stage 2.

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

- After an exhaustive review of the borrower’s asset and financial position it is concluded that they are unlikely to have financial difficulties and therefore it is highly probable that they will meet their obligations vis-a-vis the entity in both time and form. This analysis of the time and manner of risk recoverability needs to be supported by objective evidence, such as the existence of a payment schedule aligned with the holder’s recurrent cash flow or the addition of new guarantors or new effective collateral;
- A minimum period of two years has elapsed from the date of authorisation of the restructuring or refinancing operation, or, if later, from the date of its reclassification from the non-performing category;
- The borrower has covered all the principal and interest payments from the date of authorisation of the restructuring or refinancing transaction, or, if later, from the date of its reclassification from the non-performing category. Furthermore, the borrower must have made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing transaction, or that were derecognised as a result of it;
- There are no contractual clauses that may delay repayments, such as grace periods for the principal;
- The borrowers must have no other transactions with amounts that are more than 30 days overdue at the end of the trial period.

It will be considered that there has been a default and, therefore, an operation will be classified at Stage 3 when — regardless of the borrower and the guarantee— there is an amount overdue (capital, interests or contractually

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

agreed costs) by more than 90 days, as well as the operations of all other holders when operations with past due amounts of over 90 days account for more than 20% of the amounts pending collection.

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

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

i) Operations with legally demanded balances.

ii) Operations in which the collateral execution process has been initiated.

iii) Operations of borrowers who have declared insolvency proceedings or are expected to declare insolvency proceedings where no liquidation petition has been made.

iv) Guarantees extended to borrowers that are undergoing insolvency proceedings where the liquidation phase has or will be declared, or that have undergone a significant and irrecoverable loss of solvency, even though the beneficiary of the guarantee has not demanded payment.

v) Refinancing, refinanced or restructured operations will be classified as Stage 3 on the refinancing date when the general criteria determining this classification are met or when, in the absence of evidence to the contrary, the following specific criteria exist:

- An inadequate payment plan.
- Contractual clauses that delay the repayment of the transaction through regular payments (grace periods longer than two years).
- Amounts derecognised from the balance sheet as unrecoverable exceeding the hedges resulting from applying the percentages established in the alternative solutions of Annex IX(III) of Circular 4/2017 to Stage 2 transactions.
- A modification of its conditions that implies changes in the structure of the transaction that result in a reduction of the current value of future flows greater than 1%.
- Operations that were previously classified as Stage 3.
- Refinancing, refinanced or restructured operations that having been classified as Stage 3 before the trial period, are refinanced or restructured or that have amounts that are more than 30 days past-due.

vi) Operations that have a second-call mortgage guarantee or later when the first-call guarantee operation is classified as Stage 3.

vii) Operations in which all of the holders have operations refinanced under a Code of Good Practice.

viii) Operations with borrowers who, after an individualised review, pose reasonable doubts regarding full repayment (principal and interest) in the contractually agreed terms.

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

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

a. After reviewing the borrower's asset and financial position it is concluded that they are unlikely to have financial difficulties.

b. One year has elapsed since the forbearance date or, if later, since the date of the reclassification of the forbearance to the non-performing category.

c. One year has elapsed since the contractual clauses delaying repayment —such as grace periods for the principal if the transaction included them— ceased to apply.

d. The borrower has covered all the principal and interest payments (i.e. the operation has no overdue amounts) thereby reducing the renegotiated principal, from the date of authorisation of the restructuring or refinancing operation, or, if later, from the date of its reclassification to the Stage 3 category;

e. An amount equivalent to all amounts, principal and interest, which were due at the date of the forbearance operation, or which were written off as a result of it, has been paid through regular payments.

f. One of the borrowers must have no other operations with past due amounts for more than 90 days

The process for determining the borrower's accounting classification is specified below:

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

  In order help with the proactive management of evidence and indications of impairment and a SICR, the Group has developed triggers, which are an indication of impairment of the asset affecting the customer or the operations, and are assessed by the analyst to determine classification to Stage 2 or Stage 3 of the customer's operations. They are based on internal and external available information, per borrower and per operation, grouped

  according to the sector, which conditions the type of information required to analyse the credit risk and the sensitivity to the changes of variables indicative of the impairment. We have:

  - Global triggers:
    - Financial difficulties of the issuer or debtor: subjective doubtful triggers (i.e. unfavourable financial information on the debtor, measured via various ratios on their financial statements) and triggers of a minimum of Stage 2 (due to deterioration of the monitoring rating).
    - A breach of contract, such as a default or delinquency in interest or principal payments: Stage 3 triggers (i. e. non-payments exceeding 90 days) and triggers of a minimum of Stage 2 (non-payments exceeding 30 days).
    - In the event of financial difficulties, the borrowers are given concessions or advantages that would otherwise not be considered. Trigger of a minimum of Stage 2 (refinancing).
    - Probability of the borrower declaring bankruptcy or restructuring. Stage 3 trigger (declaration of insolvency).
    - Triggers referring to identifying financial difficulties of the debtor or issuer, either due to breaches of contractual clauses or to the disappearance of an active market for the financial security:
      - External or internal rating that indicates either default or near to default (Level 6 rating as defined in the CRR).
      - Significant downgrading of the borrower's credit rating by the Group.
      - Automatic rating downgrading.
      - External rating below CCC+.
      - Relative change in the CDS compared to a reference index (iTraxx).
      - Significant downgrading in the external rating of the issuer with respect to when the operation was initially granted.
      - Non-payment event other than those mentioned in the ISDA definition of default.
      - Decrease in the price of the borrower's bond issues of > 30% or quoted price below 70%.
      - Suspension of the listing of the borrower's shares.
  - Specific triggers: For sectors such as property developers, project finance and public administrations.

    In cases in which, in the opinion of the analyst, contracts are classified as Stage 2 or Stage 3, the expert calculation of the specific provision is used.

- **Other contracts (not Single Name):** as previously stated, when the borrower's monitoring rating has significantly deteriorated or when there is a relative increase of relevant PD with respect to the start of the operation, the Entity proceeds to classify the contract at accounting Stage 2. For these purposes, the classification is revised monthly, taking into account that the fulfilment of any of the two conditions below will determine that a SICR exists:

- **Deterioration in the monitoring rating:** it will be considered that there has been an SICR if, on the date of classification for accounting purposes (each month-end close), the borrower has exacerbated their monitoring rating, to a moderate risk or worse, since the operation's initial recognition.
- **Relative increase in PD:** It will be considered that there has been an SICR if the regulatory PD[8] of the operation on the accounting classification date exceeds a certain absolute threshold and there has been a relative increase in the regulatory PD (exceeding a certain threshold) of the operation in question since its initial recognition (in the case of exposures with individuals, a comparison is made with the first and oldest live risk PD of the operation). It must therefore be classified as Stage 2, if the following conditions are met:
  - Master Scale[9] is greater than or equal to 4, i.e., PD greater than 0.4205%.
  - The contract's current PD is more than 3 times its original PD.

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

In the context of COVID-19, there were no changes in the criteria for determining the SICR. Notwithstanding the foregoing, the Group applied prudent adjustments in the form of a transitional overlay on the SICR criteria. This adjustment has been eliminated in 2022 because the reasons behind it, such as general moratoria, no longer apply.

④ *Defining the accounting hedge*

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

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

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

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

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

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

- If, in addition to being individually significant, the customer has operations that are non-performing (whether for reasons of delinquency or for other reasons) or in Stage 2[11], the allowances for the non-performing

[8] Regulatory or through-the-cycle PD: probability of default estimated as the average PD expected through-the-cycle, in accordance with the CRR requirements for its use for the effect of calculating risk-weighted assets under the internal-ratings-based (IRB) approach.
[9] The Master Scale is a table of correlation between probability of default (PD) ranges and a scale between 0 and 9.5, 0 being the score associated with the best PDs and 9.5 being the score associated with the highest PDs of the performing portfolio. The use of this Master Scale is linked to the use in management of probabilities of default, since elements such as cut-off points or levels of power are expressed in terms of Master Scale score instead of PD.
[10] The existence of the collateral, particularly for the individual analysis, is not used to assess the credit quality of borrowers, however, for activities that are closely related to the collateral, such as real estate developments, the reduced value of said collateral is analysed to assess the increase or reduction of the borrower's risk level.
As indicated in③ the collective analysis, the automatic rating is generated using a combination of i) a risk-model rating and ii) an alert-based rating. Considering that the Entity's policy in relation to granting asset operations follows the criterion of customer repayment, and not recovery via the allocation of guarantees, the collective analysis is focused on assessing the credit quality of borrowers and not the assessment of collateral provided. In this regard, the main guarantees (or collateral) of the Group are mortgage-related, with no significant value fluctuations that could be considered evidence of a significant risk of credit risk in mortgages.
[11] As indicated in ③ the Single Names portfolio analysis is carried out individually in its totality, determining the stage in an expert manner for each of the instruments analysed, on the basis of the knowledge of the borrowers and experience. When required, the coverage calculation also uses this individualised approach.
The credit loss of the instruments of the portfolio that are monitored individually, and which are classified individually in Stage 1, is calculated collectively on the basis of the knowledge of the borrowers and experience. This way of estimating expected losses would not have led to material differences in their totality, compared with an estimate using individual estimates. This is due to the fact that, in general, the information to be considered in performing the collective calculation would have been equivalent to that used for individual estimates.

operations will be estimated through a detailed analysis of the status the borrower and their capacity to generate future flows.

- In all other cases, hedging is estimated collectively using internal methodologies, subject to the credit risk model management policy in force, based on past experience of portfolio defaults and recoveries, and factoring in the updated and adjusted value of the effective guarantees. Additionally, future economic condition predictions will be considered under various scenarios.

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

  The models used are re-estimated or re-trained every six months, and they are executed monthly in order to properly reflect the current economic environment at any given time. This makes it possible to reduce the differences between estimated loss and recent observations. The models include an unbiased forward-looking view to determine the expected loss, taking into account the most relevant macroeconomic factors: i) GDP growth, ii) unemployment rate, iii) 12-month Euribor, and iv) growth in housing prices. Following on from this, the Group generates a baseline scenario, as well as a range of potential scenarios that make it possible to perform a weighted adjustment of the estimated expected loss, based on its probability.

The calculation process is structured in two steps:

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

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

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

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

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

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

  CaixaBank has a total of 68 models, in order to obtain the parameters necessary to calculate the hedges using a collective analysis. For each of the risk parameters, different models can be used to adapt to each type of exposure. Specifically, the models include those indicated below:

  - 18 Scoring and Rating parameter models
  - 19 PD parameter models

- 7 EAD parameter models
- 13 PNC parameter models
- 7 LGL parameter models
- 3 Haircut parameter models
- 1 LT/FL (Life-time/Forward-looking) transformation parameter model

Other subsidiaries such as BPI and CaixaBank Payments & Consumer also have additional internal models.

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

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

Inclusion of forward-looking information into the expected loss models

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

The projected variables considered are as follows:

Forward-looking macroeconomic indicators
(% Percentages)

	31-12-2022						31-12-2021						31-12-2020					
	Spain			Portugal			Spain			Portugal			Spain			Portugal		
	2023	2024	2025	2023	2024	2025	2022	2023	2024	2022	2023	2024	2021	2022	2023	2021	2022	2023
GDP growth																		
Baseline scenario	2.4	2.6	2.1	2.0	2.3	2.1	6.2	2.9	1.6	3.1	1.8	1.6	6.0	4.4	2.0	4.9	3.1	1.8
Upside scenario	5.1	4.1	2.0	3.2	4.6	2.6	7.8	4.3	1.9	3.5	1.9	2.2	7.7	5.0	1.9	6.9	3.5	2.0
Downside scenario	(1.6)	1.8	2.9	(1.2)	1.4	1.7	3.7	2.1	1.6	3.9	3.4	1.7	1.7	5.5	2.8	(0.3)	4.2	3.3
Unemployment rate																		
Baseline scenario	12.6	12.5	11.8	5.7	5.6	5.6	14.5	13.2	12.5	7.7	6.9	6.5	17.9	16.5	15.4	9.1	7.7	6.9
Upside scenario	11.4	11.0	10.0	5.4	5.2	5.2	14.2	12.2	11.2	7.6	6.3	6.0	16.9	14.9	14.1	8.3	7.0	6.3
Downside scenario	15.8	16.3	14.9	8.5	8.9	8.4	15.7	15.8	15.1	8.2	7.1	6.6	20.8	18.4	16.7	10.1	8.3	7.3
Interest rates																		
Baseline scenario	1.70	1.78	1.78	1.70	1.78	1.78	(0.40)	(0.23)	0.15	(0.40)	(0.23)	0.15	(0.47)	(0.40)	(0.21)	(0.47)	(0.40)	(0.21)
Upside scenario	2.32	2.54	2.54	2.32	2.54	2.54	(0.33)	(0.07)	0.54	(0.33)	(0.07)	0.54	(0.44)	(0.32)	(0.08)	(0.44)	(0.32)	(0.08)
Downside scenario	0.84	0.99	1.46	0.84	0.99	1.46	(0.58)	(0.47)	(0.28)	(0.58)	(0.47)	(0.28)	(0.55)	(0.50)	(0.42)	(0.55)	(0.50)	(0.42)
Evolution of property prices																		
Baseline scenario	2.2	2.5	2.8	1.5	2.8	2.8	1.6	2.5	2.8	0.6	2.0	2.3	(2.0)	0.8	1.8	(6.1)	(1.0)	1.6
Upside scenario	3.8	4.9	3.9	5.0	4.6	2.9	2.7	5.4	4.5	2.7	4.1	3.0		2.6	2.2	(3.3)	0.8	2.1
Downside scenario	(0.5)	(2.4)	1.5	(3.1)	(2.1)	1.9	(0.8)	(0.5)	1.5	(2.7)	1.7	2.3	(5.2)	(1.3)	1.3	(9.0)	(3.2)	1.5

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

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

The downside range of variables used to calculate provisions includes deficiencies in structural reforms leading — together with other macroeconomic dynamics— to drops in productivity and thus in GDP. Thus, the estimated drop reflects the potential impact of an exacerbated climate risk which, through various mechanisms (e. g. increased production costs, increased commodity prices, etc.), would eventually affect long-term economic growth.

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

Weighting of occurrence of the considered scenarios
(% percentages)

	31-12-2022			31-12-2021			31-12-2020		
	Baseline scenario	Upside scenario	Downside scenario	Baseline scenario	Upside scenario	Downside scenario	Baseline scenario	Upside scenario	Downside scenario
Spain	60	20	20	60	20	20	60	20	20
Portugal	60	20	20	60	20	20	60	20	20

Assumptions and adjustments to models

The above macroeconomic table and scenario weighting are used in the latest November 2022 half-yearly model recalibration. However, in view of subsequent macroeconomic developments (see section 3.1 "Environment and risk factors"), as well as uncertainties in estimating these scenarios, the Group maintains a Post Model Adjustment (PMA) in the provision funds, with the result that it has a collective provision fund amounting to EUR 1,137 million at 31 December 2022. This collective WFP fund includes the update to the baseline macroeconomic scenario; the foreseeable effects of inflation and interest rates on the portfolio's credit quality, given that the movements in these macroeconomic figures have not manifested themselves in the form of increases in non-performing loans in recent years; and they enable uncertainties in the estimation of these future macroeconomic prospects to be absorbed. This collective fund has been estimated by conducting top-down and bottom-up analyses on the lending portfolio, is of a temporary nature, is based on the directives issued by the supervisors and regulators, and is backed by duly documented processes and subject to strict oversight. Furthermore, it will be reviewed in the future as new information becomes available and the macroeconomic uncertainties are reduced.

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

Sensitivity analysis

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

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

The table below shows the estimated sensitivity to a loss of 1% of gross domestic product, as well as a 10% drop in real estate prices in the expected losses due to credit risk at 2022 year-end, broken down by portfolio type for business in Spain:

Sensitivity analysis - Spain
(Millions of euros)

	Increase in the expected loss	
	1% drop in GDP	10% drop in real estate prices
Other financial institutions	**2**	**1**
Non-financial corporations and individual entrepreneurs	**50**	**63**
Project finance	**8**	**12**
For financing real estate construction and development, including land	3	9
For financing civil engineering work	3	3
Other project finance	2	
Purposes other than project finance	**42**	**50**
Large corporates	13	8
SMEs	26	36
Individual entrepreneurs	3	6
Households (excluding individual entrepreneurs)	**62**	**195**
Home purchases	**44**	**164**
For the purchase of a main residence	39	151
For the purchase of a secondary residence	5	13
Consumer credit	**11**	**6**
Consumer credit	9	6
Credit card debt	2	
Other purposes	**7**	**25**
TOTAL	**114**	**259**

The table below shows the estimated sensitivity to a loss or gain of 1% of gross domestic product for business in Portugal:

Sensitivity analysis - Portugal
(Millions of euros)

	Increase in expected loss *	
	1% GDP growth	1% drop in GDP
TOTAL	**(16.9)**	**16.9**

(*) Calculation of sensitivity focused on GDP that, due to its nature, allows for the effect of the other aggregated macroeconomic indicators to be collected, as a result of their high level of interdependence.

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

NPL management

The recovery and NPL management function is aligned with the Group's risk management guidelines. The default monitoring and recovery activity is especially relevant in the current economic context of uncertainty, with the main objective to maximise the recovery of the financing operations granted, always respecting the situation of each customer and minimising the impact on the volume of non-performing positions and provisions.

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

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

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

- Flow management: comprises preventive and anticipatory management and early non-payment and default management of customers with payments past due between 1 and 90 days. From the business field, the Solutions & Collections area centrally coordinates the branch network and recovery agencies in managing the recovery prior to entering accounting arrears. In the current economic outlook, the capillarity of the branch network and its proximity to customers continues to be key to identifying the situation and needs of customers, especially situations of social vulnerability.
- Stock management: concentrates the management of customers who are in accounting arrears, with non-payments in excess of 90 days. This is the responsibility of the Risk Area, with management differentiated into the individual customer and business customer segments. The team of specialists is geared towards seeking final solutions in more advanced situations of non-payment.

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

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

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

In the macroeconomic context of rising interest rates in response to inflationary pressures, the approval of Royal Decree-Law 19/2022 is noteworthy:

- It lays down a new Code of Good Practices, of a temporary and transitory nature, lasting twenty-four months, for the adoption of urgent measures for mortgage debtors at risk of vulnerability.
- It amends Royal Decree-Law (RDL) 6/2012, of 9 March, on urgent measures for the protection of mortgage debtors without resources, expanding it so that it can cover those vulnerable debtors affected by interest rate rises that reach levels of mortgage burden considered excessive, in the event of any increase in mortgage burden. The treatment of these situations is graded, with a five-year grace period on the principal and a reduction in the applicable interest rate to Euribor minus 0.10% from the previous Euribor plus 0.25%, when the increase in the mortgage burden is greater than 50%; and with a 2-year grace period and an extended term of up to seven years when the increase in mortgage burden is less than 50%.

In November the Board of Directors approved its adhesion to the new support measures for mortgage borrowers in difficulty. Thus, the institution has adhered to both the extension of the Code of Good Practices laid down in RDL 6/2012 and also to the new, transitional one.

Foreclosed assets

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

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

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

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

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

Foreclosed real estate assets - 31-12-2022 *
(Millions of euros)

	Gross carrying amount	Allowances for impairment **	*Of which from foreclosure*	Net carrying amount
Real estate acquired from loans to real estate constructors and developers	**1,041**	**(406)**	***(273)***	**635**
Buildings and other completed constructions	815	(279)	*(169)*	536
Homes	684	(222)	*(129)*	462
Other	131	(57)	*(40)*	74
Buildings and other constructions under construction	46	(25)	*(17)*	21
Homes	30	(16)	*(11)*	14
Other	16	(9)	*(6)*	7
Land	180	(102)	*(87)*	78
Consolidated urban land	86	(52)	*(45)*	34
Other land	94	(50)	*(42)*	44
Real estate acquired from mortgage loans to homebuyers	**2,857**	**(786)**	***(536)***	**2,071**
Other real estate assets or received in lieu of payment of debt	**939**	**(326)**	***(265)***	**613**
TOTAL	**4,837**	**(1,518)**	***(1,074)***	**3,319**

(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 1,285 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 142 million, net. Does not include the foreclosed properties of Banco BPI, which have a total net book value of EUR 3 million, as this business is not in Spain.

(**) Cancelled debt associated with the foreclosed assets totalled EUR 6,662 million and total write-downs of this portfolio amounted to EUR 3,342 million, EUR 1,518 million of which are impairment losses recognised in the balance sheet.

Foreclosed real estate assets - 31-12-2021 *

(Millions of euros)

	Gross carrying amount	Allowances for impairment **	*Of which from foreclosure*	Net carrying amount
Real estate acquired from loans to real estate constructors and developers	**1,306**	**(455)**	***(287)***	**851**
Buildings and other completed constructions	1,054	(338)	*(192)*	716
Buildings and other constructions under construction	53	(24)	*(19)*	29
Land	199	(93)	*(76)*	106
Real estate acquired from mortgage loans to homebuyers	**3,340**	**(886)**	***(603)***	**2,454**
Other real estate assets or received in lieu of payment of debt	**1,095**	**(329)**	***(255)***	**766**
TOTAL	**5,741**	**(1,670)**	***(1,145)***	**4,071**

(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 1,616 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 176 million, net. Excludes foreclosed assets of Banco BPI, with a gross carrying amount of EUR 5 million, as this is not included in business in Spain.

(**) Cancelled debt associated with the foreclosed assets totalled EUR 7,946 million and total write-downs of this portfolio amounted to EUR 3,875 million, EUR 1,670 million of which are allowances for impairment recognised in the balance sheet.

Foreclosed real estate assets - 31-12-2020 *

(Millions of euros)

	Gross carrying amount	Allowances for impairment **	*Of which from foreclosure*	Net carrying amount
Real estate acquired from loans to real estate constructors and developers	**1,324**	**(431)**	***(218)***	**893**
Buildings and other completed constructions	1,188	(371)	*(189)*	817
Buildings and other constructions under construction	29	(16)	*(9)*	13
Land	107	(44)	*(20)*	63
Real estate acquired from mortgage loans to homebuyers	**2,218**	**(611)**	***(314)***	**1,607**
Other real estate assets or received in lieu of payment of debt	**417**	**(141)**	***(53)***	**276**
TOTAL	**3,959**	**(1,183)**	***(585)***	**2,776**

(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 1,748 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 98 million, net. Excludes foreclosed assets of Banco BPI, with a gross carrying amount of EUR 8 million, as this is not included in business in Spain.

(**) Cancelled debt associated with the foreclosed assets totalled EUR 4,792 million and total write-downs of this portfolio amounted to EUR 2,114 million, EUR 1,183 million of which are impairment losses recognised in the balance sheet.

Refinancing policies

The general principles published by the EBA for this type of transaction in the Guidelines on managing non-performing and restructured or refinanced exposures and the definitions laid down in Annex IX of Bank of Spain Circular 4/2017 and its subsequent amendments are included in the Corporate Credit Risk Management Policy, and in the Refinancing and Recovery Policy.

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

These operations may derive from:

- A new operation (refinancing operation) granted that fully or partially cancels other operations (refinanced operations) previously extended by any Group company to the same borrower or other companies forming part of its economic group that become up-to-date on its payments for previously past-due loans.
- The amendment of the contract terms of an existing transaction (restructured operations) that changes its repayment schedule, reducing the payment amounts (grace periods, extension of loan maturities, reduction in interest rates, change in the repayment schedule, extension of all or part of the capital on maturity, etc.).
- The activation of contract clauses agreed at source that extend the debt repayment terms.

- The partial cancellation of the debt without any contribution of customer funds, primarily through the forgiveness of principal or ordinary interest (on the credit granted to the customer).

The existence of previous defaults is an indication of financial difficulty. Unless otherwise demonstrated, a restructuring or refinancing operation is assumed to exist when the amendment to contractual term affects operations that have been past-due for more than 30 days at least once in the three months prior to the amendment.

Restructuring or refinancing shall also be presumed to exist in the following circumstances, unless there is evidence to the contrary:

- At the same time as additional financing is granted by the Entity, or at a time close to such granting, the borrower has made payments of principal or interest on another operation with the Entity that is not classified as non-performing, the payments of which have been past due, in whole or in part, for more than 30 days at least once in the three months prior to the refinancing.
- The Entity approves the use of implicit amendment clauses in relation to operations that are not classified as non-performing with pending amounts past due for 30 days, of that would be past due for 30 days if such clauses were not exercised.

However, previous defaults are not a requirement for an operation to be classified as refinanced or restructured.

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

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

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

The breakdown of refinancing by economic sector is as follows:

Refinancing - 31-12-2022 *

(Millions of euros)

	Unsecured loans		Secured loans				
					Maximum amount of the collateral		
	No. of operations	Gross carrying amount	No. of operations	Gross carrying amount	Real estate mortgage secured	Other collateral	Impairment due to credit risk *
Public administrations	155	142	783	18	16		(2)
Other financial corporations and individual entrepreneurs (financial business)	44	38	28	90	89		(12)
Non-financial corporations and individual entrepreneurs (non-financial business)	25,913	4,029	10,669	2,196	1,530	26	(1,392)
Of which: Financing for real estate construction and development (including land)	*209*	*14*	*1,347*	*335*	*209*		*(124)*
Other households	56,432	363	101,391	3,971	2,962	7	(1,160)
TOTAL	**82,544**	**4,573**	**112,871**	**6,275**	**4,597**	**33**	**(2,566)**
Of which: in stage 3							
Public administrations	117	2	688	7	6		(1)
Other financial corporations and individual entrepreneurs (financial business)	19	21	15	1	1		(11)
Non-financial corporations and individual entrepreneurs (non-financial business)	12,853	1,523	7,100	1,208	710	11	(1,235)
Of which: Financing for real estate construction and development (including land)	*152*	*13*	*940*	*160*	*80*		*(89)*
Other households	28,433	212	61,864	2,435	1,630	4	(993)
TOTAL STAGE 3	**41,422**	**1,758**	**69,667**	**3,651**	**2,346**	**16**	**(2,240)**

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

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

Refinancing operations - 31-12-2021 *

(Millions of euros)

	Unsecured loans		Secured loans				
					Maximum amount of the collateral		
	No. of operations	Gross carrying amount	No. of operations	Gross carrying amount	Real estate mortgage secured	Other collateral	Impairment due to credit risk *
Public administrations	53	150	2,148	36	30		(6)
Other financial corporations and individual entrepreneurs (financial business)	39	30	29	90	89		(24)
Non-financial corporations and individual entrepreneurs (non-financial business)	25,528	3,665	15,047	2,543	1,875	25	(1,410)
Of which: Financing for real estate construction and development (including land)	*219*	*15*	*2,036*	*419*	*308*		*(101)*
Other households	69,452	533	133,045	5,614	4,586	6	(1,262)
TOTAL	**95,072**	**4,378**	**150,269**	**8,283**	**6,580**	**31**	**(2,702)**
Of which: in stage 3	*51,164*	*1,812*	*113,359*	*5,404*	*4,219*	*15*	*(2,441)*

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

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

Refinancing operations - 31-12-2020 *

(Millions of euros)

	Unsecured loans		Secured loans				
					Maximum amount of the collateral		
	No. of operations	Gross carrying amount	No. of operations	Gross carrying amount	Real estate mortgage secured	Other collateral	Impairment due to credit risk *
Public administrations	43	161	192	47	43		
Other financial corporations and individual entrepreneurs (financial business)	39	3	22	1	1		(1)
Non-financial corporations and individual entrepreneurs (non-financial business)	9,914	1,418	12,787	1,302	962	19	(816)
Of which: Financing for real estate construction and development (including land)	*158*	*30*	*2,040*	*454*	*355*		*(99)*
Other households	54,074	325	124,579	3,617	2,947	6	(831)
TOTAL	**64,070**	**1,907**	**137,580**	**4,967**	**3,953**	**25**	**(1,648)**
Of which: in Stage 3	*41,237*	*1,020*	*110,251*	*3,776*	*2,919*	*17*	*(1,564)*

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

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

Concentration risk

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

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

Concentration in customers or in "major risks"

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

Geographical and counterparty concentration

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

Risk by geographic area is as follows:

Concentration by geographic location
(Millions of euros)

	Total	Spain	Portugal	Rest of the European Union	America	Rest of the world
Central banks and credit institutions	47,197	19,959	3,294	12,701	3,139	8,104
Public administrations	148,771	119,067	4,552	19,681	3,269	2,202
Central government	123,841	98,389	699	19,618	2,941	2,194
Other public administrations	24,930	20,678	3,853	63	328	8
Other financial corporations and individual entrepreneurs (financial business)	24,651	9,206	550	11,586	1,529	1,780
Non-financial corporations and individual entrepreneurs (non-financial business)	186,127	135,589	13,589	19,705	8,604	8,640
Real estate construction and development (including land)	4,818	4,744	64	2	7	1
Civil engineering	7,757	5,865	949	95	848	
Other	173,552	124,980	12,576	19,608	7,749	8,639
Large corporates	114,441	75,654	6,036	18,285	7,037	7,429
SMEs and individual entrepreneurs	59,111	49,326	6,540	1,323	712	1,210
Other households	175,389	157,543	15,670	691	242	1,243
Homes	144,393	128,279	14,073	644	223	1,174
Consumer lending	20,086	18,416	1,583	38	10	39
Other purposes	10,910	10,848	14	9	9	30
TOTAL 31-12-2022	**582,135**	**441,364**	**37,655**	**64,364**	**16,783**	**21,969**
TOTAL 31-12-2021	**663,411**	**539,965**	**40,383**	**49,575**	**13,334**	**20,154**
TOTAL 31-12-2020	**430,193**	**336,825**	**36,307**	**34,994**	**10,277**	**11,790**

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

Concentration by Autonomous Community
(Millions of euros)

	Total	Andalusia	Balearic Islands	Canary Islands	Castile-La Mancha	Castilla-León	Catalonia	Madrid	Navarre	Valencia	Basque Country	Other *
Central banks and credit institutions	19,959	285			1		410	17,409		491	783	580
Public administrations	119,067	1,926	957	1,542	619	1,678	2,036	5,842	191	2,598	632	2,657
Central government	98,389											
Other public administrations	20,678	1,926	957	1,542	619	1,678	2,036	5,842	191	2,598	632	2,657
Other financial corporations and individual entrepreneurs (financial business)	9,206	163	4	11	2	40	427	7,257	114	201	854	133
Non-financial corporations and individual entrepreneurs (non-financial business)	135,589	9,350	5,037	3,539	2,119	2,414	21,417	64,899	1,812	9,677	3,843	11,482
Real estate construction and development (including land)	4,744	452	206	186	77	107	1,354	1,666	82	212	246	156
Civil engineering	5,865	472	179	155	104	124	682	2,772	109	367	211	690
Other	124,980	8,426	4,652	3,198	1,938	2,183	19,381	60,461	1,621	9,098	3,386	10,636
Large corporates	75,654	1,986	2,816	1,377	357	462	6,768	51,333	678	3,681	1,645	4,551
SMEs and individual entrepreneurs	49,326	6,440	1,836	1,821	1,581	1,721	12,613	9,128	943	5,417	1,741	6,085
Other households	157,543	23,583	7,132	7,808	4,342	4,746	36,505	33,312	2,994	17,210	4,113	15,798
Homes	128,279	18,589	6,042	6,283	3,605	3,868	28,539	28,393	2,451	14,061	3,488	12,960
Consumer lending	18,416	3,039	725	1,126	496	534	4,875	2,956	332	2,012	413	1,908
Other purposes	10,848	1,955	365	399	241	344	3,091	1,963	211	1,137	212	930
TOTAL 31-12-2022	**441,364**	**35,307**	**13,130**	**12,900**	**7,083**	**8,878**	**60,795**	**128,719**	**5,111**	**30,177**	**10,225**	**30,650**
TOTAL 31-12-2021	**539,965**	**35,465**	**13,774**	**13,596**	**7,555**	**8,913**	**57,862**	**210,395**	**5,043**	**31,235**	**10,511**	**31,615**
TOTAL 31-12-2020	**336,825**	**25,583**	**8,050**	**9,696**	**4,771**	**5,679**	**52,481**	**105,013**	**5,029**	**15,851**	**9,304**	**19,859**

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

Concentration by economic sector

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

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

Concentration by activity of loans to customers - 31-12-2022

(Millions of euros)

				Secured loans. Carrying amount based on latest available appraisal (loan to value)				
	Total	Of which real estate collateral	Of which other collateral	≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	20,212	412	210	147	266	83	65	61
Other financial corporations and individual entrepreneurs (financial business)	7,757	643	594	295	210	168	497	67
Non-financial corporations and individual entrepreneurs (non-financial business)	147,835	24,370	3,031	10,734	8,287	3,991	1,619	2,770
Real estate construction and development (including land)	4,497	3,910	22	1,287	1,442	724	216	263
Civil engineering	6,750	572	201	265	214	66	47	181
Other	136,588	19,888	2,808	9,182	6,631	3,201	1,356	2,326
Large corporates	82,933	6,088	1,788	3,005	1,926	1,183	601	1,161
SMEs and individual entrepreneurs	53,655	13,800	1,020	6,177	4,705	2,018	755	1,165
Other households	174,823	148,400	906	48,900	48,581	36,965	8,519	6,341
Homes	144,391	141,329	283	45,075	46,504	36,028	8,050	5,955
Consumer lending	20,069	2,341	386	1,462	696	313	151	105
Other purposes	10,363	4,730	237	2,363	1,381	624	318	281
TOTAL	**350,627**	**173,825**	**4,741**	**60,076**	**57,344**	**41,207**	**10,700**	**9,239**
Memorandum items: Refinancing, refinanced and restructured operations	*8,282*	*4,749*	*89*	*1,314*	*1,362*	*959*	*579*	*624*

Concentration by activity of loans customers - 31-12-2021

(Millions of euros)

	Total	Of which real estate collateral	Of which other collateral	Collateralised loans carrying amount based on latest available appraisal (loan to value) ≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	20,043	463	227	156	291	114	57	72
Other financial corporations and individual entrepreneurs (financial business)	3,992	560	970	1,255	117	41	51	66
Non-financial corporations and individual entrepreneurs (non-financial business)	143,088	26,823	4,058	13,087	8,640	4,787	1,703	2,664
Other households	175,245	150,197	927	47,649	51,313	36,550	8,468	7,144
TOTAL	**342,368**	**178,043**	**6,182**	**62,147**	**60,361**	**41,492**	**10,279**	**9,946**
Memorandum items: Refinancing, refinanced and restructured operations	*9,959*	*6,845*	*257*	*1,479*	*1,687*	*1,849*	*991*	*1,096*

Concentration by activity of loans to customers - 31-12-2020

(Millions of euros)

	Total	Of which real estate collateral	Of which other collateral	Collateralised loans carrying amount based on latest available appraisal (loan to value) ≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	16,169	401	332	198	200	158	97	80
Other financial corporations and individual entrepreneurs (financial business)	2,392	479	227	486	169	49	1	1
Non-financial corporations and individual entrepreneurs (non-financial business)	103,534	21,622	4,241	10,631	7,750	3,830	1,457	2,195
Other households	113,452	95,600	872	31,478	34,769	23,095	4,580	2,550
TOTAL	**235,547**	**118,102**	**5,672**	**42,793**	**42,888**	**27,132**	**6,135**	**4,826**
Memorandum items: Refinancing, refinanced and restructured operations	*5,226*	*4,065*	*79*	*694*	*1,084*	*1,654*	*396*	*316*

Breakdown of loans and advances to customers by type

(Millions of euros)

	31-12-2022			31-12-2021			31-12-2020		
	Stage 1	Stage 2 + POCI w/o impairment	Stage 3 + POCI with impair-ment	Stage 1	Stage 2 + POCI w/o impair-ment	Stage 3 + POCI with impair-ment	Stage 1	Stage 2	Stage 3
Loan type and status									
Public administrations	19,871	318	29	19,612	392	59	15,784	371	22
Other financial corporations	7,591	172	24	3,852	172	28	2,279	120	3
Loans and advances to companies and individual entrepreneurs	132,662	14,098	4,821	124,335	17,172	5,387	93,160	9,943	3,035
Real estate construction and development (including land)	9,498	1,613	656	10,348	1,935	738	8,878	1,472	565
Other companies and individual entrepreneurs	123,164	12,485	4,165	113,987	15,237	4,649	84,282	8,471	2,470
Other households	159,243	13,977	5,212	158,413	13,704	7,493	101,611	9,632	5,196
Homes	132,184	10,647	3,634	131,553	10,349	5,437	80,177	6,743	3,347
Other	27,059	3,330	1,578	26,860	3,355	2,056	21,434	2,889	1,849
TOTAL	**319,367**	**28,565**	**10,086**	**306,212**	**31,440**	**12,967**	**212,834**	**20,066**	**8,256**

Breakdown of hedges of loans and advances to customers by type
(Millions of euros)

	31-12-2022			31-12-2021			31-12-2020		
	Stage 1	Stage 2 + POCI w/o impairment	Stage 3 + POCI with impair-ment.	Stage 1	Stage 2 + POCI w/o impair-ment.	Stage 3 + POCI with impair-ment.	Stage 1	Stage 2	Stage 3
Public administrations	(1)		(5)	(1)	(3)	(16)	(2)		(6)
Other financial corporations	(7)	(3)	(20)	(10)	(7)	(43)	(4)	(4)	(2)
Loans and advances to companies and individual entrepreneurs	(718)	(586)	(2,442)	(438)	(710)	(2,658)	(566)	(495)	(1,543)
Real estate construction and development (including land)	(61)	(114)	(345)	(57)	(143)	(376)	(47)	(91)	(253)
Other companies and individual entrepreneurs	(657)	(472)	(2,097)	(381)	(567)	(2,282)	(519)	(404)	(1,290)
Other households	(616)	(779)	(2,214)	(517)	(912)	(2,936)	(348)	(565)	(2,074)
Homes	(272)	(433)	(1,369)	(132)	(491)	(1,751)	(67)	(250)	(1,221)
Other	(344)	(346)	(845)	(385)	(421)	(1,185)	(281)	(315)	(853)
TOTAL	**(1,342)**	**(1,368)**	**(4,681)**	**(966)**	**(1,632)**	**(5,653)**	**(920)**	**(1,064)**	**(3,625)**
Of which: identified individually		(210)	(1,214)		(170)	(1,196)		(109)	(913)
Of which: identified collectively	(1,342)	(1,158)	(3,467)	(966)	(1,462)	(4,457)	(920)	(955)	(2,712)

Breakdown of loans and advances to customers according to arrears status and rates
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
By arrears status			
Of which: default on payment of less than 30 days or up to date on	350,847	342,302	235,855
Of which: default on payment between 30 and 60 days	1,034	953	470
Of which: default on payment between 60 and 90 days	734	641	383
Of which: default on payment between 90 days and 6 months	886	983	468
Of which: default on payment between 6 months and 1 year	1,331	1,308	786
Of which: default on payment of more than 1 year	3,186	4,432	3,194
By interest rate type			
Fixed	126,896	123,051	83,039
Floating	231,122	227,568	158,117

Concentration by economic activity

The breakdown of loans and advances to non-financial companies by economic activity is set out below, based on the NACE code of the counterparty:

Concentration by economic activity of non-financial companies - 31-12-2022

(Millions of euros)

	Gross carrying amount	*Of which: Stage 3*	Hedge
Agriculture, livestock, forestry and fishing	3,079	*168*	(129)
Mining and quarrying	556	*16*	(12)
Manufacturing industry	24,676	*630*	(525)
Electricity, gas, steam and air conditioning supply	10,476	*123*	(115)
Water supply	1,765	*9*	(16)
Buildings	11,314	*501*	(471)
Wholesale and retail trade	20,006	*704*	(540)
Transport and storage	12,650	*284*	(330)
Accommodation and food service activities	8,891	*518*	(244)
Information and communication	4,724	*109*	(87)
Financial and insurance activities	13,506	*59*	(98)
Real estate	14,027	*286*	(257)
Professional, scientific and technical activities	7,210	*403*	(284)
Administrative and support service activities	4,472	*103*	(81)
Public administration and defence; compulsory social security	1,563		(13)
Education	659	*31*	(26)
Human health services and social work activities	1,767	*28*	(36)
Arts, entertainment and recreation	1,194	*184*	(82)
Other services	4,033	*157*	(219)
TOTAL	**146,568**	***4,313***	**(3,565)**

Concentration by credit quality

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

- Fixed-income instruments: the regulatory banking criteria defined in the CRD IV regulation and the CRR on capital requirements, and therefore, the second best rating of all those available is used, if more than two ratings are available. In this context, for example, on 31 December 2022 and 2021, the rating of Spanish sovereign debt is A-. In 2020 it was A.
- Loan portfolio: certification of the internal classifications to *Standard & Poor's* methodology.

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

Concentration according to credit quality - 31-12-2022

(Millions of euros)

	Group (exc. insurance group)											Insurance group **		
	FA at amortised cost					FA held for training - Debt sec.	FA not designated for trading * - Debt sec.	FA at fair view w/changes in other comprehensive income	Financial guarantees, loan commitments and other commitments given			FA held for training - Debt sec.	Available-for-sale FA	Loans and receivables - Debt sec.
	Loans and advances to customers				Debt sec.									
	Stage 1	Stage 2	Stage 3	POCI					Stage 1	Stage 2	Stage 3			
AAA/AA+/AA/AA-	17,060	9			9,575			2,689	13,297	9			1,807	
A+/A/A-	43,744	96			38,146	24		6,656	11,899	19		25	35,835	145
BBB+/BBB/BBB-	79,277	747			6,827	43		2,162	41,934	218	1	1	10,896	119
INVESTMENT GRADE	**140,081**	**852**			**54,548**	**67**		**11,507**	**67,130**	**246**	**1**	**26**	**48,538**	**264**
Allowances for impairment	(545)	(13)							(12)					
BB+/BB/BB-	68,996	6,692	1		488			74	33,018	2,627	16		142	
B+/B/B-	17,700	10,980	28						6,497	2,091	4			
CCC+/CCC/CCC-	842	4,319	106		18			1	309	474	4			
No rating	93,957	5,719	9,486	468	22,694	119	6	9	48,345	483	920		30	
NON-INVESTMENT GRADE	**181,495**	**27,710**	**9,621**	**468**	**23,200**	**119**	**6**	**84**	**88,169**	**5,675**	**944**		**172**	
Allowances for impairment	(799)	(1,355)	(4,459)	(222)	(15)				(83)	(70)	(382)			
TOTAL	**320,232**	**27,194**	**5,162**	**246**	**77,733**	**186**	**6**	**11,591**	**155,299**	**5,921**	**945**	**26**	**48,710**	**264**

Concentration according to credit quality - 31-12-2021

(Millions of euros)

	Group (exc. insurance group)											Insurance group **		
	FA at amortised cost					FA held for training - Debt sec.	FA not designated for trading * - Debt sec.	FA at fair view w/changes in other comprehensive income	Financial guarantees, loan commitments and other commitments given			FA held for training - Debt sec.	Available-for-sale FA	Loans and receivables - Debt sec.
	Loans and advances to customers				Debt sec.									
	Stage 1	Stage 2	Stage 3	POCI					Stage 1	Stage 2	Stage 3			
AAA/AA+/AA/AA-	16,982	37			3,286			60	11,105	25			1,710	
A+/A/A-	42,943	630			53,528	147		11,751	10,497	77		109	52,681	
BBB+/BBB/BBB-	72,642	1,766			6,600	174		2,848	33,698	318		2	7,882	61
INVESTMENT GRADE	**132,567**	**2,433**			**63,414**	**321**		**14,659**	**55,300**	**420**		**111**	**62,273**	**61**
Allowances for impairment	(299)	(77)			(1)			(1)	(16)	(2)				
BB+/BB/BB-	64,773	8,193	2		517			79	31,555	1,711			166	
B+/B/B-	19,821	11,082	34						7,158	2,136	3			
CCC+/CCC/CCC-	1,354	3,742	181		114				317	515	6			
No rating	89,854	5,989	12,062	689	4,176	98	5	20	43,535	764	997		41	72
NON-INVESTMENT GRADE	**175,802**	**29,006**	**12,279**	**689**	**4,807**	**98**	**5**	**99**	**82,565**	**5,126**	**1,006**		**207**	**72**
Allowances for impairment	(668)	(1,555)	(5,571)	(82)	(14)				(79)	(53)	(311)			
TOTAL	**307,402**	**29,807**	**6,708**	**607**	**68,206**	**419**	**5**	**14,757**	**137,865**	**5,546**	**1,006**	**111**	**62,480**	**133**

Debt sec.: Debt securities; FA: Financial assets

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

(**) Financial assets allocated at fair value through profit or loss are not included, as they primarily cover investments related to life insurance product operations, when the investment risk is taken on by the holder (Unit-links).

Concentration according to credit quality - 31-12-2020
(Millions of euros)

	Group (exc. insurance group)											Insurance group **		
	FA at amortised cost					FA held for training - Debt sec.	FA not designated for trading * - Debt sec.	FA at fair view w/changes in other comprehensive income	Financial guarantees, loan commitments and other commitments given			FA held for training - Debt sec.	Available-for-sale FA	Loans and receivables - Debt sec.
	Loans and advances to customers				Debt sec.									
	Stage 1	Stage 2	Stage 3	POCI					Stage 1	Stage 2	Stage 3			
AAA/AA+/AA/AA-	29,541	86			394	10		61	14,684	24			1,083	
A+/A/A-	26,560	757			16,272	458		13,788	9,629	116		463	53,921	15
BBB+/BBB/BBB-	29,818	1,125			5,641	256	1	3,876	22,818	251		82	6,393	61
INVESTMENT GRADE	**85,919**	**1,968**			**22,307**	**724**	**1**	**17,725**	**47,131**	**391**		**545**	**61,397**	**76**
Allowances for impairment	(292)	(73)						(1)	(7)	(3)				
BB+/BB/BB-	40,931	5,047	1				46	124	18,975	1,407			211	
B+/B/B-	11,935	6,235	19						4,708	1,186	5			
CCC+/CCC/CCC-	505	2,070	58		47				240	310	64			
No rating	74,985	4,746	8,178		2,327	77	5	47	29,734	325	590		35	113
NON-INVESTMENT GRADE	**128,356**	**18,098**	**8,256**		**2,374**	**77**	**51**	**171**	**53,657**	**3,228**	**659**		**246**	**113**
Allowances for impairment	(628)	(991)	(3,625)		(11)				(50)	(27)	(106)			
TOTAL	**213,355**	**19,002**	**4,631**		**24,670**	**801**	**52**	**17,895**	**100,788**	**3,619**	**659**	**545**	**61,643**	**189**

Debt sec.: Debt securities; FA: Financial assets

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

(**) Financial assets allocated at fair value through profit or loss are not included, as they primarily cover investments related to life insurance product operations, when the investment risk is taken on by the holder (Unit-links).

Concentration according to sovereign risk

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

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

The risk associated with exposures to sovereign risk, whether direct exposure or assets with sovereign backing, is continuously monitored in view of publicly available information, which includes the ratings of public agencies. At year-end 2022, all exposures are backed by sovereigns whose credit rating is BBB or better, and no hedging is deemed to be required for these exposures.

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

The carrying amounts of the main items related to sovereign risk exposure for the Group are set out below:

Sovereign risk exposure - 31-12-2022
(Millions of euros)

		Group (exc. insurance group)					Insurance group **	
Country / Supranational body	Residual maturity	FA at amortised cost	FA held for trading	FA at FV w/changes in other comprehend -sive income	FA not designated for trading *	FL held for trading - Short positions	Available-for-sale FA	FA held for training
Spain	Less than 3 months	6,802	1				576	
	Between 3 months	5,256	15	3,396	50	(13)	974	25
	Between 1 and 2	10,689	1	2,040			3,341	
	Between 2 and 3	14,651		182			1,912	
	Between 3 and 5	10,544	1	944			4,938	
	Between 5 and 10	20,710	5	82		(15)	11,701	
	Over 10 years	8,778					16,400	
	TOTAL	**77,430**	**23**	**6,644**	**50**	**(28)**	**39,842**	**25**
Italy	Between 3 months							
	Between 3 months						609	
	Between 1 and 2			283			272	
	Between 2 and 3	423					56	
	Between 3 and 5	252					398	
	Between 5 and 10	3,179	4	527			1,090	
	Over 10 years						2,953	
	TOTAL	**3,854**	**4**	**810**			**5,378**	
Portugal	Less than 3 months	9						
	Between 3 months	566					51	
	Between 1 and 2	15					7	
	Between 2 and 3	370		276			45	1
	Between 3 and 5	398					71	
	Between 5 and 10	1,270					141	
	Over 10 years	733						
	TOTAL	**3,361**		**276**			**315**	**1**
US	Less than 3 months							
	Between 1 and 2	140					212	
	Between 2 and 3	139						
	Between 3 and 5	187						
	Between 5 and 10			2,242				
	TOTAL	**466**		**2,242**			**212**	
France	Less than 3 months							
	Between 3 months	97						
	Between 2 and 3	52						
	Between 5 and 10	1,924						
	TOTAL	**2,073**						
Japan	Less than 3 months							
	Between 3 months	121						
	Between 3 and 5	358						
	Between 5 and 10	251						
	TOTAL	**730**						

Sovereign risk exposure - 31-12-2022

(Millions of euros)

Country / Supranational body	Residual maturity	Group (exc. insurance group)					Insurance group **	
		FA at amortised cost	FA held for trading	FA at FV w/changes in other comprehend -sive income	FA not designated for trading *	FL held for trading - Short positions	Available-for-sale FA	FA held for training
European Union	Less than 3 months							
	Between 1 and 2	16						
	Between 3 and 5	1,017		263				
	Between 5 and 10	1,867						
	Over 10 years			128				
	TOTAL	**2,900**		**391**				
Other	Less than 3 months	2					2	
	Between 3 months	2		2		(10)	1	
	Between 1 and 2							
	Between 2 and 3	39					2	
	Between 3 and 5						26	
	Between 5 and 10	286					37	
	Over 10 years	74					14	
	TOTAL	403		2		(10)	82	
TOTAL		**91,217**	**27**	**10,365**	**50**	**(38)**	**45,827**	**26**
Of which: Debt securities		*70,922*	*27*	*10,365*	*50*		*45,827*	*26*

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

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

(**) Financial assets allocated at fair value through profit or loss are not included, as they primarily cover investments related to life insurance product operations, when the investment risk is taken on by the holder (Unit-links).

Sovereign risk exposure - 31-12-2021

(Millions of euros)

Country / Supranational body	Group (exc. insurance group)					Insurance group **	
	FA at amortised cost	FA held for trading	FA at FV w/changes in other comprehensive income	FA not designated for trading *	FL held for trading - Short positions	Available-for-sale FA	FA held for training
Spain	74,973	128	11,817	65	(120)	52,943	110
Italy	3,183	118	939		(119)	6,618	
Portugal	3,550		438			377	1
Other	1,216					54	
TOTAL	**82,922**	**246**	**13,194**	**65**	**(239)**	**59,992**	**111**
Of which: Debt securities	*63,106*	*246*	*13,194*	*65*		*59,992*	*111*

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

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

(**) Financial assets allocated at fair value through profit or loss are not included, as they primarily cover investments related to life insurance product operations, when the investment risk is taken on by the holder (Unit-links).

Sovereign risk exposure - 31-12-2020
(Millions of euros)

Country / Supranational body	Group (exc. insurance group) FA at amortised cost	FA held for trading	FA at FV w/changes in other comprehensive income	FA not designated for trading *	FL held for trading - Short positions	Insurance group ** Available-for-sale FA	FA held for training
Spain	32,183	442	13,966	84	(224)	51,613	345
Italy	1,088	22	1,552		(20)	6,273	
Portugal	3,311	152	654		(5)	374	179
Other	583					61	
TOTAL	**37,165**	**616**	**16,172**	**84**	**(249)**	**58,321**	**524**
Of which: debt securities	*21,165*	*616*	*16,172*	*84*		*58,321*	*524*

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

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

(**) Financial assets allocated at fair value through profit or loss are not included, as they primarily cover investments related to life insurance product operations, when the investment risk is taken on by the holder (Unit-links).

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

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

Financing for real estate construction and development

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

Financing for real estate construction and development
(Millions of euros)

	31-12-2022 Total amount	31-12-2022 *Of which: NP*	31-12-2021 Total amount	31-12-2021 *Of which: NP*	31-12-2020 Total amount	31-12-2020 *Of which: NP*
Gross amount	4,824	*274*	5,708	*364*	5,467	*380*
Allowances for impairment	(244)	*(152)*	(280)	*(162)*	(234)	*(142)*
CARRYING AMOUNT	**4,580**	***122***	**5,428**	***202***	**5,233**	***238***
Excess gross exposure over the maximum recoverable value of effective collateral	943	*147*	922	*123*	858	*125*
Memorandum items: Asset write-offs	*1,885*		*1,999*		*1,969*	
Memorandum items: Loans to customers excluding public administrations (business in Spain) (carrying amount)	*293,745*		*293,289*		*193,667*	

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

Financing for real estate developers and developments by collateral
(Millions of euros)

	Gross amount		
	31-12-2022	31-12-2021	31-12-2020
Without mortgage collateral	**620**	**621**	**548**
With mortgage collateral	**4,204**	**5,087**	**4,919**
Buildings and other completed constructions	2,911	3,429	3,294
Homes	1,958	2,313	2,250
Other	953	1,116	1,044
Buildings and other constructions under construction	952	1,240	1,251
Homes	811	1,101	1,158
Other	141	139	93
Land	341	418	374
Consolidated urban land	156	156	193
Other land	185	262	181
TOTAL	**4,824**	**5,708**	**5,467**

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

Financial guarantees
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Financial guarantees given related to real estate construction and development	**210**	**446**	**105**
Amount recognised under liabilities			

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

Guarantees received for real estate development transactions *
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Value of collateral *	**11,921**	**13,574**	**12,454**
Of which: guarantees non-performing risks	*622*	*758*	*738*

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

Financing for home purchases

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

Loans granted for financing buyers of foreclosed homes

(Millions of euros)

	2022	2021	2020
Financing granted in the year	330	210	166
Average percentage financed	93%	92%	94%

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

Home purchase loans by LTV *

(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Gross amount	*Of which: NP*	Gross amount	*Of which: NP*	Gross amount	*Of which: NP*
Not real estate mortgage secured	**1,077**	***10***	**1,125**	***12***	**639**	***8***
Real estate mortgage secured, by LTV ranges **	**124,018**	***3,176***	**125,824**	***4,777***	**73,220**	***2,775***
LTV ≤ 40%	37,543	*373*	36,757	*405*	21,989	*221*
40% < LTV ≤ 60%	40,068	*560*	42,911	*653*	26,826	*386*
60% < LTV ≤ 80%	31,475	*630*	30,582	*863*	17,441	*560*
80% < LTV ≤ 100%	7,238	*514*	6,964	*833*	3,747	*520*
LTV > 100%	7,694	*1,099*	8,610	*2,023*	3,217	*1,088*
TOTAL	**125,095**	***3,186***	**126,949**	***4,789***	**73,859**	***2,783***

(*) Includes financing for home purchases granted by subsidies Unión de Créditos para la Financiación Inmobiliaria, EFC, SAU (Credifimo) and Corporación Hipotecaria Mutual.

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

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

Monitoring and measurement of counterparty risk

Counterparty risk is credit risk generated by derivatives and security financing transactions. It quantifies the losses derived from the counterparty's potential default before the cash flows are definitively settled.

The approval of new transactions involving assuming counterparty risk in the Group is subject to an internal framework that has been approved by the Global Risk Committee and that enables rapid decision making, for both financial and other counterparties.

In the case of operations with financial institutions, the Group has a specific internal framework that reflects the methodology used for the granting of facilities. The maximum authorised credit risk exposure with an entity is primarily determined on the basis of the entities' ratings and the analysis of their financial statements. This framework also includes the model for determining limits and calculating consumer risk for Central Counterparties (CCPs).

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

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

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

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

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

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

Counterparty risk in the Group for **financial counterparties** is controlled through an integrated system that provides real-time data on the available exposure limit for any counterparty, product and maturity. For the **remaining counterparties**, counterparty risk is controlled through corporate applications, which contain both the limits of the lines of derivatives risk (if any) and credit exposure of derivatives and repos.

Hedging policies and mitigation techniques for counterparty risks

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

- ISDA/CMOF contracts. Standardised contracts for global derivative operations with a counterparty. These explicitly provide for the possibility of offsetting the flows of outstanding collections and payments between the parties for all derivatives trading hedged by the contracts.
- CSA Appendix (ISDA) / Appendix III (CMOF). Agreements whereby each of the parties undertake to provide collateral (usually a cash deposit) as security for the net counterparty risk position arising from the derivatives traded between them. The calculation of the collateral to be exchanged takes into account the compensation clauses included in the ISDA or CMOF contracts.
- GMRA/ CME/ GMSLA contracts. Agreements whereby the parties undertake to deliver collateral for the net counterparty risk position arising from repo or securities lending transactions, calculated as the deviation that may occur between the value of the amount accrued for the simultaneous purchase and sale of securities and the current market value of these securities.
- Break-up clauses. Provisions in derivative contracts that enable, at a certain point in the contract, the early termination by free decision of one of the parties. This mitigates counterparty risk by reducing the effective duration of the operations subject to the clause.
- Delivery-versus-payment in securities settlement systems. Systems that eliminate settlement risk with a counterparty, since clearing and settlement occur simultaneously and in an inseparable fashion. One major system is the Continuous Linked Settlement (CLS) system that allows the Group to ensure delivery against payment in the case of simultaneous collection and payment flows in different currencies.
- Central Counterparties (CCP). The use of CCPs in derivatives and securities lending transactions can mitigate the associated counterparty risk, as these entities act as intermediaries on their own behalf between the two parties to the transaction, thus absorbing the counterparty risk.

The EMIR Regulation and its amendment, EMIR-Refit, establish a series of obligations for all investors trading derivatives contracts. Of particular note is the mandatory use of an authorised Central Counterparty when trading in certain derivatives contracts or the reporting to trade repositories authorised or recognised by ESMA of all derivative contracts traded.

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

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

Risk associated with the investee portfolio

The risk associated with equity investments (or "investees") is included under credit risk for investments that are not classified in the held-for-trading portfolio. More specifically, the Corporate Risk Catalogue contemplates it as a specific credit risk item that reflects the potential loss, over a medium and long-term time horizon, generated by unfavourable movements in market prices, impairment of value, concentration, country of issue, or illiquidity of the positions that make up the portfolio of the CaixaBank Group companies' equity investments.

The way in which each share is methodologically processed for capital consumption will depend on: i) the **accounting classification** of the share, for investments classified in the portfolio at fair value with changes in other comprehensive income, the calculation is carried out using the internal VaR model; and ii) the **longevity strategy**, for investments intended to be held on a long-term basis or there is a long-term link in their management, the most significant risk is credit risk, and, therefore, the PD/LGD approached is used whenever possible.

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

As regards management, a financial analysis and control is conducted on the main investees by specialists exclusively responsible for monitoring changes in economic and financial data and for understanding and issuing alerts in the event of changes in regulations and fluctuations in competition in the countries and sectors in which the investees operate. These analysts also interact with the Investor Relations departments of the listed investees and compile the information needed, including third-party reports (e.g. investment banks, rating agencies) needed for an overview of possible risks to the value of the shareholdings.

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

COVID-19 support measures

On the specific matter of COVID-19, CaixaBank has added to the legislative moratoria through other chiefly sector-based agreements. These moratoriums expired entirely in 2022.

Efforts were also made to ensure the deployment of new ICO (Spanish Official Credit Institute) guarantee facilities, which CaixaBank also extends using working capital facilities and special funding facilities, among others.

In the case of Portugal, BPI has also applied its own extraordinary measures to handle the impact of COVID-19, approved under the scope of Decree-Law 10-J/2020, issued by the Portuguese government. These measures cover actions of a similar nature to the foregoing in the Spanish context.

Guarantees granted by ICO fulfil the definition of financial guarantee contracts. As a result, the Company's criteria for recording financial guarantees received have not been altered, and they are only taken into account for the purpose of calculating the expected loss on the transaction. However, the particular characteristics of these guarantees have been taken into consideration in order to determine when, pursuant to IFRS 9, the substantial transfer of risks and rewards to the ICO takes place, which enables the percentage of the guaranteed principal of doubtful transactions to be removed from the balance sheet on the grounds of being non-performing loans.

The financial guarantee has been considered an incremental cost directly attributable to the operations, which involves the accrual of a lower effective interest rate in the operation. No grant or public aid or any tax effects have been recognised under IAS 12.

The following is a breakdown of the public guarantee financing operations (carrying amount):

Breakdown of government guaranteed loans
(Millions of euros)

	31-12-2022			31-12-2021			31-12-2020		
	Spain (ICO)	Portugal	Total	Spain (ICO)	Portugal	Total	Spain (ICO)	Portugal	Total
Public administrations	**7**		**7**	**9**		**9**	**6**		**6**
Non-financial corporations and individual entrepreneurs (non-financial business)	**16,802**	**1,459**	**18,261**	**20,644**	**1,109**	**21,753**	**12,634**	**551**	**13,185**
Real estate construction and development (including land)	75	4	79	94	2	96	41	1	42
Civil engineering	1,371	112	1,483	1,692	82	1,774	974	36	1,010
Other	15,356	1,343	16,699	18,858	1,025	19,883	11,619	514	12,133
Large corporates	3,685	37	3,722	4,612	44	4,656	2,686	26	2,712
SMEs and individual entrepreneurs	11,671	1,306	12,977	14,246	981	15,227	8,933	488	9,421
TOTAL	**16,809**	**1,459**	**18,268**	**20,653**	**1,109**	**21,762**	**12,640**	**551**	**13,191**
Of which: from the business combination with Bankia, S.A. (Note 7)				*8,700*					

34% of the total amount of loans granted with government guaranteed loans has been repaid; of the remaining amount, 98% is repaying principal at 31 December 2022. 4.2% of government guaranteed loans are classified in Stage 3. The 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.

3.4.2 Actuarial risk

Overview

The European regulatory framework of reference for insurance companies, known as Solvency II, is transposed into to the Spanish legal system through Act 20/2015 and Royal Decree 1060/2015, which are known, respectively, as LOSSEAR and ROSSEAR. This framework is supplemented by the technical standards approved by the European Commission (ITS), which are directly applicable, and guidelines published by EIOPA (European Insurance and Occupational Pensions Authority), which have been adopted by the Directorate General for Insurance and Pension Funds (DGSFP) as their own.

In line with the European Solvency II Directive, actuarial risk is defined in the Corporate Risk Catalogue as the risk of loss or adverse modification of the value of commitments taken on via insurance contracts or pensions with customers or employees, derived from the divergence between the estimate for actuarial variables employed in pricing and reserves and their real evolution.

Actuarial risk is inherent to the activity relating to the subscription of insurance products which, within CaixaBank Group, is centralised in the subgroup of companies headed by VidaCaixa. Through VidaCaixa, the Group is exposed to actuarial risk due to unfavourable movements of the risk factors of mortality, longevity, disability and morbidity, catastrophe, falls and expenses.

Besides the subscription activity, actuarial risk also derives from the defined benefit pension commitments of Group companies with their employees. At CaixaBank, the risks inherent to these agreements are transferred for management by the VidaCaixa Group through the formalising of insurance contracts, whereas in the defined benefit commitments for Banco BPI employees they are implemented through a Pension Fund managed by BPI Vida e Pensões, a VidaCaixa Group company.

This risk management seeks to uphold the payment capacity of commitments to borrowers, optimise the technical margin and preserve the economic value of the balance sheet, within the limits laid down in the RAF.

Actuarial risk cycle

Actuarial risk monitoring and measurement

Actuarial risk assumed as a result of the life insurance contract subscription activity are managed in conjunction with the inherent risks arising from the financial assets acquired for hedging.

In order to ensure an adequate risk management, the Group has a Corporate Financial-Actuarial Risk Management Policy in place, which sets out the general principles, governance framework, control framework and information reporting framework applicable to all the Group companies exposed to these risks. Furthermore, the VidaCaixa Group companies have management policies and frameworks for proprietary financial-actuarial risks that serve to implement that Corporate Policy.

Actuarial risk management established in these policies seeks the long-term stability of the actuarial factors that affect the technical evolution of subscribed insurance products. The actuarial risk factors notably feature mortality and longevity risk in the field of life insurance, where VidaCaixa includes in its management a partial internal model, according to methodology laid down in the Solvency II Directive, that is submitted annually to the regulatory body. The model is based on data from historical experience that provides a more adapted vision of the risk profile of the insured group.

On this note, and for each line of business, the VidaCaixa policy of underwriting and provision of reserves identifies various parameters for risk approval, measurement, rate-setting and, lastly, to calculate and set aside reserves covering underwritten policies. Additionally, general operating procedures are set to control the underwriting process.

Systems for measuring actuarial risk, from which the sufficiency of the technical provisions are quantified and assessed policy-by-policy, are integrated into the management of the insurance business. In this sense, production operations, irrespective of the channel, are recorded in the systems using the various contracting, benefits management and provision calculation applications (e.g. TAV for individual and ACO or Avanti for group insurance). Investment management software is used to manage and control the investments backing the company's insurance activity. All of the applications are accounted for automatically in the accounting support software.

There is a series of applications that perform management support tasks within these integrated and automated systems. It is worth noting applications for data processing that are used for the preparation of reporting information and risk management. There is also a solvency and risk datamart, which serves as a support tool for compliance with all the requirements of the Solvency II Directive.

In relation to interest rate risk, the Group —through its insurance company VidaCaixa— limits its exposure using financial immunisation techniques envisaged in the provisions of the DGSFP.

For credit and liquidity risk incurred in the insurance business, the Group has risk management frameworks that establish minimum credit quality and diversification levels (see the risk structure of the insurance business in these fields, presented in a segmented way in Note 3.4.1).

Mitigation of actuarial risk

One of the Group's elements used to mitigate the assumed actuarial risk consists of transferring part of the risk to other companies, through reinsurance contracts. To do so, the Group —and specifically its insurance company— has a Reinsurance Policy which is updated at least annually, which identifies the extent to which risk is passed on, taking into account the risk profile of direct insurance contracts, and the type, suitability and effectiveness of the various reinsurance agreements.

By doing so, an insurance company can reduce risk, stabilise solvency levels, use available capital more efficiently and expand its underwriting capacity. However, regardless of the reinsurance taken out, the insurance company is contractually liable for the settlement of all claims with policyholders.

Through VidaCaixa Group, CaixaBank Group establishes the following via this Reinsurance Policy:

- The general strategy and principles that must govern reinsurance management.
- The governance, management, control and information frameworks of reinsurance.

In that regard, the VidaCaixa Group establishes tolerance limits on the basis of the criteria that must govern the selection of reinsurers and the maximum retained risk.

3.4.3 Risks in the banking book

Interest rate risk in the banking book

Risk defined as the negative impact on the economic value of balance sheet items or on financial income due to changes in the temporary structure of interest rates and their impact on asset and liability instruments and those off the Group's balance sheet not recognised in the trading book.

The management of this risk by the Group seeks to i) optimise the net interest margin and ii) maintain the economic value of the balance sheet, while at all times taking into account the metrics and thresholds of the risk appetite framework in terms of volatility of the financial margin and value sensitivity.

This risk is analysed considering a broad set of market-type scenarios, including the potential impact of all possible sources of interest rate risk in the banking book, i.e. GAP risk (with its risk repricing risk and curve risk components), basis risk and optionality risk. Optionality risk considers automatic optionality related to the behaviour of interest rates and the optionality of customer behaviour, which is not only dependent on interest rates.

The Group applies best practices in the market and the recommendations of regulators in measuring interest rate risk. It sets risk thresholds based on these metrics related to net interest income and the economic value of its balance sheet and considering the complexity of the balance sheet.

It uses both static and dynamic measurements:

Static measurements: static measurements are those that are not designed based on assumptions of new business and refer to a specific point in time.

- **Static gap:** it shows the contractual distribution of maturities and interest rate reviews for applicable balance sheet or off-balance aggregates at a particular date. GAP analysis is based on comparing the values of the assets and liabilities reviewed or that mature in a particular period.
- **Balance sheet economic value:** it is calculated as the sum of i) the fair value of net interest-rate sensitive assets and liabilities on the balance sheet; ii) the fair value of off-balance sheet products (derivatives); and iii) the net carrying amounts of non-interest-rate sensitive asset and liability items.
- **Economic value sensitivity:** the economic value of sensitive balances on and off the balance sheet is reassessed under the various stress scenarios considered by the Group. The difference between this value and the economic value calculated at current market rates gives us a numeric representation of the sensitivity of economic value to the various scenarios employed. The Group then uses this sensitivity measurement to define operating risk thresholds for economic value for particular interest rate scenarios.
- VaR: the value at risk of the FVOCI portfolio is calculated, with a 10-year history, a time horizon of 1 month and a confidence level of 99%, considering interest rate risk and credit spread risk.

Dynamic measurements: these are based on the balance sheet position at a given date and also take into account the new business. Therefore, in addition to considering the current on- and off-balance sheet positions, growth forecasts from the Group's budget are included.

- **Net interest income projections:** The Group projects future net interest income (1, 2 and 3 years ahead) under various interest rate scenarios. The objective is to project net interest income based on current market curves, the outlook for the business and wholesale issuances and portfolio purchases and sales, and to predict how it will vary under stressed interest rates scenarios.

  Forecasts of net interest income depend on assumptions and events other than just the future interest rate curve: they also consider factors such as customer behaviour (early cancellation of loans and early redemption of fixed-term deposits), the maturity of on-demand accounts and the future performance of the Group's business.
- **Net interest income volatility:** The difference between these net interest income figures (the differences resulting from an increase, decrease, or changes compared to the baseline scenario) compared to the baseline scenario give us a measure of the sensitivity, or volatility, of net interest income.

  The Group then uses this sensitivity measurement to define operating risk thresholds for net interest income for particular interest rate scenarios.

The tables below show, using a static gap, the breakdown interest rate revaluations and maturities of sensitive items on the Group's balance sheet, without taking into account, where applicable, the value adjustments or value corrections at the year-end:

Matrix of maturities and revaluations of the balance sheet sensitive to interest rates

(Millions of euros)

	=< 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	> 5 Years	Total
ASSETS							
Interbank and Central Banks	28,621	680		227	250	250	30,028
Loans and advances to customers	255,471	28,190	15,720	9,811	7,857	35,134	352,183
Fixed income portfolio	26,172	4,083	6,670	7,334	5,794	35,994	86,046
TOTAL ASSETS	**310,264**	**32,953**	**22,390**	**17,372**	**13,901**	**71,378**	**468,257**
LIABILITIES							
Interbank and Central Banks	38,454	883	87	40	170	43	39,676
Customer deposits	209,466	59,262	12,079	7,402	7,404	91,432	387,045
Issuances	11,930	7,497	13,245	6,239	6,252	10,824	55,987
TOTAL LIABILITIES	**259,850**	**67,642**	**25,411**	**13,681**	**13,826**	**102,299**	**482,708**
ASSETS LESS LIABILITIES	**50,414**	**(34,689)**	**(3,021)**	**3,691**	**75**	**(30,921)**	**(14,451)**
Hedges	(65,462)	10,698	25,855	4,508	19,099	5,570	270
TOTAL DIFFERENCE	**(15,048)**	**(23,991)**	**22,834**	**8,199**	**19,174**	**(25,351)**	**(14,183)**

Below is the sensitivity of the net interest income and economic value to sensitive balance sheet assets and liabilities for a scenario of rising and falling interest rates of 100 basis points:

Interest rate sensitivity

(incremental % with respect to the market baseline scenario / implicit rates)

	+100 BP	-100 BP
Net interest income (1)	4.44%	(4.22%)
Economic value of equity for sensitive balance sheet aggregates (2)	(0.3%)	(0.61%)

(1) Sensitivity of the 1-year NII of sensitive balance sheet aggregates.
(2) Sensitivity of economic value for sensitive balance sheet aggregates on Tier 1.

With regard to measurement tools and systems, information is obtained at the transaction level of the Group's sensitive balance sheet transactions from each computer application used to manage the various products. This information is used to produce databases with a certain amount of aggregation in order to speed up the calculations without impairing the quality or reliability of the information.

The assets and liabilities management application is parameterised in order to include the financial specifics of the products on the balance sheet, using behavioural customer models based on historical information (e.g. pre-payment models). Growth data budgeted in the financial planning (volumes, products and margins) and information on the various market scenarios (interest and exchange rate curves) is also fed into this tool, in order to perform a reasonable estimate of the risks involved. It measures the Group's static gaps, net interest income and economic value.

To mitigate the structural interest rate risk, the Group actively manages risk by arranging additional hedging transactions on financial markets to supplement the natural hedges generated on its own balance sheet as a result of the complementarity between the sensitivity to fluctuations in interest rates on deposits and on lending transactions arranged with customers or other counterparties. At 31 December 2022, CaixaBank uses hedges as a strategy for mitigating its exposure and preserving the economic value of the balance sheet. The most important hedges on the bank's balance sheet are loan hedges, issue hedges, demand account hedges and at BIS term deposit hedges. The most relevant are issue hedges that are structured as macro fair value hedges.

The interest rate risk in the banking book assumed by the Group is substantially below levels considered significant under current regulations.

Exchange rate risk in the banking book

Exchange rate risk in the banking book corresponds to the potential risk in the assets affected by adverse movements in exchange rates.

The Group has foreign currency assets and liabilities in its balance sheet as a result of its commercial activity and its shares in foreign currencies, in addition to the foreign currency assets and liabilities deriving from the Group's measures to mitigate exchange rate risk.

The equivalent euro value of all foreign currency assets and liabilities in the Group's balance sheet is as follows:

Foreign currency positions

(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Cash and cash balances at central banks and other demand deposits	662	542	538
Financial assets held for trading	1,964	4,806	391
Financial assets with changes in other comprehensive income	2,666	353	393
Financial assets measured at amortised cost	22,803	18,351	13,494
Equity Investments	150	124	87
Other assets	(3,983)	1,103	115
TOTAL FOREIGN CURRENCY ASSETS	**24,262**	**25,279**	**15,018**
Financial liabilities at amortised cost	14,114	10,716	8,729
Deposits	11,028	8,885	7,773
Central banks	660	918	652
Credit institutions	4,864	1,894	1,807
Customers	5,504	6,073	5,314
Debt securities issued	2,462	1,718	867
Other financial liabilities	624	113	89
Other liabilities	1,770	4,976	(244)
TOTAL FOREIGN CURRENCY LIABILITIES	**15,884**	**15,692**	**8,485**

The Group hedges its foreign currency risk by arranging cash transactions of financial derivatives, which mitigate the risk of asset and liability positions on the balance sheet. However, the nominal amount of these instruments is not reflected directly on the balance sheet but rather as memorandum items for financial derivatives. This risk is managed by seeking to minimise the level of exchange rate risk assumed in commercial activity, which explains why the Group's exposure to this market risk is low.

The remaining minor foreign currency positions in the banking book and of the treasury activity are chiefly held with credit institutions in major currencies. The methods for quantifying these positions, which are the same, are applied alongside the risk measurements used for the treasury activity as a whole.

The breakdown by currency of the main headings of the balance sheet are set out below:

Breakdown of the main balance sheet items by currency - 31-12-2022

(Millions of euros)

	Cash *	FA held for trading	FA with changes in OCI	FA at amortised cost	FL at amortised cost	Other liabilities
USD	258	1,153	2,251	16,041	10,516	477
JPY	127	3		194	324	9
GBP	34	719	3	3,273	1,926	597
PLN (Polish Zloty)	115	10		1,042	392	627
CHF	15	1		203	253	(2)
CAD	14	139		1,167	104	90
Other	99	(61)	412	883	599	(28)
TOTAL	**662**	**1,964**	**2,666**	**22,803**	**14,114**	**1,770**

FA: Financial assets; FL: Financial liabilities

(*) Cash and cash balances at central banks and other demand deposits

Given the reduced exposure to exchange rate risk and considering the existing hedges, the sensitivity of the balance sheet's economic value is not significant.

IBOR reform

Global financial regulators have driven the gradual abandonment of IBORs and their replacement with new risk-free rates in recent years. This has led to the need for a transition from the old LIBORs to the new rates recommended by the task forces established in the various jurisdictions.

Since the regulators' first announcements, the Group has taken an active position both externally—participating in the working group on Risk Free Rates (RFR) for the eurozone— and internally, where it has laid down an index transition project with a robust governance structure to meet the regulatory, financial, commercial and technical needs of index transition.

The index transition project featured an internal task force to manage the various risks to which the Group is exposed as a result of this transition:

- risk of litigation on contracts, services and contracts indexed to rates that will disappear,
- operational risks arising from the need for technological changes, operational processes and controls,
- legal risks when remedying existing contracts or other documentation,
- financial and accounting risks from the use and change to new rates in accounting and assessment methodologies and instruments,
- reputational risks of conduct in the transfer of the reform and its impacts on stakeholders and in particular on customers.

The Group has a high exposure to the Euribor index that is not affected by the transition, while this index, following a reform of its methodology —conducted during phase-in in the second half of 2019— has received the backing of supervisors and regulators and fully complies with the index regulation.

The Group uses Euribor for mortgages, loans, deposits and debt issuances, as well as in a broad range of derivative instruments. However, the eurozone working group and the European authorities recommend that all contracts indexed to Euribor include replacement clauses in the event of a possible future termination of the Euribor based on the new RFR indices for the euro, i.e. in temporary structures of €STR. Thus, the group is adding such fallbacks in all the contracts indexed Euribor.

Lastly, with regard to the LIBOR indices, the Group's exposure can be considered non-material given the low volume of assets and liabilities indexed to in these indices. However, it should be noted that the transition of LIBOR GDP, CHF, JPY and EUR was fully completed at the beginning of 2022. When it comes to the LIBOR USD, the most representative in terms of exposure, the 1M, 3M, 6M and 12M terms are expected to be discontinued in June 2023. Currently, the new production indexed in USD, GBP, JPY and CHF is already conducted in connection with the various structures of the respective risk-free-rates of each currency (SONIA, TONA and SARON).

The carrying amount of financial instruments referenced to the indices subject to the IBOR Reform is shown below:

Breakdown of financial instruments indexed to the IBOR reform - 31-12-2021
(Millions of euros)

	Loans and advances	Debt securities	Deposits	Debt securities issued	Derivatives - Assets	Derivatives - Liabilities
Indexed to LIBOR						
USD	10,059	6		913	1,230	995
TOTAL	**10,059**	**6**		**913**	**1,230**	**995**

The nominal amount of the hedging instruments referenced to indices subject to the IBOR Reform is shown below:

Breakdown of hedging instruments indexed to the IBOR reform - 31-12-2022
(Millions of euros)

	Libor USD	Other
Fair value hedges	719	
Cash flow hedges	1,224	
TOTAL	**1,943**	

3.4.4 Liquidity and funding risk

Overview

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

The Group manages this risk in order to ensure liquidity is maintained at levels that allow it to comfortably meet all its payment obligations and to prevent its investment activities from being affected by a lack of lendable funds, operating at all times within the RAF. The strategic principles to achieve the liquidity management objectives are as follows:

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

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

- Identifying material liquidity risks for the Group and its liquidity management units;
- Formulating the strategic principles the Group must observe in managing each of these risks;
- Establishing the relevant metrics for each of these risks;
- Setting appetite, tolerance, compliance / benchmark and, where applicable, recovery thresholds within the RAF.
- Setting up management and control procedures for each of the risks, including mechanisms for internal and external systematic monitoring;
- Defining a stress testing framework and a Liquidity Contingency Plan to ensure liquidity risk can be appropriately managed in moderate and severe crisis situations, and
- A Recovery Planning framework, in which scenarios and measures are devised for stress conditions.

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

Mitigation techniques for liquidity risk

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

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

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

Available in ECB facility
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Value of guarantees delivered as collateral	**77,674**	**89,345**	**72,139**
CaixaBank	71,550	83,424	66,498
BPI	6,124	5,921	5,641
Drawn down	**(15,620)**	**(80,752)**	**(49,725)**
TLTRO III – CaixaBank *	(15,178)	(75,890)	(45,305)
TLTRO III – BPI *	(442)	(4,862)	(4,420)
Interest on drawn guarantees	**230**	**951**	**122**
Interest on drawn guarantees - CaixaBank	240	951	122
Interest on drawn guarantees - BPI	(10)		
TOTAL AVAILABLE BALANCE IN ECB FACILITY	**62,283**	**9,544**	**22,536**

(*) Interest accrued from the borrowing from TLTRO III on 31 December 2022, 2021 and 2020 amounts to EUR 402 million, EUR 746 million and EUR 288 million, respectively. The value "interest on drawn guarantees" is the calculation carried out by the Bank of Spain / Bank of Portugal to assess the guarantees drawn in the facility. In the calculation of the balance available in the facility at 31 December 2020 and 2021, Bank of Portugal did not calculate the interest on guarantees drawn

CaixaBank Group repaid a TLTRO III balance of EUR 65,132 million in 2022, of which EUR 13,495 million corresponded to ordinary repayments and EUR 51,637 million to early repayments, with outstanding financing of EUR 15,620 million at year-end.

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

It should be noted that both CaixaBank and BPI have seen positive net growth in eligible credit in the period October 2020 – December 2021, allowing both institutions to extend the application of a preferential rate to the TLTRO taken to the period June 2021 – June 2022 (deposit facility rate minus 50 basis points).

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

Debt issuance capacity - 31-12-2022
(Million euros / Million dollars)

	Currency	Total issuance capacity	Total issued
CaixaBank fixed-income programme (CNMV 21-07-2022)	EUR	20,000	
CaixaBank EMTN ("Euro Medium Term Note") programme (Ireland 20-04-2022)	EUR	30,000	23,044
BPI EMTN ("Euro Medium Term Note") programme (Luxembourg 17-11-2022)	EUR	7,000	1,850
CaixaBank US MTN ("U.S. Medium Term Note") programme (Ireland 28-02-	USD	5,000	
CaixaBank ECP ("Euro Commercial Paper") programme (Ireland 02-12-2022)	EUR	3,000	330
BPI mortgage covered bonds programme (CMVM Portugal 25-11-2021) (*)	EUR	9,000	7,300
BPI public sector covered bonds programme (CMVM Portugal 16-11-2021) (*)	EUR	2,000	600

(*) Programmes undergoing renewal.

- Capacity to issue backed bonds

Covered bond issuance capacity - 31-12-2022
(Millions of euros)

	Issuance capacity *	Total issued
Mortgage covered bonds	43,075	59,571
Public sector covered bonds	11,584	4,500

(*) The liquidity buffer is included in the calculation of the issuance capacity. Issuance capacity not accounting for the liquidity buffer of 42,322 for mortgage covered bods and 11,584 for regional public sector covered bonds.

Following the entry into force of the new regulatory framework, RDL 24/2021, in July 2022 and the consequent reduction of the minimum overcollateralisation to be maintained, the issuance capacity in the year has increased by EUR 28,454 million and a liquid asset buffer has been segregated for EUR 790 million (non-existing requirement at the end 2021).

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

Liquidity situation

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

Liquid assets *

(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Market value	Applicable weighted amount	Market value	Applicable weighted amount	Market value	Applicable weighted amount
Level 1 assets	93,888	93,850	166,473	166,466	94,315	94,280
Level 2A assets	363	308	182	155	344	292
Level 2B assets	1,664	905	1,338	669	1,590	795
TOTAL HIGH QUALITY LIQUID ASSETS (HQLAS)	**95,915**	**95,063**	**167,993**	**167,290**	**96,249**	**95,367**
Assets available in facility not considered HQLAs		43,947		1,059		19,084
TOTAL LIQUID ASSETS		**139,010**		**168,349**		**114,451**

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

The Group's liquidity and financing ratios are set out below:

LCR and NSFR
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
High-quality liquid assets - HQLAs (numerator)	95,063	167,290	95,367
Total net cash outflows (denominator)	48,911	49,743	34,576
Cash outflows	60,823	62,248	42,496
Cash inflows	11,912	12,505	7,920
LCR (LIQUIDITY COVERAGE RATIO) (%) (1)	**194%**	**336%**	**276%**
NSFR (NET STABLE FUNDING RATIO) (%) (2)	**142%**	**154%**	**145%**

(1) LCR: regulatory ratio whose objective is to maintain an adequate level of high-quality assets available to cover liquidity needs with a 30-day horizon, under a stress scenario that considers a combined crisis of the financial system and reputation.
According to Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 (as amended by Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 and Commission Delegated Regulation 2022/876 (EU) of 10 February 2022) to supplement Regulation (EU) No 575/2013 of the European Parliament and of the Council as regards the liquidity coverage requirement for credit institutions. The established regulatory minimum for the LCR is 100%.

(2) NSFR – regulatory balance sheet structure ratio that measures the ratio between the quantity of available stable funding (ASF) and the quantity of required stable funding (RSF). Available stable funding is defined as the proportion of own funds and customer funds that are expected to be stable in the time horizon of one year. The amount of stable funding required by an institution is defined in accordance with its liquidity and the residual maturities of its assets and its balance sheet positions.
Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 entered into force in June 2021 and sets the regulatory minimum for the NSFR ratio at 100%.

Key credit ratings are displayed below:

CaixaBank credit ratings

	Issuer rating						
	Long-term debt	Short-term debt	Outlook	Preferred senior debt	Assessment date	Rating of mortgage covered bonds	Last review date of mortgage covered bonds
S&P Global	A-	A-2	Stable	A-	25-04-2022	AA+	26-01-2023
Fitch Ratings	BBB+	F2	Stable	A-	30-06-2022		
Moody's	Baa1	P-2	Stable	Baa1	16-02-2022	Aa1	04-11-2022
DBRS	A	R-1(low)	Stable	A	29-03-2022	AAA	13-01-2023

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

Sensitivity of liquidity to variations in the credit rating
(Millions of euros)

	1-notch downgrade	2-notch downgrade	3-notch downgrade
Trading in derivatives / repos (CSA / GMRA / GMSLA agreements) *	4	11	25
Deposits taken with credit institutions *			712

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

Asset encumbrance – assets received and delivered under guarantee

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

Assets securing financing operations and unencumbered assets
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Carrying amount of committed assets	Carrying amount of non-committed assets	Carrying amount of committed assets	Carrying amount of non-committed assets	Carrying amount of committed assets	Carrying amount of non-committed assets
Equity instruments		1,710		1,998		1,849
Debt securities *	22,514	67,002	37,644	45,744	8,040	35,377
Of which: covered bonds			*7*	*1*	*6*	*3*
Of which: asset-backed securities	*10*	*68*	*57*	*59*		*70*
Of which: issued by public administrations	*21,330*	*59,979*	*35,030*	*41,485*	*6,801*	*31,152*
Of which: issued by financial corporations	*913*	*3,867*	*2,128*	*1,582*	*910*	*1,451*
Of which: issued by non-financial corporations	*262*	*3,088*	*422*	*2,617*	*323*	*2,701*
Other assets **	81,650	360,264	125,793	396,082	90,339	249,081
Of which: loans and receivables	*81,650*	*301,075*	*125,793*	*327,427*	*84,841*	*207,968*
TOTAL	104,164	428,976	**163,437**	**443,824**	**98,379**	**286,307**

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

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

Assets securing financing operations and unencumbered assets
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	FV of committed assets	FV of non-committed assets	FV of committed assets	FV of non-committed assets	FV of committed assets	FV of non-committed assets
Collateral received *	3,892	23,365	8,820	22,576	2,631	13,573
Equity instruments						
Debt securities	3,885	20,401	8,816	19,990	2,627	12,240
Other guarantees received	7	2,964	4	2,586	5	1,333
Own debt securities other than covered bonds or own asset-backed securities **		250		333		249
Issued and unpledged covered bonds and own asset-backed securities ***		58,152		18,075		25,815
TOTAL	**3,892**	**81,767**	**8,820**	**40,984**	**2,631**	**39,637**

(*) Mainly corresponds to assets provided in reverse repurchase agreements, securities lending transactions and guarantees received through derivatives.
(**) Senior debt treasury shares.
(***) Corresponds to treasury shares issued in the form of securitisations and covered bonds (mortgage / public sector).
FV: Fair value

The asset encumbrance ratio is as follows:

Asset encumbrance ratio
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Encumbered assets and collateral received (numerator)	**108,056**	**172,257**	**101,010**
Equity instruments			
Debt securities	26,399	46,459	10,667
Loans and receivables	81,650	125,793	84,846
Other assets	7	5	5,497
Total assets + Total assets received (denominator)	**560,398**	**638,656**	**400,891**
Equity instruments	1,710	1,998	1,849
Debt securities	113,802	112,193	58,285
Loan portfolio	382,725	453,220	292,814
Other assets	62,161	71,245	47,943
ASSET ENCUMBRANCE RATIO	**19.28%**	**26.97%**	**25.20%**

During 2022, the asset encumbrance ratio has declined with respect to the 2021 ratio, down by 7.69 percentage points, mainly due to the lower balance of TLTRO III withdrawn.

Secured liabilities and the assets securing them are as follows:

Secured liabilities
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Liabilities hedged, contingent liabilities or securities ceded	Assets, guarantees received and treasury instruments issued *	Liabilities hedged, contingent liabilities or securities ceded	Assets, guarantees received and treasury securities issued *	Liabilities hedged, contingent liabilities or securities ceded	Assets, guarantees received and treasury securities issued *
Financial liabilities	70,951	99,335	145,829	167,307	81,018	96,135
Derivatives	11,650	12,246	7,576	8,236	6,216	6,491
Deposits	39,175	54,772	113,567	131,141	58,621	70,457
Issuances	20,126	32,317	24,686	27,930	16,181	19,187
Other sources of charges	4,992	8,721	4,277	4,950	4,379	4,875
TOTAL	**75,943**	**108,056**	**150,106**	**172,257**	**85,397**	**101,010**

(*) Excluding encumbered covered bonds and asset-backed securities

Residual maturity periods

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

Residual maturity periods - 31-12-2022
(Millions of euros)

	Demand	< 3 months	3-12 months	1 - 5 years	> 5 years	Total
Interbank assets		25,500	3,105	1,173	250	30,028
Loans and advances - Customers	1,095	30,573	63,846	139,896	110,483	345,893
Debt securities		4,060	12,954	32,883	36,150	86,046
FA under the insurance business - Debt securities		652	1,542	11,127	35,389	48,710
TOTAL ASSETS	**1,095**	**60,133**	**79,905**	**173,952**	**146,883**	**461,967**
Interbank liabilities	1	13,103	14,402	12,048	123	39,676
FL - Customer deposits	128,790	17,340	63,336	86,147	91,432	387,045
FL - Debt securities issued	8	3,203	5,924	35,718	11,134	55,987
Liabilities under the insurance business	509	1,053	4,327	16,304	43,461	65,654
TOTAL LIABILITIES	**128,799**	**33,646**	**83,662**	**133,913**	**102,689**	**482,708**
Of which are wholesale issues net of treasury shares and multi-issuers		*3,750*	*2,625*	*25,676*	*21,131*	*53,182*
Of which are other financial liabilities for operating lease		*5*	*27*	*138*	*1,438*	*1,608*
Drawable by third parties		5,366	14,948	46,550	45,936	112,800

FA: Financial assets; FL: Financial liabilities

Note: pre-payments are included

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

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

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

As regards issuances, the Group's policies take into account a balanced distribution of maturities, preventing concentrations and diversifying financing instruments.

In addition, its reliance on wholesale markets is limited.

3.4.5 Market risk

Overview

The Group identifies market risk as the loss of value, impacting on performance or solvency, of a portfolio (set of assets and liabilities), due to unfavourable movements in prices or market rates. Market risk quantifies possible loss in the trading portfolio that may be due to fluctuations in interest rates, exchange rates, credit spread, external factors or prices on the markets where trading is conducted.

Market risk encompasses almost all the Group's trading portfolio, as well as the deposits and repos arranged by trading desks for management.

Risk factors are managed according to the return-risk ratio determined by market conditions and expectations, the limits structure and the authorised operating framework.

Market risk cycle

Monitoring and measurement of market risk

On a daily basis, the Group monitors the operations traded, calculating how market changes will affect the profit and loss of positions held, quantifying the market risk undertaken, and monitoring compliance with limits. With the results obtained from these activities, a daily report is produced on positions, risk quantification and the utilisation of risk thresholds, which is distributed to Senior Management, the officers in charge of managing them, to Model Validation and Risk and to the Internal Audit division.

As a general rule, there are two types of measurements which constitute a common denominator and market standard for the measurement of market risk:

Sensitivity

Sensitivity represents risk as the impact a slight change in risk factors has on the value of positions, without providing any assumptions about the probability of such a change.

Value-at-risk (VaR)

The benchmark market risk measurement is VaR at 99% with a one-day time horizon for which the RAF defines a limit for trading activities of EUR 20 million (excluding the economic hedging CDS for the CVA, recognised for accounting purposes in the held-for-trading portfolio). Daily VaR is defined as the highest of the following three calculations:

- Parametric VaR with a covariance matrix deriving from a 75-day window of history, giving more weight to recent observations. The parametric VaR technique is based on volatilities and matching fluctuations in the prices and interest and exchange rates of the assets comprising the portfolio.
- Parametric VaR with a covariance matrix arising from historical performance over one year and equal weightings.
- The historical VaR technique: which calculates the impact on the value of the current portfolio of historical changes in risk factors. Daily changes observed over the last year are taken into account, with a confidence interval of 99%. Historical VaR is an extremely useful system for completing the estimates obtained by the parametric VaR technique, since it does not include any assumptions on the statistical behaviour of risk factors. The parametric VaR technique assumes fluctuations or returns that can be modelled using normal statistical distribution. Historical VaR is also an especially suitable technique since it includes non-linear relationships between the risk factors.

Moreover, since a downgrade in the credit rating of asset issuers can also give rise to adverse changes in market prices, quantification of risk is completed with an estimate of the losses arising from changes in the volatility of the credit spread on private fixed-income and credit derivative positions (spread VaR), which constitutes an estimate of the specific risk attributable to the security issuers. This calculation is made using a historical method while taking into account the potentially lower liquidity of these assets, with a confidence interval of 99%, and assuming absolute weekly variations in the simulation of credit spreads.

Total VaR results from the aggregation of VaR arising from fluctuations in interest rates, exchange rates (and the volatility of both) and from the Spread VaR, which are aggregated on a conservative basis, assuming zero correlation between the two groups of risk factors, and the addition of VaR of the equities portfolio and VaR of the commodities portfolio (currently with no position), assuming in both cases a correlation of one with the other risk factor groups.

Additional measures to VaR

As an analysis measurement, the Group completes the VaR measurements with the following risk metrics, updated weekly:

- **Stressed VaR** indicates the maximum loss on adverse movements in market prices based on a stressed historical period of one year, with a 99% confidence level and a daily time horizon (subsequently extrapolated to the regulatory horizon of 10 market days, multiplying by the root of 10). The stressed VaR calculation is leveraged by the same methodology and infrastructure as the historical VaR, with the only significant difference being the historical window selected.
- The **incremental default and migration risk** reflects the risk related to changes in credit ratings or breach of positions in fixed-income instruments and credit derivatives in the trading portfolio, with a confidence level of 99.9%, one-year time horizon, and a quarterly liquidity horizon, which is justified by the high liquidity of portfolio issuances. The estimate is made using Monte Carlo simulation of possible future states of external rating of the issuer and the issuance, based on transition matrices published by the main ratings agencies, where dependence between credit quality variations between the different issuers is modelled using Student's t-distribution.

The maximum, minimum and average values of these measurements in this year, as well as their value at the close of the period of reference, are shown in the following table.

Summary of risk measurements - 2022
(Millions of euros)

	Maximum	Minimum	Average	Latest
1-day VaR	3.8	0.8	1.8	1.8
1-day Stressed VaR	25.6	1.8	3.8	2.8
Incremental risk	29.9	5.4	13.0	5.4

Backtest

To confirm the suitability of the estimates of the internal model, daily results are compared against the losses estimated under the VaR technique, which is what is referred to as backtesting. The risk estimate model is checked in two ways:

- Through net or hypothetical backtesting, which relates the portion of the daily marked-to-market result of open positions at the close of the previous session to estimated VaR over a one-day time horizon, calculated on the basis of the open positions at the close of the previous session. This backtesting is the most appropriate means of performing a self-assessment of the methodology.
- Gross (or actual) backtesting, which compares the total result obtained during the day (including intraday transactions) to VaR for a time horizon of one day, calculated on the basis of the open positions at the close of the previous session. This provides an assessment of the importance of intraday transactions in generating profit and estimating the risk.

The daily result used in both backtesting exercises does not include mark-ups, reserves, fees or commissions.

No significant incidents have been detected in the 2022.

Stress test

Two stress testing techniques are used on the value of the trading positions to calculate the possible losses on the portfolio in situations of extreme stress:

Systematic stress: this technique calculates the change in value of the portfolio in the event of a specific series of extreme changes in the main risk factors. It considers parallel interest rate shifts (rising and falling); changes at various points of the slope of the interest rate curve (steepening and flattening); variation of the spread between the instruments subject to credit risk and public debt securities (bond-swap spread); shifts in the EUR/USD curve differential; higher and lower volatility of interest rates; variation of the euro with respect to the USD, JPY and GBP; and variation in exchange rate volatility, share prices; and higher and lower volatility of shares and commodities.

Historical scenarios: this technique addresses the potential impact of actual past situations on the value of the positions held.

Review stress test: a technique that assumes a high-vulnerability scenario given the portfolio's composition and determines what variations in the risk factors lead to this situation.

Based on the set of measures described above, the management of market risk on trading positions in markets is in accordance with the methodological and monitoring guidelines.

Mitigation of market risk

As part of the required monitoring and control of the market risks taken, there is a structure of overall VaR limits complemented by the definition sublimits, stressed VaR and incremental default and migration risk, Stress Test and Stop Loss results and sensitivities for the various management units that could assume market risk.

The risk factors are managed using economic hedges on the basis of the return/risk ratio determined by market conditions and expectations, always within the assigned limits.

Beyond the trading portfolio, fair-value hedge accounting is used, which eliminates potential accounting mismatches between the balance sheet and statement of profit or loss caused by the different treatment of hedged instruments and their hedges at market values. In the area of market risk, limits for each hedge are established and monitored, in this case expressed as ratios between total risk and the risk of the hedged items.

3.5 OPERATIONAL RISK

Overview

Operational risk is defined as the possibility of incurring losses due to the failure or unsuitability of processes, people, internal systems and external events. Given the heterogeneity of the nature of operational events, CaixaBank does not record operational risk as a single element in the Corporate Risk Catalogue, but rather it has included the following risks of an operational nature: conduct and compliance, legal and regulatory, technology, model and other operational risks. For each of these risks in the Catalogue, the Group upholds the corresponding specific management frameworks, without prejudice to the additional existence of an operational corporate risk management policy.

CaixaBank integrates operational risk into its management processes in order to deal with the financial sector's complex regulatory and legal environment. The overall objective of managing this risk is to improve the quality of business management, supplying relevant information to allow decisions to be made that ensure the organisation's long-term continuity, optimisation of its processes and the quality of both internal and external customer service. This objective comprises a number of specific objectives that form the basis for the organisation and working methodology for managing operational risk. These objectives are:

- To identify and anticipate existing or emerging operational risks.
- To adopt measures to sustainably mitigate and reduce operational losses.
- To promote the establishment of systems for the ongoing improvement of the operating process and of the control structure.
- To exploit operational risk management synergies.
- To promote an operational risk management culture.
- To comply with the current regulatory framework and requirements for the applicability of the management and calculation models chosen.

Operational risk management cycle

Identification and measurement of operational risk

Identification:

The internal operational risk database is the information structure housing data on the Group's operational losses.

Operational risks are structured into four categories or hierarchical tiers, from the most generic to the most specific and detailed:

- Tiers 1 and 2 of the regulations: Tier 1 comprises 7 subcategories (Internal Fraud; External fraud; Employment practices and security in workplace; Customers; Products and business practices; Damages to physical assets; Business interruptions and system faults, Execution and Delivery and process management) and Tier 2 comprises 20 subcategories.
- Tier 3 Group internal: represents the combined individual risk of all the business areas and Group companies.
- Tier 4 individual risks: represents the materialisation of particular Tier 3 risks in a process or activity.

The technological environment of the operational risk system provides all the functionality required and is fully integrated into the bank's transactional and information systems.

Measurement:

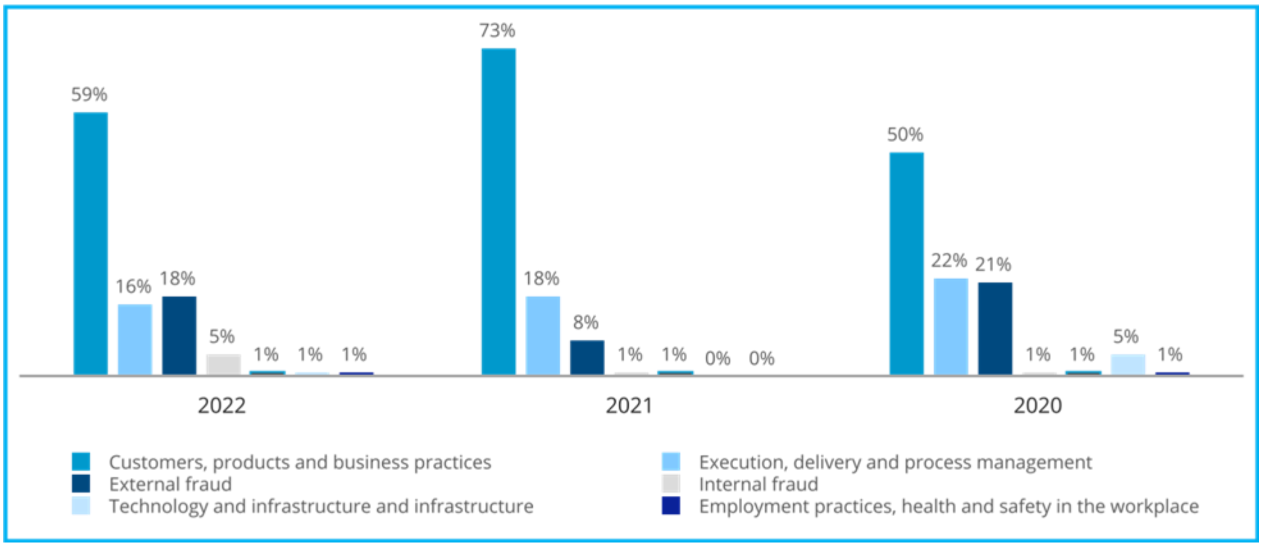
Operational risk is measured with the following aspects:

- Quantitative measurement

  The database of internal operational loss events is one of the foundations for managing operational risk and the future calculation of regulatory capital for operational risk, and it is also the core pillar used for the calculation of economic capital.

An **operational event** is the implementation of an identified operational risk, an event that causes an operational loss. It is the concept around which the entire data model revolves in the Internal Database. Loss events are defined as each individual economic impact related to an operational loss or recovery.

Gross losses by regulatory category (Tier 1) risk are broken down as follows:



The Group uses the standardised method to calculate regulatory capital consumption requirements for operational risk (see Note 4), however, the Group's operational risk measurement and management is based on policies, processes, tools and methodologies that are risk-sensitive, in line with market practices.

Therefore, the measurement of minimum capital requirements provided by the standard regulatory methodology (percentages applied to gross margin items) is used for supervisory reporting and compliance with minimum capital adequacy levels. In addition, the Group has aligned itself with international practices and has developed a model for calculating economic capital requirements, which covers all the risks in the Corporate Catalogue included in the range of operational risks.

- Qualitative measurement

  Operational risks are subjected to self-assessments on an annual basis, which make it possible to: i) obtain greater knowledge of the operational risk profile and the new critical risk; and ii) maintain a standardised update process for the taxonomy of operational risks, which is the foundation upon which this risk's management is defined.

  Expert annual workshops and meetings are also held to generate extreme operational loss scenarios. The purpose is for these scenarios to be used to detect areas of improvement in the management and to supplement the available external and internal historical data on operational losses.

There are also **Operational Risk Indicators** (KRIs), which allow: i) enables us to anticipate the development of operational risks, taking a forward-looking approach to their management and ii) provide information on development of the operational risk profile and the reasons for this. A KRI is a metric that detects and anticipates changes in said risk, and its monitoring and management is integrated in the operational risk corporate management tool. KRIs are not by nature a direct result of risk exposure. They are metrics that can be used to identify and actively manage operational risk.

Monitoring and mitigation of operational risk

With the aim of contributing to the sustainable and recurring reduction of operational risks, an annual forecast of operational losses is carried out, covering the entire scope of management and enabling monthly monitoring to analyse and, where applicable, correct any possible deviations. The degree of compliance with the forecast is monitored periodically by the Operational Risk Committee, where the main deviations are analysed taking account of the nature of the operational losses and the most and least effective mitigating actions.

The generation of action and mitigation plans is one of the links in the Group's operational risk management chain. The action and mitigation plans may originate from any of the operational risk management tools or other sources:

self-assessments, extreme scenarios, external sources (ORX, specialised press), KRIs, losses due to operational events, internal audits and internal validation reports.

Therefore, with the aim of monitoring and mitigating the operational risk, the following have been defined: action plans that entail appointing a centre to be in charge, setting out the actions to be undertaken to mitigate the risk covered by the plan, the percentage or degree of progress, which is updated regularly, and the final commitment date. This allows mitigation by i) decreasing the frequency at which the events occur, as well as their impact; ii) holding a solid structure of sustained control in policies, methodologies, processes and systems and iii) integrating —into the everyday management of the Group— the information provided by operational risk management levers.

In addition, the corporate insurance programme for dealing with operational risk is designed to cover certain risks, and it is updated annually. Risk transfer depends on risk exposure, tolerance and appetite at any given time.

Risk of an operational nature

The Corporate Risk Catalogue risks that are identified in the regulatory framework as operational risk, are described below.

3.5.1 Conduct and compliance risk

Insofar as operational risk is concerned, according to the regulatory definition, conduct and compliance risk is defined as the Group's risk arising from the application of conduct criteria that run contrary to the interests of its customers and stakeholders, or acts or omissions that are not compliant with the legal or regulatory framework, or with internal codes and rules, or with codes of conduct and ethical and good practice standards. The objective of the Group is: i) to minimise the probability of this risk occurring and ii) if it does, to detect, report and address the weaknesses promptly.

The management of compliance and conduct risk is not limited to any specific area, but rather the entire Group. All employees must ensure compliance with prevailing regulations, applying procedures that capture regulations in their activity.

In order to manage conduct and compliance risk, the Group drives the awareness-raising and promotion of the values and principles set out in the Code of Business Conduct and Ethics, and its employees and other members of its governing bodies must ensure that they are compliant as a core criterion guiding their day-to-day activities. Therefore, as the first line of defence, the areas whose business is subject to conduct and compliance risk implement and manage first-level indicators or controls to detect potential sources of risk and act effectively to mitigate them.

3.5.2 Legal and regulatory risk

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

It is managed according to certain operational principles, with a view to ensure that the appetite and risk tolerance limits defined in the Group's RAF are respected.

In this regard, the Group conducts actions to constantly monitor and track regulatory changes, in pursuit of better legal security and legitimate interests, chiefly those described in Note 3.1 in relation to the regulatory environment. As regards the latter, the activities are coordinated in the Regulation Committee, the body responsible for defining the Group's strategic stance in financial-regulation-related matters, driving the representation of the Group's interests and coordinating the regular assessment of the regulatory initiatives and proposals that may affect the Group.

Additionally, it appropriately implements standards and conducts monitoring —in each of the bank's initiatives— of its adaptation to consumer protection and privacy standards. This is coordinated by the Transparency Committee, the body responsible for ensuring transparency in the marketing of financial products and services. This Committee, through the Product Committee, is tasked with approving any new product or service, applying transparency and consumer protection regulations. In addition, the Privacy Committee constantly monitors compliance with aspects related to privacy and the protection of customers' personal data.

In order to ensure the correct interpretation of the standards, in addition to work on the study of jurisprudence, and decisions of the statutory authorities, in order to adjust the bank's activity to such criteria, it also enquires as to when it is necessary for the relevant administrative authorities.

In relation to the claims filed with the Customer Service Office, as well as the sustained flow of existing litigiousness, the Group has policies, criteria, analysis and monitoring procedures for these judicial claims and processes. These enable the Group to gain better knowledge of the activities that it develops, to identify and establish ongoing improvement in contracts and processes, to implement measures to raise awareness on regulations and early restoration of customers' rights in the event of any incidents, through agreements and establishing the appropriate accounting coverages, in the form of provisions, in order to cover hypothetical financial damages whenever they are deemed to be likely to occur.

3.5.3 Technology risk

Also within the framework of operational risk, technology risk in the Corporate Risk Catalogue is defined as the risk of losses due to the inadequacy or failures of the hardware or software of technological infrastructure, due to cyber attacks or other circumstances that may compromise the availability, integrity, accessibility and security of infrastructure and data. The risk is broken down into 5 categories that affect ICT (Information and Communications Technology): i) availability; ii) information security; iii) operation and management of change; iv) data integrity; and v) governance and strategy.

Its current measurement is incorporated into a RAF recurring follow-up indicator, calculated on the basis of individual indicators and controls linked to the different areas comprising technology risk. Regular reviews are carried out by sampling, which make it possible to check the quality of the information and the methodology used in creating the indicators reviewed.

The internal governance frameworks associated with different fields of technology risk have been designed according to renowned international standards and/or they are aligned with the guidelines published by different supervisors:

- IT governance, designed and developed under the ISO 38500 standard.
- Information security, designed and developed under the ISO 27002 standard, and certification of the Information Security Management System based on the ISO 27001 standard.
- Information Technology contingency, designed and developed under the ISO 27031 standard.
- Information governance and data quality, designed and developed under the standard BCBS 239.

With the different frameworks of governance and management systems, CaixaBank seeks to guarantee:

- Compliance with recommendations issued by regulators: Bank of Spain, European Central Bank, etc.
- Maximum security in its operations, both in regular processes and in one-off situations.

And it also demonstrates to its customers, investors, and other stakeholders:

- Its commitment to the governance of information technologies, and business security and continuity.
- The implementation of management systems according to most renowned international standards.
- The existence of different cyclical processes based on ongoing improvement.

Similarly, CaixaBank has been designated a critical infrastructure operator by virtue of the provisions of Act 8/2011 and is under the supervision of the National Centre for the Protection of Critical Infrastructures dependent on the State Secretary of Home Office Security.

Furthermore, CaixaBank holds a general emergency plan and various internal regulations on security measures, which include priority aspects such as: i) cybersecurity strategy; ii) the fight against customer fraud and internal fraud; iii) data protection; iv) security governance and disclosure; and v) supplier security.

CaixaBank's second line of defence has developed a control framework for this risk, based on international standards, which assesses the effectiveness of the control environment and measures the level of residual risk, establishing mitigation plans where necessary.

3.5.4 Model risk

In the Corporate Risk Catalogue, model risk is defined as the possible adverse consequences for the Group that may arise from decisions founded chiefly on the results of internal models, due to errors in their construction, application or use.

In particular, the subrisks identified under model risk that are subject to management and control are as follows:

- Quality risk: the potential detrimental impact due to unpredictable models, either due to defects under construction or for not having being updated over time.
- Governance risk: the potential detrimental impact due to the inadequate governance of Model Risk (e.g. models not formalised by committees, relevant models with no opinion on second line of defence, incorrectly inventoried models).
- Control environment risk: the potential detrimental impact due to weaknesses in the control environment of models, (e.g. models with expired recommendations, and breached mitigation plans).

The general model risk strategy is based on the following pillars:

- Identification of the model risk, using the Corporate Inventory of Models as a key element to set the scope of the models. In order to be able to manage model risk, it is necessary to identify the existing models, their quality and how they are used in the Group. For this reason, CaixaBank Group has this Inventory where the models have been identified and for which a corporate model has been defined and a homogenous taxonomy has been used that includes, among other attributes, their relevance and valuation.
- Model governance, addressing key aspects including, but not limited to:
  - Identifying the most relevant phases of a model's life cycle, defining the minimum functions and standards to carry out these activities.
  - The concept of tiering-based management, in other words, the way in which the control and reporting framework of models can be modulated according to the relevance of the model, generally speaking. This attribute conditions the model's control environment, such as the type and frequency of validation, the type and frequency of monitoring, the body that must approve its use, as well as the level of internal supervision and the level of involvement of senior management.
  - Governing and processing changes to models from a cross perspective, offering the various owners of models the necessary flexibility and agility to modify the affected models, in line with the most suitable governance in each case.
  - Laying down Internal Validation standards that guarantee the suitable application of controls for an independent unit to assess a model.
- Monitoring, using a control framework with a preemptive approach to Model Risk, which makes it possible to keep the risk within parameters laid down in the Group's RAF, by regularly calculating appetite metrics and other indicators specific to model risk.

Major milestones include the framework for model risk management and control developed in 2021, with the involvement of related areas (model developers and validation units). Similarly, the reporting framework was implemented, which enables the most relevant models in the Entity to be made known, as well as the significant aspects of risk management. The progressive deployment of the function in major subsidiaries was continued.

In 2022, the Group further consolidated the development of the function, emphasising the effective implementation of the governance framework for non-regulatory models, the evolution of the model risk monitoring framework, the effective deployment of tier-based management, the design of a new model risk quantification metric and the advancement of corporate deployment of the function.

In 2023, we plan to evolve the risk management tools available, study the extension of the scope of the inventory in terms of subsidiary models and the incorporation of new types of models, and continue to make progress in the deployment of management in significant subsidiaries, among others.

3.5.5 Other operational risks

In the Corporate Risk Catalogue, this means losses or damages caused by errors or faults in processes, due to external events, or actions of third parties outside the Group, whether accidentally or intentionally. It includes, among others, risk factors related to outsourcing, operational continuity or external fraud.

All of the Group's areas and companies are responsible for the set of other operational risks that arise within their respective remits. This means identifying, assessing, managing, controlling and reporting the operational risks of their activity and helping CaixaBank's Non-Financial Risk Control Division to implement the management model throughout the Group.

CaixaBank's second line of defence has developed control frameworks for outsourcing and external fraud risks, similar to those used in technology risk, to assess the effectiveness of the control environment and measure the level of residual risk, establishing mitigation plans where necessary. These reports are presented to management and governing bodies, as required.

4. CAPITAL ADEQUACY MANAGEMENT

The composition of the Group's eligible own funds is as follows:

Eligible own funds
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Amount	In %	Amount	In %	Amount	In %
Net equity	**34,262**		**35,425**		**25,278**	
Shareholders' equity	36,639		37,013		27,118	
Capital (Note 24)	7,502		8,061		5,981	
Profit/(loss)	3,145		5,226		1,381	
Reserves and other	25,992		23,726		19,756	
Minority interests and OCI	(2,377)		(1,588)		(1,840)	
Other CET1 instruments	**(800)**		**(601)**		**268**	
Adj. applied to the eligibility of minority interests	466		63		(107)	
Other adjustments (1)	(1,266)		(664)		375	
CET1 Instruments	**33,462**		**34,824**		**25,546**	
Deductions from CET1	**(5,968)**		**(6,487)**		**(5,892)**	
Intangible assets	(3,463)		(3,856)		(3,873)	
Deferred tax assets	(1,901)		(2,074)		(1,789)	
Other deductions from CET1	(604)		(557)		(230)	
CET1	**27,494**	**12.8%**	**28,337**	**13.1%**	**19,654**	**13.6%**
AT1 instruments (2)	4,238		4,985		2,984	
AT1 Deductions						
TIER 1	**31,732**	**14.8%**	**33,322**	**15.5%**	**22,638**	**15.7%**
T2 instruments (3)	5,575		5,192		3,407	
T2 Deductions						
TIER 2	**5,575**	**2.6%**	**5,192**	**2.4%**	**3,407**	**2.4%**
TOTAL CAPITAL	**37,307**	**17.3%**	**38,514**	**17.9%**	**26,045**	**18.1%**
Other eligible subordinated instruments. MREL	11,048		10,628		6,664	
MREL, SUBORDINATED (4)	**48,355**	**22.5%**	**49,142**	**22.8%**	**32,709**	**22.7%**
Other computable instruments MREL	7,448		6,382		5,111	
MREL (4)	**55,803**	**25.9%**	**55,524**	**25.7%**	**37,820**	**26.3%**
RISK WEIGHTED ASSETS (RWA)	**215,103**		**215,651**		**144,073**	
Individual CaixaBank ratios:						
CET1		12.9%		13.9%		15.1%
TIER 1		15.0%		16.4%		17.4%
Total capital		17.8%		19.0%		20.0%
RWAs	199,250		200,755		132,806	

(1) Mainly includes the forecast for dividends, and IFRS 9 transitional adjustment.
(2) In the second quarter of 2022 an issue of EUR 750 million was no longer included, as it was amortised in July of 2022 (see Note 22).
(3) A Tier 2 issue for EUR 750 million was completed in the fourth quarter (see Note 22). Another issue for GBP 500 million was completed in January 2023 (see Note 1.9)
(4) See Note 22 to see the senior preferred and senior non-preferred issuances conducted during the year. One issuance of senior non-preferred debt was also carried out for USD 1,250 million in January 2023 (see Note 1.9)

The following chart sets out a summary of the minimum requirements of eligible own funds:

Minimum requirements
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Amount	In %	Amount	In %	Amount	In %
BIS III minimum requirements						
CET1 *	17,929	8.34%	17,651	8.19%	11,670	8.10%
Tier 1	21,822	10.15%	21,553	9.99%	14,236	9.88%
Total capital	27,010	12.56%	26,756	12.41%	17,658	12.28%

(*) Includes the minimum Pillar 1 requirement of 4.5%; the Pillar 2 requirement (supervisory review process) of 0.93%; the capital conservation buffer of 2.5%, the countercyclical buffer of 0.03% and the OEIS (Other Systemically Important Entity) buffer of 0.375%.

The following chart provides a breakdown of the leverage ratio:

Leverage ratio

(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Exposure	563,692	631,351	403,659
Leverage ratio (Tier 1/Exposure)	5.6%	5.3%	5.6%

The changes in eligible own funds are as follows:

Changes in eligible own funds

(Millions of euros)

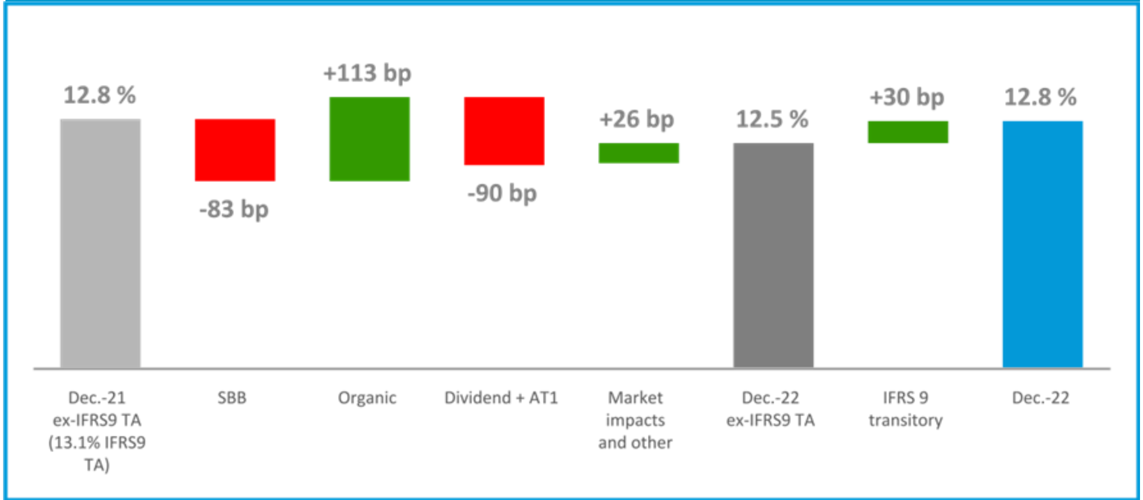
	31-12-2022		31-12-2021	
	Amount	In %	Amount	In %
CET1 AT THE START OF THE YEAR	**28,337**	**13.1%**	**19,654**	**13.6%**
Changes in CET1 instruments	**(1,362)**		**9,279**	
Capital	(559)		2,079	
Benefit	3,145		5,226	
Expected dividends	(1,730)		(1,179)	
Reserves	(1,781)		2,807	
Valuation adjustments and other (1)	(437)		346	
Changes in deductions from CET1	**519**		**(596)**	
Intangible assets	393		17	
Deferred tax assets	173		(285)	
Other deductions from CET1	(47)		(328)	
CET1 AT THE END OF THE YEAR	**27,494**	**12.8%**	**28,337**	**13.1%**
ADDITIONAL TIER 1 AT THE START OF THE YEAR	**4,985**	**2.3%**	**2,985**	**2.1%**
Changes in AT1 instruments (2)	**(747)**		**2,000**	
Preference issues			2,000	
Redemption of issuances	(750)			
Other	3			
ADDITIONAL TIER 1 AT THE END OF THE YEAR	**4,238**	**2.0%**	**4,985**	**2.3%**
TIER 2 AT THE START OF THE YEAR	**5,192**	**2.4%**	**3,407**	**2.4%**
Changes in Tier 2 instruments (2)	**383**		**1,785**	
Subordinated issuances	750		2,675	
Redemption of issuances	(500)		(1,175)	
Other	133		285	
TIER 2 AT THE END OF THE YEAR	**5,575**	**2.6%**	**5,192**	**2.4%**

(1) Includes IFRS 9 transitional adjustment

(2) See Note 22 for Tier 1 and Tier 2 instruments issued and redeemed in the year.

The causative details of the main aspects of the financial year that have influenced the CET1 ratio are set out below:

Changes in CET1



The Common Equity Tier 1 (CET1) ratio stands at 12.8% (12.5% without applying the IFRS 9 transitional adjustments), following the extraordinary impact from the share buy-back programme "SBB" (-83 basis points, EUR 1,800 million, see Note 24).

The organic change in the year was +113 basis points, -90 basis points caused by the forecast of dividends and AT1 coupon payment and +26 basis points by the performance of the markets and other factors. The impact from phasing in IFRS 9 is +30 basis points.

The Group's current level of capital adequacy confirms that the applicable requirements would not lead to any automatic restrictions according to the capital adequacy regulations, regarding the distribution of dividends, variable remuneration, and the interests of holders of Additional Tier 1 capital securities. At 31 December, CaixaBank has a margin of 445 basis points, equating to EUR 9,565 million, until the Group's MDA trigger.

Information on capital requirements by risk calculation method is presented below:

Breakdown of risk weighted assets by method
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Amount	%	Amount	%	Amount	%
Credit risk *	**175,185**	**81.4%**	**172,795**	**80.2%**	**111,827**	**77.6%**
Standardised approach	80,919	37.6%	83,706	38.9%	63,832	44.3%
IRB approach	94,266	43.8%	89,089	41.3%	47,995	33.3%
Shareholder risk	**19,978**	**9.3%**	**22,729**	**10.5%**	**16,729**	**11.6%**
PD/LGD method	2,890	1.3%	4,837	2.2%	4,056	2.8%
Simple method	17,088	7.9%	17,892	8.3%	12,673	8.8%
Market risk	**1,130**	**0.5%**	**1,755**	**0.8%**	**2,267**	**1.6%**
Standardised approach	12	0.0%	568	0.3%	1,158	0.8%
Internal models (IMM)	1,118	0.5%	1,187	0.6%	1,109	0.8%
Operational risk	**18,810**	**8.7%**	**18,371**	**8.5%**	**13,250**	**9.2%**
Standardised approach	18,810	8.7%	18,371	8.5%	13,250	9.2%
TOTAL	**215,103**	**100.0%**	**215,650**	**100.0%**	**144,073**	**100.0%**

(*) Includes credit valuation adjustments (CVA), deferred tax assets (DTAs) and securitisations.

5. APPROPRIATION OF PROFIT/(LOSS)

The appropriation of profits of CaixaBank, S.A. from the 2022 financial year, which the Board of Directors agrees to propose to the General Shareholders' Meeting for approval, based on the information available to elaborate these financial statements, is presented below:

Appropriation of profits of CaixaBank, S.A.
(Millions of euros)

	Amount	Euros per share
Basis of appropriation		
Profit/(loss) for the year	2,413	
Distribution		
To dividends (1)	1,730	0.2306
To reserves (2)	683	
To legal reserve (3)		
To voluntary reserve (2) (4)	683	
NET PROFIT FOR THE YEAR	**2,413**	

(1) Estimated amount corresponding to payment of the dividend of EUR cents 23.06 per share, to be paid in cash. This amount is equivalent to 55% of consolidated net profit, in line with the dividend policy currently in force. The amount of EUR 1,730 million will be reduced in accordance with the number of treasury shares held by CaixaBank at the time of payment of the dividend, as in accordance with the Spanish Corporate Enterprises Act no dividend can be received on treasury stock.

(2) Estimated amount allocated to the voluntary reserve. This amount will be increased by the same quantity as the reduction in the amount earmarked for payment of the dividend (see note (1) above).

(3) It is not necessary to transfer part of the 2022 profit to the legal reserve. The legal reserve of the Company amounts to EUR 1,612 million, equivalent to 20% of the share capital required by article 274 of the Corporate Enterprises Act, before the capital reduction of EUR 559 million, through the amortisation of 558,515,414 shares acquired as part of the share buyback programme implemented by the Company during the 2022 financial year. Following the capital reduction, which was formalised in a public deed executed on 9 January 2023 and registered in the Commercial Register on 13 January 2023, the amount of EUR 1.5 billion, equivalent to 20% of the current share capital, will be considered a legal reserve. The surplus of 20% of the share capital, i.e., EUR 112 million, will be considered an available reserve.

(4) Remuneration of AT1 capital instruments corresponding to 2022, totalling EUR 261 million, will be deemed to have been paid, with this amount charged to voluntary reserves.

6. SHAREHOLDER REMUNERATION AND EARNINGS PER SHARE

6.1. SHAREHOLDER REMUNERATION

On 20 April 2022, the Entity paid its shareholders an ordinary dividend of EUR 0.1463 per share charged to 2021 profits, following approval by CaixaBank's Annual General Meeting held on 8 April. This dividend distribution amounts to EUR 1,179 million, and is equivalent to 50% of the consolidated net profit of 2021 adjusted by the extraordinary impacts from the merger with Bankia.

Similarly, on 27 January 2022, the Board of Directors approved the Dividend Policy for FY 2022, consisting of a cash distribution of 50 - 60% of the consolidated net profit, payable in a single payment in April 2023, subject to final approval at the Annual General Meeting.

The Board of Directors proposed at the Annual General Meeting held on 2 February 2023 to pay a dividend of EUR 23.06 per share charged to 2022 profits, which represents a payout of 55%, in the second quarter of 2023. In the same meeting the Board of Directors approved the Dividend Policy for the 2023 fiscal year, consisting of a cash distribution of 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.

The following dividends were distributed in recent years:

Dividends paid
(Millions of euros)

	Euros per share	Amount paid in cash	Date of announcement	Payment date
2022				
2021 dividend	0.1463	1,179	27-01-2022	20-04-2022
2021				
2020 dividend	0.0268	216	29-01-2021	24-05-2021
2020				
2019 dividend	0.07	418	26-03-2020	15-04-2020

6.2. EARNINGS PER SHARE

Basic and diluted earnings per share of the Group are as follows:

Calculation of basic and diluted earnings per share
(Millions of euros)

	2022	2021	2020
Numerator	**2,884**	**4,982**	**1,238**
Profit attributable to the Parent	3,145	5,226	1,381
Less: Preference share coupon amount (AT1)	(261)	(244)	(143)
Denominator (thousands of shares)	**7,819**	**7,575**	**5,977**
Average number of shares outstanding (1)	7,819	7,575	5,977
Adjusted number of shares (basic earnings per share)	**7,819**	**7,575**	**5,977**
Basic earnings per share (in euros) (2)	**0.37**	**0.66**	**0.21**
Diluted earnings per share (euro) (3)	**0.37**	**0.66**	**0.21**

(1) Number of shares outstanding at the beginning of the year, excluding average number of treasury shares held during the period. Includes the retrospective adjustments set out in IAS 33.
(2) If the profit/loss of CaixaBank (non-consolidated basis) in 2022, 2021 and 2020 had been considered, the basic profit would be EUR 0.27, EUR 0.53 and EUR 0.09 per share, respectively.
(3) Preference shares did not have any impact on the calculation of diluted earnings per share, since their capacity to be convertible was unlikely. Additionally, equity instruments associated with remuneration components were not significant.

7. BUSINESS COMBINATIONS, ACQUISITION AND DISPOSAL OF OWNERSHIP INTERESTS IN SUBSIDIARIES

Business combinations – 2022

Sa Nostra, Compañía de Seguros de Vida, S.A. (Sa Nostra Vida)

On 27 June 2022, CaixaBank reached an agreement with Caja de Seguros Reunidos, Compañía de Seguros y Reaseguros, S.A. (Caser) to have its subsidiary VidaCaixa, S.A.U. de Seguros y Reaseguros (VidaCaixa) buy its 81.31% interest in the share capital of Sa Nostra Vida, a company that provides life insurance and pension plans that operates in the Balearic Islands. The operation was completed in November of 2022, after obtaining the approvals of the Comisión Nacional de Mercados y Competencia and the Dirección General de Seguros y Fondos de Pensiones (the Spanish Markets and Competition Commission and the Spanish Directorate General for Insurance and Pension Funds, respectively).

The consideration that VidaCaixa paid CASER was EUR 262 million and had been agreed by the parties based on the premises set out in the shareholder agreement of Sa Nostra Vida.

Furthermore, a negative impact for EUR 29 million was recorded in the income statement due to the penalty included in the price for terminating the partnership with Caser in Sa Nostra Vida. The acquisition did not have any other significant impacts on the Group's income statement or solvency.

In November of 2022, CaixaBank transferred the remaining 18.69% stake in Sa Nostra Vida to VidaCaixa, such that the latter wholly owns Sa Nostra Vida.

After these operations were complete, the reorganisation of Bankia's insurance businesses was finalised. The accounting and operational integration of Sa Nostra Vida into VidaCaixa will be accomplished in 2023.

Provisional accounting of the business combination

The business combination is provisionally recognised in these financial statements. The acquisition date for accounting purposes was 31 December 2022. The impact on equity and profit or loss of the difference between the acquisition date and the date control was effectively obtained is not significant.

The value of the consideration for 100% comes to EUR 272 million on a net value of the assets and liabilities at fair value of EUR 155 million. As a result of the acquisition, a first-time consolidation difference of EUR 127 million has emerged which, on a preliminary basis for the year-end 2022, has been allocated as EUR 116 million to "Intangible assets - Goodwill" and EUR 11 million to "Intangible assets - Other intangible assets" corresponding to the customer portfolio.

The net profit attributed to the Group and the gross margin from this business at 31 December 2022, if the business combination had been carried out on 1 January 2022, would be increased by EUR 10 million and EUR 15 million, respectively. The costs directly associated with the transaction are not relevant, and have been recorded in the statement of profit or loss for the period in which they materialise.

Business combinations – 2021

Bankia Group

On 17 September 2020, the Board of Directors of CaixaBank and Bankia entered a Shared Merger Project involving the takeover merger of Bankia (absorbed company) by CaixaBank (absorbent company).

The Joint Merger Plan was deposited in the Commercial Register of Valencia and approved at the General Shareholders' Meetings of CaixaBank and Bankia, which were held in early December 2020. Effective control was set for 23 March 2021, once all conditions precedent were met.

In the first quarter of 2021, the Group recorded a positive amount equivalent to the negative difference arising on consolidation of EUR 4,300 million under "Negative goodwill recognised in profit or loss" in the accompanying condensed interim consolidated statement of profit or loss (before and after tax). On 31 March 2022, the interim period for evaluating the PPA concluded, with no changes to the initial estimate.

Bankia Vida, S.A.

On 29 December 2021, after obtaining the relevant regulatory authorisations, CaixaBank formalised the purchase from Grupo Mapfre of 51% of the share capital of Bankia Vida, S.A. de Seguros y Reaseguros. Thus, the Group has acquired the entire share capital, acquiring full control over that company. The acquisition date for accounting purposes was 31 December 2021.

The price for this transaction, materialised in cash, amounted to EUR 324 million and includes the termination costs foreseen under the agreements with Mapfre (10% of the value determined by the independent expert, weighted by the percentage of capital acquired from Mapfre, equivalent to EUR 29 million).

The price for the purchase of 51% of BV is consistent with the value of EUR 577 million as determined by the independent expert chosen between the parties for the total share capital of BV (excluding the costs of the split).

Mapfre and CaixaBank agreed to submit to arbitration whether CaixaBank is obliged, under the aforementioned banking-insurance agreements, to pay Mapfre an additional amount of EUR 29 million, corresponding to an additional 10% of the value of the EUR 577 million as determined by the independent expert, for the total of the share capital of BV, weighted by the percentage of acquired capital of BV (51%). Arbitration is underway and the decision is expected in the first or second quarter of 2023 (see Note 20).

Accounting of the business combination

As a result of the acquisition, a first consolidation difference of EUR 399 million has been highlighted which has been recorded (retroactively to the date of the business combination).

The Group has conducted a fair value allocation process consistent with IFRS 3, in collaboration with an independent expert. Consequently, customer portfolios (Life, Non-Life and Unit Linked) that meet the criteria of identifiability and separability laid down in IAS 38 were identified for an amount of EUR 492 million gross and recorded under "Intangible assets - Other intangible assets", together with the corresponding deferred tax liability arising from the temporary difference between the carrying amount and the tax cost of this asset.

In the provisional recording of the business combination as at 31 December 2021, EUR 404 million was recorded under "Intangible assets - Goodwill".

As part of its plan to rearrange the Group's insurance business, in March 2022, CaixaBank sold 100% of the share capital of BV to VidaCaixa. This had no impact on the Group's equity, on a consolidated level. In November 2022 BV merged for accounting and operational purposes into VidaCaixa.

8. SEGMENT INFORMATION

The objective of business segment reporting is to allow internal supervision and management of the Group's activity and profits. The information is broken down into several lines of business according to the Group's organisation and structure. The segments are defined and segregated taking into account the inherent risks and management characteristics of each one, based on the basic business units which have accounting and management figures.

The following is applied to create them: i) the same presentation principles are applied as those used in Group management information, and ii) the same accounting principles and policies as those used to prepare the financial statements.

In 2022, the business segments have been reconfigured and the 2021 and 2020 information has been restated to facilitate comparisons. As a result, the Group is made up of the following business segments:

- **Banking and insurance business**: shows earnings from the Group's banking, insurance, asset management, real estate and ALCO's activity mainly in Spain.

  Most of the activity and results generated by Bankia are included in this business. The recognition date take of the merger for accounting purposes is 31 March 2021, the date on which the financial statements included Bankia's assets and liabilities at fair value. As of the second quarter of 2021, the generated results are included in the various lines of the income statement.

- **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**: includes the investees allocated to the equity investments business in the segmentation effective until 2021, that is, Telefónica, BFA, BCI, Coral Homes and Gramina Homes, as well as Erste Group Bank until its divestment in the fourth quarter of 2021. This line of business shows earnings from the stakes net of funding expenses.

In addition, the Group's excess capital is allocated to the corporate centre, which is calculated as the difference between the Group's total shareholders' 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. Specifically, the corporate expenses at Group level are assigned to the corporate centre.

The performance of the Group by business segment is shown below:

Consolidated statement of profit or loss of CaixaBank Group - By business segment
(Millions of euros)

	Banking and insurance						BPI			Corporate centre		
	2022		2021		2020							
		*Of which insurance **		*Of which insurance*		*Of which insurance*	2022	2021	2020	2022	2021	2020
NET INTEREST INCOME	**6,366**	***408***	**5,552**	***325***	**4,528**	***342***	**544**	**448**	**447**	**6**	**(25)**	**(75)**
Dividend income and share of profit/(loss) of entities accounted for using the equity method *	211	*200*	266	*209*	250	*220*	29	25	18	187	326	186
Net fee and commission income	3,714	*(84)*	3,417	*(6)*	2,331	*(62)*	296	288	245	0		
Gains/(losses) on financial assets and liabilities and others	299	*21*	193	*7*	249	*5*	27	11	(2)	12	17	(9)
Income and expenses under insurance and reinsurance contracts	866	*863*	650	*653*	598	*598*	0			0		0
Other operating income and expense	(918)	*(1)*	(862)	*(2)*	(338)	*136*	(38)	(24)	(15)	(7)	(8)	(3)
GROSS INCOME	**10,538**	***1,408***	**9,216**	***1,186***	**7,618**	***1,239***	**858**	**748**	**693**	**198**	**310**	**99**
Administration expenses, depreciation and	(5,555)	*(260)*	(7,542)	*(149)*	(4,089)	*(127)*	(455)	(445)	(439)	(60)	(62)	(51)
PRE-IMPAIRMENT INCOME	**4,983**	***1,148***	**1,674**	***1,037***	**3,529**	***1,112***	**403**	**303**	**254**	**138**	**248**	**48**
Impairment losses on financial assets and other provisions	(1,072)	*0*	(1,238)		(2,124)		(28)	(77)	(40)	(9)		
NET OPERATING INCOME/(LOSS)	**3,911**	***1,148***	**436**	***1,037***	**1,405**	***1,112***	**375**	**226**	**214**	**129**	**248**	**48**
Gains/(losses) on disposal of assets and others	(70)	*0*	4,360		(199)		0	(6)	28	(19)	51	104
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**3,842**	***1,148***	**4,796**	***1,037***	**1,206**	***1,112***	**374**	**220**	**242**	**110**	**299**	**152**
Income tax	(1,089)	*(278)*	(54)	*(243)*	(193)	*(224)*	(102)	(53)	(65)	12	19	39
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**2,752**	***870***	**4,742**	***794***	**1,013**	***888***	**273**	**167**	**177**	**122**	**318**	**191**
Profit/(loss) attributable to minority interests	2	*0*	1		0		0			0		
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**2,751**	***870***	**4,741**	***794***	**1,013**	***888***	**272**	**167**	**177**	**122**	**318**	**191**
Total assets	548,045	*73,745*	632,423	*81,649*	407,733	*80,667*	38,795	41,308	37,726	5,394	6,305	6,061
Of which: positions in sovereign debt	*140,953*	*45,853*	*150,141*	*60,103*	*106,492*	*58,845*	*6,519*	*6,627*	*6,141*			

(*) VidaCaixa's results include in 2022 the income generated by Bankia Vida (100% after the acquisition of 51% from Mapfre on December 2021 and merged with VidaCaixa in the fourth quarter of 2022) and Bankia Pensiones (100% following the merger with VidaCaixa in the last quarter of 2021). Following the merger of Bankia Vida and Bankia Pensiones, the VidaCaixa Group acquired 100% of the stake in Sa Nostra Vida (81.3% acquired from Caser and the remaining 18.7% corresponds to the stake held directly following the merger) in the last quarter of 2022. The results corresponding to the 18.7% recognised in Share of profit/(loss) of entities accounted for using the equity method were attributed in 2022. The income from Sa Nostra Vida and Bankia Mediación (subsidiary insurer also 100% from Bankia) and of VidaCaixa totals EUR 874 million in 2022.

The banking and insurance businesses have an integrated Banking-Insurance management model. Under a regulatory framework with similar accounting and supervision objectives, sales and risks are managed jointly, as the model is integrated. The results of the Banking-Insurance business are presented as a single business segment in the segment reporting because of this integrated Banking-Insurance management model.

The income of the Group by segment, geographical area and distribution of ordinary income is as follows:

Distribution of interest and similar income by geographical area

(Millions of euros)

	CaixaBank			CaixaBank Group		
	2022	2021	2020	2022	2021	2020
Domestic market	**6,277**	**5,151**	**3,932**	**8,333**	**7,309**	**6,211**
International market	**253**	**80**	**69**	**900**	**583**	**553**
European Union	247	74	63	883	577	547
Eurozone	104	41	27	740	544	511
Non-eurozone	143	33	36	143	33	36
Other countries	6	6	6	17	6	6
TOTAL	**6,530**	**5,231**	**4,001**	**9,233**	**7,892**	**6,764**

Distribution of ordinary income *

(Millions of euros)

	Ordinary income from customers			Ordinary income between segments			Total ordinary income		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Banking and insurance	**15,326**	**13,338**	**11,245**	**106**	**62**	**100**	**15,432**	**13,400**	**11,345**
Spain	14,826	13,074	11,041	106	62	100	14,932	13,136	11,141
Other countries	500	264	204				500	264	204
BPI	**958**	**819**	**750**	**76**	**53**	**47**	**1,034**	**872**	**797**
Portugal/Spain	951	811	742	76	53	47	1,027	864	789
Other countries	7	8	8				7	8	8
Corporate centre	**205**	**342**	**177**	**78**	**14**	**11**	**283**	**356**	**188**
Spain	59	85	62	61	12	9	120	97	71
Other countries	146	257	115	17	2	2	163	259	117
Ordinary adjustments and eliminations between segments				**(260)**	**(129)**	**(158)**	**(260)**	**(129)**	**(158)**
TOTAL	**16,489**	**14,499**	**12,172**	**0**	**0**	**0**	**16,489**	**14,499**	**12,172**

(*) Corresponding to the following items in the Group's public statement of profit or loss:

1. Interest income
2. Dividend income
3. Share of profit/(loss) of entities accounted for using the equity method
4. Fee and commission income
5. Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
6. Gains/(losses) on financial assets and liabilities held for trading, net
7. Gains/(losses) on assets not designated for trading compulsorily measured at fair value through profit or loss, net
8. Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net
9. Gains/(losses) from hedge accounting, net
10. Other operating income
11. Income from assets under insurance and reinsurance contracts

9. REMUNERATION OF "KEY MANAGEMENT PERSONNEL"

9.1. REMUNERATION OF THE BOARD OF DIRECTORS

At the Ordinary Annual General Meeting of CaixaBank held on 8 April 2022, the amendment to the remuneration policy for the Board of Directors was approved for 2022-2024, in accordance with the remuneration scheme set out in the Articles of Association and in the Regulations of the Board of Directors, as well as the provisions of the Corporate Enterprises Act and Act 10/2014, of 26 June, on the organisation, supervision and capital adequacy of credit institutions.

Article 34 of CaixaBank's By-laws stipulates that the position of Director shall be remunerated and that this remuneration shall consist of a fixed annual sum with a maximum amount determined by the Annual General Meeting and which shall remain in force until the General Meeting agrees to modify it. This maximum amount shall be used to remunerate all the Directors in their condition as such and shall be distributed as deemed appropriate by the Board of Directors, following the proposal of the Remuneration Committee, both in terms of remuneration to members, which receives additional fixed remuneration for carrying out his duties, and according to the duties and position of each member and to the positions they hold in the various Committees. Likewise, in conformance with the agreement and subject to the limits determined by the Annual General Meeting, Directors may be remunerated with Company shares or shares in another publicly traded Group company, options or other share-based instruments or of remuneration referenced to the value of the shares.

Non-executive Directors maintain an organic relationship with CaixaBank and consequently do not have contracts established with the Company for exercising their functions or do not have any type of recognized payment for the termination of the Director position; it only consists of fixed components.

Executive Directors carrying out executive duties are entitled to receive remuneration for these duties, which may be either a fixed amount, a complementary variable amount, incentive schemes, and benefits, which may include pension plans and insurance and, where appropriate, social security payments. In the event of departure not caused by a breach of their functions, directors may be entitled to compensation.

In addition, given the enormous practical issues involving an individual policy, Executive Directors are covered by the civil liability policy for Directors and executives of the Group to cover any third-party liabilities they may incur when carrying out their duties.

Details of remuneration and other benefits received by the members of the Board of Directors of CaixaBank for their membership in that body in those years are as follows:

Remuneration of the Board of Directors

(Thousands of euros)

		Fixed components					Variable components (7)						
	Position	Salary	Remuneration for being on the Board	Remuneration for being on Board committees	Remuneration for positions held in Group companies *	Remuneration for being on Boards outside the Group (5)	Variable remuneration in cash	Share-based remuneration schemes	Long-term savings system	Other items (4)	Total 2022	Total 2021	Total 2020
Goirigolzarri, Jose Ignacio (2)	Chairman	1,48	90	60		15	146	237		103	2,136	1,693	
Gual, Jordi (2)												331	1,382
Muniesa, Tomás	Deputy Chairman		90	100	435	13					638	636	620
Gortazar, Gonzalo ** (6)	CEO	2,06 1	90	50	60		413	674	514	78	3,940	3,896	2,836
Reed, John S.	Lead Director		128	36							164	164	149
Armenter, Marcelino (1)													31
Ayuso, Joaquín (2)	Director		90	80							170	129	
Bassons, Maria Teresa (2)												28	120
Campo, Francisco Javier (2)	Director		90	80							170	129	
Castillo, Eva (2)	Director		90	80							170	129	
Fisas, M. Verónica	Director		90	100							190	190	183
Fundación CajaCanarias, repres. by Natalia Aznarez (2)												33	140
García-Bragado, Alejandro (2)												28	120
Garmendia, Cristina	Director		90	110							200	200	169
Garralda, Ignacio (2)												21	90
Moraleda, María Amparo	Director		90	142							232	206	206
Sanchiz, Eduardo Javier	Director		90	140							230	230	218
Santero, Teresa (2)	Director		90	50							140	107	
Serna, José	Director		90	80							170	163	140
Ulrich, Fernando María (2) (3)	Director		90	80	750						920	879	
Usarraga, Koro	Director		90	160							250	250	231
Vives, Francesc Xavier (1)													81
TOTAL		**3,54**	**1,388**	**1,348**	**1,245**	**28**	**559**	**911**	**514**	**181**	**9,720**	**9,442**	**6,716**

(*) Registered in the income statement of the respective companies. (**) Jose Ignacio Goirigolzarri and Gonzalo Gortazar have practiced executive duties in 2022 and 2021 (Gonzalo Gortazar alone in 2020).

(1) Marcelino Armenter stood down from his position on 2 April 2020 and Francesc Xavier Vives was not reappointed as Coordinating Director in 2020, after his mandate ended.

(2) The following were appointed in 2021: José Ignacio Goirigolzarri as chairman, Joaquín Ayuso, Francisco Javier Campo and Eva Castillo as independent directors, Fernando Ulrigh as an external director, and Teresa Santero as proprietary director at the proposal of the FROB (in view of the stake that she holds in CaixaBank through BFA Tenedora de Acciones, SAU). Furthermore, Jordi Gual, Maria Teresa Bassons, Alejandro García-Bragado, Ignacio Garralda and the CajaCanarias Foundation stood down in 2021.

(3) The positions held at BPI are not on behalf of CaixaBank Group.

(4) Includes remuneration in kind (health and life insurance premiums paid in favour of Executive Directors), interest accrued on deferred variable remuneration in cash, other insurance premiums paid and other benefits.

(5) Remuneration received for representing the Company on Boards of Directors of listed companies and others in which the Company has a presence, outside of the consolidated group and which are recorded in the statements of profit or loss of the respective companies.

(6) The Chief Executive Officer decided to voluntarily waive his variable remuneration corresponding to 2020, both as regards the yearly bonus as well as participation in the yearly Long-Term Incentives Plan corresponding to 2020.

(7) Includes EUR 529 thousand of variable remuneration subject to multi-annual factors.

CaixaBank does not have any pension obligations with former or current members of the Board of Directors in their capacity as such.

9.2. REMUNERATION OF SENIOR MANAGEMENT

The breakdown and details of remuneration received by Senior Management of the Group are as follows:

Remuneration of Senior Management
(Thousands of euros)

	31-12-2022	31-12-2021	31-12-2020
Salary (1)	11,545	11,927	7,267
Post-employment benefits (2)	1,594	1,739	1,820
Other long-term provisions (3)	65	431	251
Other positions in Group companies	1,024	1,011	1,010
TOTAL	**14,228**	**15,108**	**10,348**
Remuneration received for representing the Company on Boards of Directors of listed companies and others in which the Company has a presence, outside of the consolidated group (4)	124	180	156
TOTAL REMUNERATION	**14,352**	**15,288**	**10,504**
Number of members of the Senior Management	13	13	11

(1) This amount includes fixed remuneration, remuneration in kind and total variable remuneration received by members of the Senior Management. Variable remuneration corresponds to the variable remuneration scheme with multi-year metrics accruing in cash and shares for the year, which includes the deferred portion subject to the multi-year adjustment. Termination benefits not included.
In April 2020, Senior Management announced its withdrawal from variable remuneration for 2020, both with respect to the annual bonus and its participation in the second cycle of the 2020 long-term incentives plan.

(2) Includes insurance premiums and discretionary pension benefits.

(3) This item corresponds to the amount of the risk policy whose increase or decrease does not correspond to the remuneration management, but rather to the performance of the technical variables that determine the premiums.

(4) Registered in the income statement of the respective companies.

All the contracts of Senior Management members, the Chairman and the Chief Executive Officer have post-contractual non-competition commitments of one annual payment of their fixed components (payable in 12 monthly payments) and indemnity clauses equivalent to one annual payment of the fixed components, or the amount payable by law, whichever is higher.

The Chairman and the Chief Executive Officer have an indemnity clause of 1 annual payment of the fixed remuneration components. There are currently three committee members for whom the indemnity to which they are legally entitled remain less than one year of their salary.

The value of obligations accrued as defined contribution post-employment commitments with Executive Directors and Senior Management are as follows:

Post-employment commitments with Executive Directors and Senior Management
(Thousands of euros)

	31-12-2022	31-12-2021	31-12-2020
Post-employment commitments	18,792	19,533	16,523

9.3. OTHER DISCLOSURES RELATING TO THE BOARD OF DIRECTORS

Article 30 of the Regulations of the Board of Directors of CaixaBank governs the situations of conflict applicable to all directors, establishing that the director must avoid situations that could entail a conflict of interest between the Company and the Director or its related persons, adopting the measures necessary in this regard.

Directors bear certain obligations in their duty to avoid situations of conflicts of interest, such as: i) directly or indirectly carrying out transactions with CaixaBank unless they are ordinary operations, carried out under standard conditions for all customers and of little significance; ii) using the Company name or relying on their status as director of the Company to unduly influence private transactions; iii) making use of the Company's assets or availing themselves of their position at the Company to obtain an economic advantage or for any private purposes; iv) taking advantage of the company's business opportunities; v) obtaining advantages or remuneration from third parties other than the Company and its group in association with the performance of their duties, with the exception of mere courtesies; and vi) performing activities on their own behalf or via third parties that constitute direct, actual or potential competition with the company or which, by any other means, put them in a position of permanent conflict with the interests of CaixaBank.

The aforementioned obligations may be waived in one-off cases, in some cases require the approval by the General Meeting.

The Regulations of the Board of Directors are publicly available on the CaixaBank website (www.caixabank.com).

In any case, the advisers must notify the CaixaBank Board of Directors of any situation of conflict —direct or indirect, that the directors or persons related to them may be involved in— with the interests of the Group, which will be subject to reporting in the financial statements, as established in article 229.3 of the Corporate Enterprises Act.

During 2022, no director has notified any situation that places them in a conflict of interest with the Group. However, on the following occasions, directors abstained from intervening and voting in the deliberation of issues in sessions of the Board of Directors:

Conflicts of interest

Director	Conflict of interest
José Ignacio Goirigolzarri (Chairman)	- Abstention from the deliberation and voting on the resolution regarding variable remuneration corresponding to 2021. - Abstention from the deliberation and voting on the resolution regarding remuneration conditions corresponding to 2022.
Tomás Muniesa (Deputy Chairman)	- Abstention from the deliberation and voting on the resolution regarding his appointment as member of the Executive Committee of the Board of Directors. - Abstention from the deliberation and voting on the resolution regarding the sale of properties to a subsidiary of Criteria Caixa, S.A.U. - Abstention from the deliberation and voting on the resolution regarding the amendment of certain terms and conditions of various real estate lease contracts for use other than housing, entered into with the Caixa d'Estalvis i Pensions de Barcelona Banking Foundation, "la Caixa" and other group companies.
Gonzalo Gortazar (CEO)	- Abstention from the deliberation and voting on the resolution regarding variable remuneration corresponding to 2021. - Abstention from the deliberation and voting on the resolution regarding remuneration conditions corresponding to 2022.
John S. Reed (Lead Director)	- Abstention in the deliberation on the proposal to agree to review the remuneration package of the Chairs of the Board of Directors' Committees.
Verónica Fisas (Director)	- Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.
María Amparo Moraleda (Director)	- Abstention from the deliberation and voting on the resolution regarding appointment as member of the Board of Director's Appointments and Sustainability Committee. - Abstention in the deliberation on the proposal to agree to review the remuneration package of the Chairs of the Board of Directors' Committees. - Abstention from deliberation and voting on motions regarding financing arrangements intended for related parties.
Eduardo Javier Sanchiz (Director)	- Abstention in the deliberation on the proposal to agree to review the remuneration package of the Chairs of the Board of Directors' Committees.
Teresa Santero (Director)	- Abstention from deliberations and voting on the resolution regarding the sale of the stake in the SAREB to the FROB. - Abstention from the deliberation and voting on the resolution regarding the purchase of foreclosed real estate assets belonging to BFA Tenedora de Acciones, S.A.U.
José Serna (Director)	- Abstention from the deliberation and voting on the resolution regarding the sale of a property to a subsidiary of Criteria Caixa, S.A.U. - Abstention from the deliberation and voting on the resolution regarding the amendment of certain terms and conditions of various real estate lease contracts for use other than housing, entered into with the Caixa d'Estalvis i Pensions de Barcelona Banking Foundation, "la Caixa" and other group companies.

Conflicts of interest

Director	Conflict of interest
Usarraga, Koro (Director)	- Abstention in the deliberation on the proposal to agree to review the remuneration package of the Chairs of the Board of Directors' Committees. - Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.

The other directors with appointments in force during 2022 (in other words, Joaquín Ayuso, Francisco Javier Campo, Eva Castillo, Fernando Maria Costa Duarte and Cristina Garmendia) have declared that they have had no situation of conflict with the Company's interests, be it direct or indirect, proprietary interests, or the interests of the people linked to them, during the period of their mandate in 2022.

The Internal Rules of Conduct on Matters relating to the Stock Market regulates conflicts of interest, establishing the obligation to inform Regulatory Compliance of any conflict of interest affecting the director of his or her related parties.

There is no family relationship between the members of the CaixaBank Board of Directors and the group of key personnel comprising CaixaBank's Senior Management.

Prohibition of competition

Specifically, article 229.1f) of the Corporate Enterprises Act establishes that Board members may not carry out for their own account or the account of other activities which actually or potentially constitute effective competition with those carried out by the Company or which, in any other way, permanently conflict with the Company's interests. Article 230 of the Corporate Enterprises Act stipulates that this prohibition can be lifted if the Company is not expected to incur damages or it is expected that it will be indemnified for an amount equal to the benefits expected to be obtained from the exemption. Express and separate approval of the exemption must be obtained from shareholders at the Annual General Meeting. The provisions contained in the mentioned articles also apply to cases where the beneficiary of any such actions or activities is a person related to the director.

The company has not been informed of any activity or circumstance that might represent effective, current or potential competition of the directors or persons associated with them, with CaixaBank Group or that, in any other way, places them in permanent conflict with the interests of the Entity.

9.4. VOTING RIGHTS HELD BY "KEY MANAGEMENT PERSONNEL"

At year-end, the (direct and indirect) voting rights held by "key management personnel" are specified in section "Participation of the Board (A.3)" of the Annual Corporate Governance Report, attached to the Management Report.

10. CASH AND CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS

The breakdown of this heading is as follows:

Breakdown of cash and cash balances at central banks

(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Cash	2,560	3,044	2,339
Cash balance in central banks (Note 3.4.4)	16,384	99,574	48,535
Other demand deposits	1,578	1,598	737
TOTAL	**20,522**	**104,216**	**51,611**

Cash balances at central banks includes balances held to comply with the mandatory minimum reserves requirement in the central bank based on eligible liabilities. The mandatory reserves earn interest at the rate applicable to all major Eurosystem financing operations.

11. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

11.1. TRADING DERIVATIVES

The breakdown of this heading is as follows:

Breakdown of trading derivatives (product and counterparty)

(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Assets	Liabilitie	Assets	Liabilitie	Assets	Liabilitie
Unmatured foreign currency purchases and sales	**976**	**823**	**488**	**465**	**336**	**341**
Purchases of foreign currencies against euros	350	482	365	64	48	309
Purchases of foreign currencies against foreign	90	87	87	86	17	18
Sales of foreign currencies against euros	536	254	36	315	271	14
Share options	**333**	**299**	**440**	**388**	**264**	**247**
Bought	333		440		264	
Issued		299		388		247
Interest rate options	**347**	**229**	**123**	**150**	**103**	**108**
Bought	347		123		103	
Issued		229		150		108
Foreign currency options	**76**	**35**	**48**	**58**	**57**	**7**
Bought	76		48		57	
Issued		35		58		7
Other share, interest rate and inflation transactions	**4,875**	**2,382**	**9,018**	**3,695**	**4,387**	**(556)**
Share swaps	105	16	138	108	157	132
Interest-rate and inflation-linked swaps	4,631	2,212	8,880	3,587	4,230	(688)
Commodity derivatives and other risks	**356**	**203**	**202**	**82**	**154**	**4**
Swaps	339	183	199	80	153	4
Purchased options	17	20	3	2	1	
Sold options						
TOTAL	**6,963**	**3,971**	**10,319**	**4,838**	**5,301**	**151**
Of which: contracted in organised markets	*37*	*36*	*35*	*43*	*35*	*51*
Of which: contracted in non-organised markets	*6,926*	*3,935*	*10,284*	*4,795*	*5,266*	*100*
NOTIONAL	**519,553**		**567,059**		**439,674**	

For the most part, the Group hedges the market risk related to derivatives arranged with customers individually by arranging symmetric derivatives on the market, recognising both in the trading portfolio. In this way, the market risk arising from these operations is not significant.

11.2. EQUITY INSTRUMENTS

The breakdown of this heading is as follows:

Breakdown of equity instruments

(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Shares in Spanish companies	233	186	195
Shares in foreign companies		1	60
TOTAL	**233**	**187**	**255**

11.3. DEBT SECURITIES

The breakdown of this heading is as follows:

Breakdown of debt securities **

(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Spanish government debt securities *	23	128	442
Foreign government debt securities *	4	118	174
Issued by credit institutions	14	28	40
Other Spanish issuers	128	113	92
Other foreign issuers	17	32	53
TOTAL	**186**	**419**	**801**

(*) See Note 3.4.1., section "Concentration according to sovereign risk".

(**) See ratings classification in Note 3.4.1, section "Concentration according to credit quality".

11.4. SHORT POSITIONS ON SECURITIES

The breakdown of this heading is as follows:

Breakdown of short positions

(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
On securities lending agreements			
Equity instruments			
On overdrafts on repurchase agreements	59	280	273
Debt securities - public *	38	239	249
Debt securities - other issuers	21	41	24
TOTAL	**59**	**280**	**273**

(*) See Note 3.4.1., section "Concentration according to sovereign risk".

Overdrafts on repurchase agreements of debt securities are short-term transactions arranged to offset off-balance sheet positions that have been sold or are subject to a repurchase agreement.

12. FINANCIAL ASSETS NOT DESIGNATED FOR TRADING COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The breakdown of this heading is as follows:

Breakdown of financial assets not designated for trading compulsorily measured at fair value through profit or loss
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Equity instruments	127	165	180
Debt securities	6	5	52
Loans and advances	50	67	85
Customers	50	67	85
TOTAL	**183**	**237**	**317**

The changes in the valuation of these financial assets as a result of variations of credit risk are not significant, because of their credit quality (Note 3.4.1).

13. FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME

The breakdown of this heading is as follows:

Breakdown of Financial assets at fair value with changes in other comprehensive income
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Equity instruments	**1,351**	**1,646**	**1,414**
Shares in listed companies	684	1,002	843
Shares in non-listed companies	667	644	571
Debt securities *	**11,591**	**14,757**	**17,895**
Spanish government debt securities	6,644	11,817	13,966
Foreign government debt securities	3,721	1,377	2,206
Issued by credit institutions	389	565	581
Other Spanish issuers	13	55	42
Other foreign issuers	824	943	1,100
TOTAL	**12,942**	**16,403**	**19,309**
Equity instruments			
Of which: gross unrealised gains	91	128	109
Of which: gross unrealised losses	(1,260)	(1,590)	(1,877)
Debt securities			
Of which: gross unrealised gains	27	394	596
Of which: gross unrealised losses	(528)	(1)	

(*) See ratings classification in Note 3.4.1, "Concentration according to credit quality" and the breakdown by country of government debt in Note 3.4.1, section "Concentration according to sovereign risk".

13.1. EQUITY INSTRUMENTS

The breakdown of the changes under this heading is as follows:

Changes in equity instruments - 2022
(Millions of euros)

	31-12-2021	Acquisitions and capital increases	Disposals and capital decreases	Gains (-) / losses (+) transferred to reserves	Adjustments to market value and exchange differences	Transfers and other	31-12-2022
Telefónica, SA *	1,000		(602)	302	(17)		683
Banco Fomento de Angola (BFA)	321				89		410
Other	325	2	(23)	(39)		(7)	258
TOTAL	**1,646**	**2**	**(625)**	**263**	**72**	**(7)**	**1,351**

(*) The ownership interest in Telefónica, S.A. is 3.50% at 31 December 2022. On 4 October 2022, CaixaBank's fair value hedge (on 1.95% of the share capital of Telefónica) was partially settled through the delivery of 1%.

Changes in equity instruments - 2021

(Millions of euros)

	31-12-2020	Additions due to business comb. (Note 7)	Acquisitions and capital increases	Disposals and capital decreases	Gains (-) / losses (+) transferred to reserves	Adjustments to market value and exchange differences	Transfers and other	31-12-2021
Telefónica SA *	843					157		1,000
Banco Fomento de Angola **	334					18	(31)	321
Other	237	149	4	(24)	(10)	12	(43)	325
TOTAL	**1,414**	**149**	**4**	**(24)**	**(10)**	**187**	**(74)**	**1,646**

(*) On 31 December 2021, the stake in Telefónica, SA was 4.49% due to the dilutive effect of the scrip dividend (4.87% at 31 December 2020).

(**) The total payout approved by BFA net of the tax effect totalled EUR 119 million (of which EUR 79 million were extraordinary dividends charged to its reserves). Out of the total dividend, gross, EUR 98 million was recognised as income in the income statement and the rest was recognised as the cost of the investment (as a result reducing the value of losses on the investment recognised in other comprehensive income), considering them as reserves generated prior to classifying the investment as "Financial assets at fair value with changes in other comprehensive income".

Changes in equity instruments - 2020

(Millions of euros)

	31-12-2019	Acquisitions and capital increases	Disposals and capital decreases	Gains (-) / losses (+) transferred to reserves	Adjustments to market value and exchange differences	Transfers and other	31-12-2020
Telefónica *	1,617				(774)		843
Banco Fomento de Angola	414				(80)		334
Other **	376	3	(153)	(61)	72		237
TOTAL	**2,407**	**3**	**(153)**	**(61)**	**(782)**		**1,414**

(*) In March 2020, the fair value hedge on 1% of this stake was cancelled (arranged through an equity swap), recording a capital gain of EUR 177 million under the heading "Other accumulated comprehensive income" in equity. On 31 December 2020, the stake in Telefónica, SA was 4.9% due to the dilutive effect of the scrip dividend (5.0% on 31 December 2019).

(**) Dated 25 June 2020, CaixaBank Group sold its direct and indirect stake of 11.51% in Caser, after receiving the pertinent administrative authorisations, for the price of EUR 139 million. The operation did not have a significant material impact for the Group.

The estimate of the fair value of Banco de Fomento de Angola (BFA) is based on a dividend discount model (DDM), subsequently compared to comparison multiple methodologies. The main assumptions used in the dividend discount model are set out below:

Assumptions used

(Percentage)

	Banco Fomento de Angola		
	31-12-2022	31-12-2021	31-12-2020
Forecast periods	5 years	5 years	5 years
Discount rate (*)	21.6%	17.5%	19.3%
Objective capital ratio	20.0%	15.0%	15.0%

(*) This is calculated using the interest rate of the US treasury bond plus a country risk premium and another market risk premium.

For the stake in Banco de Fomento de Angola, the exercise to determine the fair value considers the sensitivity with respect to the discount rate [-1.0%; +1.0%] with no significant variations concluded in the estimated fair value in the baseline scenario.

The relevant financial information of the most relevant equity instruments classified in this section is as follows:

Financial information on key investments

(Millions of euros)

Corporate name	Registered address	% shareholding	% voting rights	Equity	Latest published profit/(loss)
Telefónica (1) (3)	Madrid - Spain	3.50%	3.50%	32,622	1,486
Sociedad de gestión de Activos Procedentes de la Reestructuración Bancaria (Sareb) (2)	Madrid - Spain	12.24%	12.24%	(10,861)	(715)
Banco de Fomento Angola (BFA) (2)	Angola	48.09%	48.09%	921	139

(1) Listed company. The information on equity and the last published profit/(loss) is at 30-09-2022.

(2) Non-listed companies. The information on equity and the last published profit/(loss) is at 30-06-2022.

(3) At 31 December 2022, 0.952% of the share capital of Telefónica, S.A. was subject to a hedging contract.

13.2. DEBT SECURITIES

The breakdown of the changes under this heading is as follows:

Changes in debt securities

(Millions of euros)

	2022			2021			2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Opening balance	**14,749**		**8**	**17,895**			**15,964**		
Plus:									
Additions due to business combinations (Note 7)				9,645		8			
Transfers between stages		8	(8)						
Acquisitions	4,528			320			8,657		
Interest	203			(16)			(116)		
Gains/(losses) recognised with adjustments to equity (Note 24.2)	(783)	1		(203)			98		
Less:									
Sales and redemptions	(7,102)			(12,857)			(6,735)		
Implicit accrued interest				(8)			(10)		
Reclassifications and transfers									
Amounts transferred to income statement (Note 32) *	(13)			(26)			115		
Impairment losses (Note 36)									
Exchange differences and				(1)			(78)		
CLOSING BALANCE	**11,582**	**9**		**14,749**		**8**	**17,895**		

(*) The profit/(loss) of fixed-income portfolio sales is recorded under the heading "Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net".

14. FINANCIAL ASSETS MEASURED AT AMORTISED COST

The breakdown of this heading is as follows:

Breakdown of financial assets at amortised cost - 31-12-2022
(Millions of euros)

		Value adjustments				
	Gross balance	Impairment allowances	Accrued interest	Fee and com.	Other	Balance sheet
Debt securities	**77,396**	**(16)**	**353**			**77,733**
Loans and advances	**370,971**	**(7,401)**	**786**	**(427)**	**1,092**	**365,021**
Central banks						
Credit institutions	12,139	(8)	56			12,187
Customers	358,832	(7,393)	730	(427)	1,092	352,834
TOTAL	**448,367**	**(7,417)**	**1,139**	**(427)**	**1,092**	**442,754**

Breakdown of financial assets at amortised cost - 31-12-2021
(Millions of euros)

		Value adjustments				
	Gross balance	Impairment allowances	Accrued interest	Fee and com.	Other	Balance sheet
Debt securities	**67,945**	**(14)**	**275**			**68,206**
Loans and advances	**359,771**	**(8,260)**	**475**	**(436)**	**843**	**352,393**
Central banks	63					63
Credit institutions	7,817	(8)	(3)			7,806
Customers	351,891	(8,252)	478	(436)	843	344,524
TOTAL	**427,716**	**(8,274)**	**750**	**(436)**	**843**	**420,599**

Breakdown of financial assets at amortised cost - 31-12-2020
(Millions of euros)

		Value adjustments				
	Gross balance	Impairment	Accrued interest	Fee and com.	Other	Balance sheet
Debt securities	**24,559**	**(11)**	**122**			**24,670**
Loans and advances	**247,799**	**(5,609)**	**464**	**(357)**	**542**	**242,839**
Central banks	4					4
Credit institutions	5,845		2			5,847
Customers	241,950	(5,609)	462	(357)	542	236,988
TOTAL	**272,358**	**(5,620)**	**586**	**(357)**	**542**	**267,509**

14.1. DEBT SECURITIES

The breakdown of the net balances under this heading is as follows:

Debt securities *
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Spanish government debt securities	58,236	55,623	18,579
Of which: SAREB	*17,502*	*19,160*	*1,237*
Other Spanish issuers	174	125	
Other foreign issuers	19,323	12,458	6,091
TOTAL	**77,733**	**68,206**	**24,670**

(*) See Note 3.4.1, section 'Concentration according to sovereign risk'.

The breakdown of changes in the gross carrying amount (amount on balance sheet without considering allowances for impairment of assets) of debt securities at amortised cost is as follows:

Changes in debt securities

(Millions of euros)

	2022				2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**68,100**	**108**	**12**	**68,220**	**24,565**	**103**	**13**	**24,681**	**17,375**	**6**	**14**	**17,395**
Additions due to business combinations (Note 7)					37,005			37,005				
Transfers	(3)	3										
From stage 1:	(3)	3			(3)	3						
From stage 2:					4	(4)						
From stage 3:												
New financial assets	36,464	453	27	36,944	25,663	322	23	26,008	13,822	103	12	13,937
Financial asset disposals (other than write-offs) **	(26,566)	(515)	(27)	(27,108)	(18,924)	(317)	(23)	(19,264)	(6,645)	(6)	(13)	(6,664)
Changes in interest accrual	(245)			(245)	(166)			(166)	11			11
Write-offs							(1)	(1)				
Exchange differences and	(62)			(62)	(43)			(43)	2			2
CLOSING BALANCE	**77,688**	**49**	**12**	**77,749**	**68,100**	**108**	**12**	**68,220**	**24,565**	**103**	**13**	**24,681**
Impairment allowances	*(4)*	*(2)*	*(10)*	*(16)*	*(5)*	*(5)*	*(4)*	*(14)*	*(2)*	*(5)*	*(4)*	*(11)*

(*) There were no significant changes in the period

(**) Gains on sales of fixed income portfolio are recorded under "Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net", with no impact on the business model.

14.2. LOANS AND ADVANCES

Loans and advances – Credit institutions

The breakdown of the gross balances of this heading is as follows:

Breakdown of loans and advances to credit institutions by type

(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Demand	**7,988**	**5,122**	**3,748**
Other accounts	7,988	5,122	3,748
Term	**4,151**	**2,695**	**2,097**
Deposits with agreed maturity	4,145	2,693	2,097
Deposits with agreed maturity in stage 3	6	2	
TOTAL	**12,139**	**7,817**	**5,845**

Loans and advances - Loans and advances to customers

The breakdown of impairment of the portfolio of loans and advances to customers is as follows:

Breakdown of Loans and advances to customers

(Millions of euros)

	31-12-2022					31-12-2021					31-12-2020		
				POCI *					POCI *				
	Stage 1	Stage 2	Stage 3	Not impaired	Impaired	Stage 1	Stage 2	Stage 3	Not impaired	Impaired	Stage 1	Stage 2	Stage 3
Gross carrying amount	321,576	28,562	9,621	3	465	308,369	31,439	12,279	1	688	214,275	20,066	8,256
Impairment allowances	(1,344)	(1,368)	(4,459)		(222)	(967)	(1,632)	(5,571)		(82)	(920)	(1,064)	(3,625)
TOTAL	**320,232**	**27,194**	**5,162**	**3**	**243**	**307,402**	**29,807**	**6,708**	**1**	**606**	**213,355**	**19,002**	**4,631**

(*) POCIs arising from the business combination with Bankia (initially EUR 770 million).

The breakdown of changes in the gross carrying amount (amount on balance sheet without considering allowances for impairment of assets) of loans and advances to customers is as follows:

Changes in loans and advances to customers

(Millions of euros)

	2022				2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**308,369**	**31,439**	**12,279**	**352,087**	**214,275**	**20,066**	**8,256**	**242,597**	**202,924**	**15,541**	**8,387**	**226,852**
Additions due to business combinations					103,992	13,120	4,193	121,305				
Transfers	(1,717)	1,121	596		(4,342)	2,214	2,128		(4,549)	3,461	1,088	
From stage 1:	(14,296)	13,484	812		(14,552)	13,736	816		(9,624)	9,097	527	
From stage 2:	12,480	(14,126)	1,646		10,058	(12,090)	2,032		5,040	(6,045)	1,005	
From stage 3:	99	1,763	(1,862)		152	568	(720)		35	409	(444)	
New financial assets	76,964	2,096	688	79,748	66,377	2,295	898	69,570	65,815	4,822	818	71,455
Financial asset disposals (other than write-offs)	(62,040)	(6,094)	(1,956)	(70,090)	(71,933)	(6,256)	(1,369)	(79,558)	(49,915)	(3,758)	(1,017)	(54,690)
Write-offs			(1,986)	(1,986)			(1,827)	(1,827)			(1,020)	(1,020)
CLOSING BALANCE	**321,576**	**28,562**	**9,621**	**359,759**	**308,369**	**31,439**	**12,279**	**352,087**	**214,275**	**20,066**	**8,256**	**242,597**

The changes of provisions of "Financial assets at amortised cost – Loans and advances to customers" is as follows:

Changes in impairment allowances of loans and advances to customers

(Millions of euros)

	2022				2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**967**	**1,632**	**5,571**	**8,170**	**920**	**1,064**	**3,625**	**5,609**	**574**	**708**	**3,416**	**4,698**
Additions due to business combinations					545	897	1,920	3,362				
Net allowances	377	(264)	326	439	(518)	(343)	1,590	729	328	423	942	1,693
From stage 1:	232	(356)	259	135	(191)	127	(36)	(100)	216	472	238	926
From stage 2:	(19)	(117)	(899)	(1,035)	(4)	(47)	788	737	(16)	(89)	469	364
From stage 3:	(8)	134	1,067	1,193	49	(85)	957	921	(4)	(35)	61	22
New financial assets	192	97	273	562	178	95	357	630	165	133	328	626
Disposals	(20)	(22)	(374)	(416)	(550)	(433)	(476)	(1,459)	(33)	(58)	(154)	(245)
Amounts used			(1,458)	(1,458)			(1,383)	(1,383)			(670)	(670)
Transfers and			20	20	20	14	(181)	(147)	18	(67)	(63)	(112)
CLOSING BALANCE	**1,344**	**1,368**	**4,459**	**7,171**	**967**	**1,632**	**5,571**	**8,170**	**920**	**1,064**	**3,625**	**5,609**

15. DERIVATIVES - HEDGE ACCOUNTING (ASSETS AND LIABILITIES)

The breakdown of the balances of these headings is as follows:

Breakdown of hedging derivatives (product and counterparty)

(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rates	252	70	1,007	64	312	121
Equity instruments	38		12			
Currencies and gold	8	7	6	3		11
Other		98	10	53	1	
TOTAL FAIR VALUE HEDGES	298	175	1,035	120	313	132
Interest rates		1		17		1
Currencies and gold	351	127		116	159	4
Other		1,068	3	707	43	100
TOTAL CASH FLOW HEDGES	351	1,196	3	840	202	105
TOTAL	**649**	**1,371**	**1,038**	**960**	**515**	**237**
Memorandum items						
Of which: OTC - credit institutions	*649*	*1,371*	*1,038*	*958*	*515*	*237*
Of which: OTC - other financial corporations				*2*		
Of which: OTC - other						

The detail of the schedule of the nominal amount of interest rate hedging items and their average interest rate are as follows:

Maturity schedule of hedging items and average interest rate - 2022

(Millions of euros)

	Hedged item value						Average interest rate
	< 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	> 5 Years	Total	
Asset interest-rate hedges	18	25	631	2,769	9,834	13,277	(0.18) %
Liability interest-rate hedges	1,515	3,087	6,079	52,161	10,434	73,276	0.19 %
TOTAL FAIR VALUE HEDGES	**1,533**	**3,112**	**6,710**	**54,930**	**20,268**	**86,553**	
Asset interest-rate hedges	1,492	4,243	3,531	31,005	5,049	45,320	2.13 %
TOTAL CASH FLOW HEDGES	**1,492**	**4,243**	**3,531**	**31,005**	**5,049**	**45,320**	

Hedging items - Fair value hedges

(Millions of euros)

				31-12-2022		2022		31-12-2021		31-12-2020	
				Value of hedging instrument		Change in FV used to calculate the ineffectiveness of the hedge (Note 32)	Ineffectiveness taken to profit/(loss) (Note 32)	Value of hedging instrument		Value of hedging instrument	
	Hedged item	Risk covered	Hedging instrument used	Assets	Liabiliti			Assets	Liabiliti	Assets	Liabiliti
Macrohedges	Issuances	Transformation from fixed to floating	Interest-rate swaps and options	190	37	(4,764)	4	913	2	265	9
	Fixed-rate loans	Transformation from fixed to floating	Interest-rate swaps and options	66	21	1,645	7	34	64	47	80
	Demand accounts	Transformation from fixed to floating	Interest-rate swaps			(1,885)					
	Deposits with agreed maturity	Transformation from fixed to floating	Interest-rate swaps and options	(4)	18	(103)	7	26			42
	TOTAL			**252**	**76**	**(5,107)**	**18**	**973**	**66**	**312**	**131**
Microhedges	Public debt OCI portfolio	Transformation from fixed to floating	Interest-rate swaps			9					
	Public debt OCI portfolio	Transformation of inflation-linked debt to fixed-rate to floating-rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options		94	17			47	1	
	Currency loan	Transformation from fixed rate in foreign currency to floating rate in euro	Currency swaps	8	1	(3)		9			1
	Debt securities issued	Debt transformation from inflation-linked fixed to floating rate	Inflation-linked swaps and inflation-linked options			(8)		9			
	Amortised cost fixed-income portfolio debt	Debt transformation from inflation-linked fixed to floating rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options		4	1			5		
	Public Debt amortised cost portfolio	Value of hedged fixed-income assets	Forward			(32)		32			
	Equity instruments OCI	Market risk	Equity swaps	38		38		12			
	Other								2		
	TOTAL			**46**	**99**	**22**		**62**	**54**	**1**	**1**

Hedged items - Fair value hedges

(Millions of euros)

				31-12-2022				2022			31-12-2021		31-12-2020	
	Hedged item	Risk covered	Hedging instrument used	Hedged instrument		Accumulated fair value adjustments in the hedged item		Accumulated amount of FV hedging adjustments of the hedged items	Change in the value used to calculate the ineffectiveness of the hedge (Note 32)	Line on the balance sheet with the hedged item	Hedged instrument		Hedged instrument	
				Assets	Liab.	Assets	Liab.				Assets	Liab.	Assets	Liab.
Macrohedges	Issuances	Transformation from fixed to floating	Interest-rate swaps and options		48,620		(3,799)	66	4,737	Financial liabilities at amortised cost		44,453		30,327
	Fixed-rate loans	Transformation from fixed to floating	Interest-rate swaps and options	12,548		(1,758)		1,005	(1,629)	Financial assets measured at	12,591		12,673	
	Demand accounts	Transformation from fixed to floating	Interest-rate swaps		20,000		(1,886)		1,885	Financial liabilities at amortised cost		3,000		
	Deposits with agreed maturity	Transformation from fixed to floating	Interest-rate swaps and options		4,656		(117)		96	Financial liabilities at amortised cost		5,094		5,233
	TOTAL			**12,548**	**73,276**	**(1,758)**	**(5,802)**	**1,071**	**5,089**		**12,591**	**52,547**	**12,673**	**35,560**
Microhedges	Public debt OCI portfolio	Transformation from fixed to floating	Interest-rate swaps	58		N/A	N/A		(9)	Financial assets at fair value *	68		70	
	Public debt OCI portfolio	Transformation of inflation-linked debt to fixed-rate to floating-rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options	477		N/A	N/A		(17)	Financial assets at fair value *	498		471	
	Currency loan	Transformation from fixed rate in foreign currency to floating rate in euro	Currency swaps	151		(6)			3	Financial assets measured at amortised cost	142		131	
	Debt securities issued	Debt transformation from inflation-linked fixed to floating rate	Inflation-linked swaps and inflation-linked options						8	Financial liabilities at amortised cost		31		
	Debt fixed-income portfolio amortised cost portfolio	Debt transformation from inflation-linked fixed to floating rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options	40		2			(1)	Financial assets at fair value *	37			
	Amortised cost fixed-income portfolio debt	Value of hedged fixed-income assets	Forward					(30)	32	Financial assets measured at amortised cost	2,032			
	Equity instruments OCI	Market risk	Equity swaps	459		N/A	N/A		(38)	Financial assets at fair value *				
	Other			3				7			232		4	
	TOTAL			**1,188**		**(4)**		**(23)**	**(22)**		**3,009**	**31**	**676**	

(*) with changes in other comprehensive income

Hedging items - cash flow hedges
(Millions of euros)

	Hedged item	Risk covered	Hedging instrument used	31-12-2022 Value of hedging instrument Assets	31-12-2022 Value of hedging instrument Liabilities	31-12-2022 Amount reclassified from equity to profit or loss	31-12-2022 Ineffectiveness taken to profit/(loss)	31-12-2021 Value of hedging instrument Assets	31-12-2021 Value of hedging instrument Liab.	31-12-2020 Value of hedging instrument Assets	31-12-2020 Value of hedging instrument Liab.
Macro-hedges	Mortgage Euribor loans	Mortgage Euribor transformation to fixed rate	Interest-rate swaps			12					
	Floating-rate currency loans	Transformation from floating rate in foreign currency to floating rate in	Currency swaps	345	95	(140)			114	158	3
	Fixed-rate term deposits	Transformation from fixed to floating	Interest-rate swaps			1					
	TOTAL			**345**	**95**	**(128)**			**114**	**158**	**3**
Micro-hedges	Inflation-linked public debt	Transformation from inflation-linked floating to fixed rate	Inflation-linked swaps and inflation-linked options		288	(124)			165		84
	Public debt at amortised cost in foreign currency	Transformation from fixed rate in foreign currency to fixed rate in euros	Currency swaps	6	33	1		3	2		
	Inflation-linked public debt at amortised cost	Transformation from floating to fixed	Interest-rate and inflation-linked swaps		780	(291)			542	44	18
	Other								17		
	TOTAL			**6**	**1,101**	**(414)**		**3**	**726**	**44**	**102**

Hedged items - cash flow hedges

(Millions of euros)

	Hedged item	Risk covered	Hedging instrument used	31-12-2022 Reserve of cash flow hedges	31-12-2022 Pending amount in reserve of cash flow hedges of hedging relationships for which recognising hedges no longer applies	31-12-2022 Line on the balance sheet including the hedged item	31-12-2021 Reserve of cash flow hedges	31-12-2021 Pending amount in reserve of cash flow hedges of hedging relationships for which recognising hedges no longer applies	31-12-2020 Reserve of cash flow hedges	31-12-2020 Pending amount in reserve of cash flow hedges of hedging relationships for which recognising hedges no longer applies
Macro-hedges	Mortgage Euribor loans	Mortgage Euribor transformation to fixed rate	Interest-rate swaps	(557)			7		93	
	Floating-rate currency loans	Transformation from floating rate in foreign currency to floating rate in euros	Currency swap	(16)		Financial assets measured at amortised cost	(20)		(3)	
	Fixed-rate term deposits	Transformation from fixed to floating	Interest-rate swaps		22	Financial liabilities at amortised cost		23		
	TOTAL			**(573)**	**22**		**(13)**	**23**	**90**	
Micro-hedges	Inflation-linked public debt.	Transformation from inflation-linked floating debt to fixed rate	Inflation-linked swaps and inflation-linked options	(36)		Financial assets at fair value *	(43)		15	
	Public debt at amortised cost in foreign currency	Transformation from fixed rate in foreign currency to fixed rate in euro	Currency swaps	(81)		Financial assets measured at amortised cost	(4)			
	Inflation-linked public debt at amortised cost	Transformation from floating to fixed	Interest-rate and inflation-linked swaps	(46)		Financial assets measured at amortised cost	(97)		(25)	
	TOTAL						**(144)**		**(10)**	

(*) with changes in other comprehensive income

16. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The breakdown of the changes of the balance under this heading is as follows:

Changes in investments - 2022

(Millions of euros)

	31-12-2021		Acquisitions and capital increases	Disposals and capital decreases	Accounted for using the equity method	Transfers and other *	31-12-2022	
	Carrying amount	*% Stake*					Carrying amount	*% Stake*
UNDERLYING CUR. AMOUNT	2,153				(2)	(479)	1,672	
Coral Homes	632	*20.00%*			(10)	(127)	495	*20.00%*
SegurCaixa Adeslas (**)	893	*49.92%*			12	(294)	611	*49.92%*
Other	628				(4)	(58)	566	
GOODWILL	381			(6)		(1)	374	
SegurCaixa Adeslas	300						300	
Other	81			(6)		(1)	74	
IMPAIRMENT ALLOWANCES	(44)			6		(18)	(56)	
Coral Homes						(14)	(14)	
Other	(44)			6		(4)	(42)	
TOTAL ASSOCIATES	**2,490**				**(2)**	**(498)**	**1,990**	
UNDERLYING CUR. AMOUNT	44						44	
Other	44						44	
IMPAIRMENT ALLOWANCES								
TOTAL JOINT VENTURES	**44**						**44**	

(*) Transfers and other mainly includes the distribution of reserves and dividends deducted from cost of investment. The impairment allowance includes impairments made during the year, which are recognised under "Impairment or reversal of impairment of investments in joint ventures or associates" in the statement of profit or loss.

(**) The change in Other corresponds to the partial elimination of the transaction for the amount of EUR 325 million, between the Group and SegurCaixa Adeslas (49.9%) of the attributable part linked to the deferred consideration set out in Note 20.

Changes in investments - 2021
(Millions of euros)

	31-12-2020		Additions due to business comb. (Note 7)	Acq. and capital increases	Disposals and capital decreases	Accounted for using the equity method	Transfers and other *	31-12-2021	
	Carrying amount	*% Stake*						Carrying amount	*% Stake*
UNDERLYING CURRENT AMOUNT	3,366		485	50	(2)	336	(2,082)	2,153	
Erste Group Bank	1,514	*9.92%*				112	(1,626)		
Coral Homes	802	*20.00%*				(16)	(154)	632	*20.00%*
SegurCaixa Adeslas	685	*49.92%*				210	(2)	893	*49.92%*
Bankia Vida			325			(14)	(311)		
Other	365		160	50	(2)	44	11	628	
GOODWILL	367		173				(159)	381	
SegurCaixa Adeslas	300							300	
Bankia Vida			164				(164)		
Other	67		9				5	81	
IMPAIRMENT ALLOWANCES	(332)		(10)				298	(44)	
Erste Group Bank	(311)						311		
Other	(21)		(10)				(13)	(44)	
TOTAL ASSOCIATES	**3,401**		**648**	**50**	**(2)**	**336**	**(1,943)**	**2,490**	
UNDERLYING CURRENT AMOUNT	42					2		44	
Other	42					2		44	
IMPAIRMENT ALLOWANCES									
TOTAL JOINT VENTURES	**42**					**2**		**44**	

(*) Transfers and other mainly includes the distribution of reserves and dividends deducted from cost of investment.

Changes in investments - 2020

(Millions of euros)

	31-12-2019		Acq. and capital increases	Disposals and capital decreases	Accounted for using the equity method	Impairm.	Transfers and other *	31-12-2020	
	Carrying amount	*% Stake*						Carrying amount	*% Stake* **
UNDERLYING CURRENT AMOUNT	3,429				(21)		(42)	3,366	
Erste Group Bank *	1,470	*9.92%*			48		(4)	1,514	*9.92%*
Coral Homes **	948	*20.00%*			(41)		(105)	802	*20.00%*
SegurCaixa Adeslas	695	*49.92%*			11		(21)	685	*49.92%*
Associates BPI subgroup	200				(9)		(3)	188	
Comercia Global Payments					2		49	51	*20.00%*
Other	116				(32)		42	126	
GOODWILL	362						5	367	
SegurCaixa Adeslas	300							300	
Associates BPI subgroup	43							43	
Other	19						5	24	
IMPAIRMENT ALLOWANCES	(16)					(316)		(332)	
Erste Group Bank						(311)		(311)	
Other	(16)					(5)		(21)	
TOTAL ASSOCIATES	**3,775**				**(21)**	**(316)**	**(37)**	**3,401**	
UNDERLYING CURRENT AMOUNT	167				11		(136)	42	
Comercia Global Payments	122	49.00%			14		(136)		
Joint ventures BPI subgroup	37							37	
Other	8				(3)			5	
GOODWILL									
Other									
IMPAIRMENT ALLOWANCES	(1)						1		
Other	(1)						1		
TOTAL JOINT VENTURES	**166**				**11**		**(135)**	**42**	

(*) Transfers and other mainly includes the distribution of reserves and dividends deducted from cost of investment.

(**) Includes EUR 7 million in intangible assets generated at the time of the purchase, which are being repaid in the corresponding term.

At year-end, there were no agreements to provide additional financial support or any other contractual commitment made by the parent company or subsidiaries with associates and joint ventures of the Group not recognised in the financial statements. Likewise, there are no contingent liabilities related to these investments.

Erste

On 5 November 2021, CaixaBank transferred all of its 9.92% stake in Erste Group Bank AG (Erste) as follows: The amount of the transmission was EUR 1,503 million with a positive impact on the statement of profit or loss of EUR 54 million gross, and is recognised under the heading "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net)" of the statement of profit or loss (see Note 39), being reclassified in October 2021 under "Non-current assets and disposal groups classified as held for sale".

Comercia Global Payments

On 1 October 2020, 29% of the stake in Comercia Global Payments, Entidad de Pago, S.L. was sold to Comercia Global Payments for EUR 493 million (on 30 September 2020, this 29% was reclassified under "Non-current assets and disposal groups classified as held for sale" upon showing signs of sale). As a result of this operation, the Group maintains its presence and a significant degree of influence in the acquisition business with Company businesses, and it also generated gains of approximately EUR 420 million, net of tax, that was recorded under the heading "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net)" of the statement of profit or loss (see Note 39).

Impairment of the portfolio of investments

For the purpose of assessing the recoverable amount of investments in associates and joint ventures, the Group regularly monitors the impairment indicators related to its investees. Particularly, the following items are considered, among others: i) business performance; ii) share prices throughout the period; and iii) the target prices published by renowned independent analysts.

A summary of the ranges of assumptions used and the ranges of contrasting sensitivity are provided below:

Assumptions used and sensitivity scenarios
(Percentage)

	SegurCaixa Adeslas (2)			Coral Homes (3)		
	31-12-2022	31-12-2021	31-12-2020	31-12-2022	31-12-2021	31-12-2020
Forecast periods	5 years	5 years	5 years	4 years	4 years	4 years
Discount rate (after tax)	9.48%	7.68%	8.24%	6.65%	6.21%	7.00%
Growth rate (1)	2%	2%	2%			
Target capital/solvency ratio	100%	100%	100%			

(1) Corresponds to the normalised growth rate used to calculate the fair value

(2) The exercise to determine the fair value considers the sensitivity with respect to the discount rate of [-0.5%; +0.5%] and the growth rate of [-0.5%; +0.5%].

(3) Similarly, the individual valuation exercise of the real estate assets of Coral Homes, conducted by an independent third-party consultant on 31 December 2022, has highlighted the existence of material unrealised gains that are expected to be able to materialise throughout the coming years.

Financial information of associates

Below, selected information is displayed on significant investments in entities accounted for using the equity method, which is additional to the information presented in Appendix 3:

Selected information of associates

	SegurCaixa Adeslas	Coral Homes
Nature of the company's activities	Strategic alliance with Mutua Madrileña for the development, marketing and distribution of the general non-life insurance cover.	Purchasing, holding, managing, administrating, swapping, leasing and selling all kinds of real estate assets, with their associated or accompanying furnishing elements, as well as promoting and carrying out all kinds of real estate developments.
Country of incorporation and countries of operation	Spain	Spain
Restrictions on dividend payments	Constraints on the allocation of dividends based on solvency level of the company, in order to ensure that the existing regulatory and contractual requirements are met.	

17. ASSETS AND LIABILITIES UNDER THE INSURANCE BUSINESS

The breakdown of the balances linked to the insurance business is as follows:

Assets and liabilities under the insurance business
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Assets	Liabilitie	Assets	Liabilitie	Assets	Liabilitie
Financial assets under the insurance business *	**68,534**		**83,464**		**77,241**	
Financial assets held for trading	**26**		**111**		**545**	
Equity instruments						
Debt securities	26		111		545	
Financial assets designated at fair value through profit or loss **	**19,108**		**20,557**		**14,705**	
Equity instruments	11,086		13,159		9,301	
Debt securities	7,985		7,316		5,297	
Loans and advances - Credit institutions	37		82		107	
Available-for-sale financial assets	**48,794**		**62,480**		**61,643**	
Equity instruments	84		171			
Debt securities	48,710		62,309		61,643	
Loans and receivables	**474**		**196**		**218**	
Debt securities	264		133		189	
Loans and advances - Credit institutions	210		63		29	
Assets under insurance and reinsurance contracts	132		120		130	
Liabilities under the insurance business		**65,654**		**79,834**		**75,129**
Contracts designated at fair value through profit or loss		18,311		19,365		14,608
Liabilities under insurance contracts		47,343		60,469		60,521
Unearned premiums		12		9		2
Mathematical provisions		45,935		59,024		59,533
Claims		1,340		1,357		899
Bonuses and rebates		56		79		87

(*) The Group's insurance companies (VidaCaixa, BPI Vida e Pensões and Bankia Vida) have decided to make use of the temporary exemption from IFRS 9, which is why its financial instruments are presented in accordance with IAS 39 under the heading "Assets under the insurance business" of the accompanying balance sheet (see Note 1).

(**) Includes i) the investments linked to the operations of life insurance products when the risk of the investment is assumed by the policyholder, called unit-linked, as well as ii) The investments under the product Immediate Flexible Life Annuity, in which part of the commitments with the policyholders are calculated by referencing the fair value of the affected assets, the nature of which is similar to unit-linked operations.

17.1. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The breakdown of the balances of this section is as follows:

Breakdown of available for sale financial assets
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Equity instruments	**84**	**171**	
Shares in listed companies	84	171	
Debt securities	**48,710**	**62,309**	**61,643**
Spanish government debt securities	39,842	52,943	51,613
Foreign government debt securities	5,987	7,049	6,708
Issued by credit institutions	2,881	2,317	2,917
Other foreign issuers			405
TOTAL	**48,794**	**62,480**	**61,643**
Debt securities			
Of which: gross unrealised gains *	*11,968*	*11,336*	*15,769*
Of which: gross unrealised losses *	*(14,724)*		

(*) The Group applies the accounting option provided for in IFRS 4, called "shadow accounting" (see Note 2.22), which allows it to record capital gains as a higher amount of “liabilities to the insurance business”.

The breakdown of the changes under this section is as follows:

Changes in debt securities
(Millions of euros)

	2022	2021	2020
Opening balance	**62,480**	**61,643**	**58,763**
Plus:			
Additions due to business combinations (Note 7)	693	5,892	
Acquisitions	15,575	11,520	5,894
Gains/(losses) recognised with adjustments to equity	(9,984)	(3,112)	1,709
Less:			
Sales and redemptions	(18,550)	(13,649)	(4,461)
Implicit accrued interest	(1,421)	186	(262)
Reclassifications and transfers	1		
CLOSING BALANCE	**48,794**	**62,480**	**61,643**

17.2. ASSETS UNDER INSURANCE AND REINSURANCE CONTRACTS

The breakdown of the changes under this section is as follows:

Changes in assets under insurance and reinsurance contracts
(Millions of euros)

	2022	2021	2020
Opening balance	**120**	**130**	**174**
Additions due to business combinations (Note 7)		2	
Provision	132	118	130
Use	(120)	(130)	(174)
FINAL BALANCE	**132**	**120**	**130**

This balance sheet heading mainly covers mathematical provisions relating to Berkshire Hathaway Life Insurance Company of Nebraska, assumed as a result of the reinsurance agreement signed in 2012 by VidaCaixa to mitigate longevity risk associated with its life annuities savings portfolio.

17.3. LIABILITIES UNDER THE INSURANCE BUSINESS

The breakdown of the changes under this section is as follows:

Changes in liabilities under insurance contracts
(Millions of euros)

	2022	2021	2020
Opening balance	**79,834**	**75,129**	**70,807**
Additions due to business combinations (Note 7)		5,214	
Provision	65,654	74,620	75,129
Use	(79,834)	(75,129)	(70,807)
FINAL BALANCE	**65,654**	**79,834**	**75,129**
Of which: Unearned premiums and unexpired risks	*12*	*8*	*2*
Of which: Life insurance – risk	*1,055*	*439*	*487*
Of which: Life insurance – saving	*44,846*	*58,549*	*59,047*
Of which: Life insurance – other	*18,310*	*19,365*	*14,607*
Of which: Claims	*1,375*	*1,394*	*899*
Of which: Provisions for bonuses and rebates	*56*	*79*	*87*
Of which: Technical provisions			

The following table shows the key cases at the close of the financial year for calculating the mathematical provisions of insurance in Spain and Portugal:

Actuarial assumptions for measuring provisions

Product	Biometric tables	Average technical interest rate
Life annuities - PVI	According to the different types, the tables GR-80, GR-80 less two years, GR-95 and GK-95 are used. From 21/12/2012, according to the type, the tables PASEM 2010 Unisex (sector mix), GR-95 Unisex (company mix, savings portfolio), PER2000P Unisex (company mix, savings portfolio) or PER2000P Women (from 70 years) are used. From 01/01/2021, the tables PASEM2020 VIDACAIXA NOT RELATED (UNISEX) or PER2020 Individual 1st order (unisex) are used according to type.	1.97%
Life annuities - Pension 2000	GR-80, GK-80, gr-95 and GK-95. From 21/12/2012 the GR-95 Unisex (company mix, savings portfolio) tables are used. From 01/01/2021 the tables PER2020 Individual 1st order (unisex) are used.	6.78%
GBPs/ISPs	According to the types, the tables GR-80 less two years, GR-95 and GK-95 are used. For the new production from 21/12/2012 the tables PASEM 2010 Unisex (sector mix) are used. From 01/01/2021 the tables PASEM2020 VIDACAIXA NO RELACIONADOS (unisex) are used.	0.10%
Group insurance	According to different types, the tables GR-80, GR-80 less two, GR-70, GR-95 and PER2000P are used. From 21/12/2012, the tables PER2000P Unisex or PASEM2010 Unisex are used, according to type. From 01/01/2021 the tables PER2020 Groups 1st order (differentiating between sex) are used and, according to the type, PER2020 Groups 1st order (unisex).	Variable
Unit link	According to different types, the tables GK-80, GK-95 and INE 2005 are used. From 21/12/2012 the PASEM 2010 Unisex (sector mix) tables are used. From 01/01/2021 the tables PASEM2020 VIDACAIXA NO RELACIONADOS (unisex and with age criterion reduction) are used.	-
PPA	According to the types, the tables GR-80 less two years, GR-95 and GK-95 are used. For the new production from 21/12/2012 the tables PASEM 2010 Unisex (sector mix) are used.	2.22%

17.4. SELECTED INFORMATION ON FINANCIAL ASSETS UNDER THE INSURANCE BUSINESS

In addition to applying the temporary exemption from IFRS 9 to insurance companies controlled by the Group, the disclosure requirements of which are shown below, and in Notes 3 and 40.1, the aforementioned deferral has also been applied to SegurCaixa Adeslas (affiliated company of the Group). The impact on the value of financial instruments associated with the application of IFRS 9 in this company is not deemed significant, due to the low credit risk of the counterparties of its financial instruments.

The following table shows the fair value at the end of the year, differentiating between assets with cash flows that would solely represent payments of principal and interest (SPPI) in accordance with IFRS 9, and those managed by their fair value (non-SPPI):

Compliance with SPPI test - 2022
(Millions of euros)

	SPPI*	Non-SPPI	Total
Financial assets not held for trading and not managed by their fair value	48,794		48,794

Amount of the change in fair value during 2022

(Millions of euros)

	SPPI*	Non-SPPI	Total
Financial assets not held for trading and not managed by their fair value	(13,686)		(13,686)

(*) The insurance companies use a combination of financial instruments in the financial immunisation strategies to cover the risks to which their activities are exposed. For these purposes, in the investment operations of the Group's insurance business, different fixed-income securities include financial swaps which, in accordance with the sector practice and the applicable monitoring criteria, are recognised jointly, whether it is in "Available-for-sale financial assets" or in the amortised cost portfolio, and the fair value is shown in the top table.

These financial swaps individually assessed only taking into account their legal form will not pass the SPPI test considered in IFRS 9. Following on from this, within the framework of the project to implement IFRS 9 which is ongoing in the insurance companies, the Group has analysed the different accounting alternatives considered in the regulatory framework (including hedge accounting) jointly with the main changes that will be introduced by IFRS 17 Insurance Contracts in the assessment of technical provisions; the ultimate aim of all the foregoing is to avoid asymmetries in the income statement and assets of the Group.

As regards the fixed-income instruments, the insurance companies have not estimated as 'material' the expected loss which, in the first adoption of IFRS 9, would be recorded under reserves.

18. TANGIBLE ASSETS

The breakdown of the changes of the balance under this heading is as follows:

Changes in tangible assets

(Millions of euros)

	2022			2021			2020		
	Land and buildings	Instal. furniture and others	Rights of use *	Land and buildings	Instal. furniture and others	Rights of use *	Land and buildings	Instal. furniture and others	Rights of use *
Cost									
Opening balance	3,764	6,219	2,215	2,513	4,673	1,693	2,594	4,484	1,625
Additions due to BC (Note 7)	2			1,576	2,706	615			
Additions	38	393	123	44	314	160	65	337	123
Disposals	(6)	(597)	(249)	(4)	(412)	(62)	(5)	(170)	(61)
Transfers **	(415)	(34)	1	(365)	(1,062)	(191)	(141)	22	6
CLOSING BALANCE	3,383	5,980	2,090	3,764	6,219	2,215	2,513	4,673	1,693
Accumulated depreciation									
Opening balance	(932)	(4,428)	(386)	(523)	(3,137)	(246)	(547)	(3,081)	(130)
Additions due to BC (Note 7)				(393)	(2,465)	(187)			
Additions	(48)	(236)	(186)	(57)	(206)	(161)	(10)	(191)	(134)
Disposals	4	516	45	(8)	339	21	6	134	18
Transfers **	151	3	2	49	1,041	187	28	1	
CLOSING BALANCE	(825)	(4,145)	(525)	(932)	(4,428)	(386)	(523)	(3,137)	(246)
Impairment allowances									
Opening balance	(52)	(2)		(14)	(9)		(18)	(12)	
Additions due to BC (Note 7)				(21)					
Allowances (Note 37)	(3)			(16)					
Provisions (Note 37)	2	1					4	1	
Transfers **	13	2			8			2	
Amounts used				(1)	(1)				
CLOSING BALANCE	(40)	1		(52)	(2)		(14)	(9)	
OWN USE, NET	**2,518**	**1,836**	**1,565**	**2,780**	**1,789**	**1,829**	**1,976**	**1,527**	**1,447**
Cost									
Opening balance	2,811	93		2,980	101		3,314	104	
Additions due to BC (Note 7)				599					
Additions	9			55	(4)		13	2	
Disposals	(156)	(4)		(831)	(7)		(239)	(5)	
Transfers **	(172)	(1)		8	3		(108)		
CLOSING BALANCE	2,492	88		2,811	93		2,980	101	
Accumulated depreciation									
Opening balance	(217)	(43)		(209)	(41)		(192)	(35)	
Additions due to BC (Note 7)				(42)					
Additions	(31)	(8)		(37)	(8)		(37)	(8)	
Disposals	16	2		60	3		17	2	
Transfers **	(8)	2		11	3		3		
CLOSING BALANCE	(240)	(47)		(217)	(43)		(209)	(41)	
Impairment allowances									
Opening balance	(779)			(824)			(824)		
Additions due to BC (Note 7)				(153)					
Allowances (Note 37)	(108)			(57)			(145)		
Provisions (Note 37)	103			82			65		
Transfers **	88			72			23		
Disposals				168					
Amounts used				(67)			57		
CLOSING BALANCE	(696)			(779)			(824)		
INVESTMENT PROPERTY	**1,556**	**41**		**1,815**	**50**		**1,947**	**60**	

BC: business combination; INSTAL.: Installations

(*) Corresponds to the rights of use of land and buildings. With respect to rights of use assets, the item "Other financial liabilities — Liabilities associated with rights of use assets" (see Note 22.4) shows the current value of future lease payments during the contract's mandatory term.

(**) They mainly include the value of property from other balance sheet headings: from “Own use” when a branch is closed or from “Non-current assets and disposal groups classified as held for sale” when the asset is put up for rent (see Note 21).

Property, plant and equipment for own use

Property, plant and equipment for own use are allocated to the Banking Business cash-generating unit (CGU) and at year-end they do not present any indication of impairment (see Note 19). In addition, the Group carries out regular individualised valuations of certain property for own use classified as "Land and buildings". At year-end, the available valuations do not indicate the existence of any material impairment.

Selected information about property, plant and equipment of own use is presented below:

Other information on property, plant and equipment for own use
(Millions of euros)

	31-12-2022
Fully amortised assets still in use	3,182
Commitments to acquire tangible assets *	Insignificant
Assets with ownership restrictions	Insignificant
Assets covered by an insurance policy **	100 %

(*) Sales made in previous years with sale and leaseback agreements include buy options that may be exercised by the Group on termination of the lease agreement at the market value of the offices at that date, to be determined where appropriate by independent experts.
(**) Some of the insurance policies have an excess. CaixaBank is the holder of a corporate policy subscribed with a third party that covers material damage to the Group's material asset.

19. INTANGIBLE ASSETS

19.1. GOODWILL

The breakdown of this heading is as follows:

Breakdown of goodwill
(Millions of euros)

	CGU	31-12-2022	31-12-2021	31-12-2020
Acquisition of Banca Cívica	Banking	2,020	2,020	2,020
Acquisition of Banca Cívica Vida y Pensiones	Insur. Prod.	137	137	137
Acquisition of Cajasol Vida y Pensiones	Insur. Prod.	50	50	50
Acquisition of Cajacanarias Vida y Pensiones	Insur. Prod.	62	62	62
Acquisition of Banca Cívica Gestión de Activos	Banking	9	9	9
Acquisition of the Morgan Stanley business in Spain	Banking/Insurance *	402	402	402
Acquisition of Bankpime	Banking	40	40	40
Acquisition of CaiFor	Insur. Prod.	331	331	331
Acquisition of Bankia Vida **	Insur. Prod.		404	
Acquisition of Sa Nostra Vida ***	Insur. Prod.	116		
TOTAL		**3,167**	**3,455**	**3,051**

(*) Of which EUR 3.7 million are allocated to the Insurance CGU and the remainder to the Banking CGU.

(**) See Note 7.

(***) The accounting standard allows the acquirer to report provisional amounts for the assets acquired and liabilities assumed for no more than one year, the allocation to goodwill being provisional (see Note 7).

19.2. OTHER INTANGIBLE ASSETS

The breakdown of this heading is as follows:

Breakdown of other intangible assets *
(Millions of euros)

	Useful life	CGU	Resulting useful life	31-12-2022	31-12-2021	31-12-2020
Software and other	4 to 15		1 to 15 years	1,108	914	797
Banca Cívica - customer portfolio	10 years	Banking	Less than one	1	10	20
Barclays Bank SAU - core deposits						8
Barclays Bank SAU - customer portfolio	10 years	Banking	Less than one	1	2	3
BPI - core deposits						11
BPI - insurance portfolio	10 years	Insur.	5 years	11	14	17
BPI - depositary		Banking			4	7
BPI - asset management	6-10 years	Banking	1-4 years	7	9	10
BPI - brand	Indefinite	Banking	Indefinite	20	20	20
BPI - PF and unit link		Banking			3	5
Bankia - asset management	13 years	Banking	11 years	90	98	
Bankia - Asset management (IF & SICAV's)	13 years	Banking	11 years	57	62	
Bankia - Asset management (PF)	15 years	Banking	13 years	86	92	
Bankia - Asset management (third-party	13 years	Banking	11 years	11	12	
Bankia - Cards business	7 years	Banking	5 years	116	136	
Bankia - Insurance brokerage	5-14 years	Insur.	3-12 years	88	102	
Bankia Vida - customer portfolio **	8-10 years	Insur.	7-9 years	445		
Sa Nostra Vida - customer portfolio **	8-10 years	Insur.	8-10 years	11		
TOTAL				**2,052**	**1,478**	**898**

(*) Beyond the provisions of Note 41 on the "la Caixa" brand, the Group's activities are not dependent on or significantly influenced by patents or licences, industrial contracts, new manufacturing processes or special commercial or financial contracts.

(**) See Note 7.

The breakdown of the changes of the balance under this heading is as follows:

Changes in other intangible assets

(Millions of euros)

	2022		2021		2020	
	Software	Other assets	Software	Other assets	Software	Other assets
Gross cost						
Opening balance	1,563	829	1,464	336	1,518	375
Additions due to business combinations (Note 7)		11		554		
Additions	346	121	266	54	255	32
Transfers and other	18	381	34	(53)	19	(37)
Write-downs (Note 37)	(23)		(194)	(62)	(327)	(34)
Other disposals	(9)		(7)		(1)	
SUBTOTAL	1,893	1,341	1,563	829	1,464	336
Accumulated depreciation						
Opening balance	(678)	(224)	(687)	(210)	(891)	(209)
Additions due to business combinations (Note 7)					1	
Additions	(175)	(123)	(149)	(77)	(125)	(35)
Transfers and other	17		(1)	12	12	1
Write-downs (Note 37)	14		152	51	314	33
Other disposals	8		7		2	
SUBTOTAL	(813)	(347)	(678)	(224)	(687)	(210)
Impairment allowances						
Opening balance		(12)		(5)		(5)
Additions due to business combinations (Note 7)						
Allowances (Note 37)		(5)		(5)		
Recoveries (Note 37)						
Transfers and other		(6)		(2)		
Amounts used						
CLOSING BALANCE		(22)		(12)		(5)
TOTAL	**1,080**	**972**	**885**	**593**	**777**	**121**

Selected information related to other intangible assets is set out below:

Other information on other intangible assets

(Millions of euros)

	31-12-2022
Fully amortised assets still in use	2,711
Commitments to acquire intangible assets	Insignificant
Assets with ownership restrictions	Insignificant

Impairment test of the banking CGU

For the purpose of analysing the recoverable amount of the Banking Business CGU, the Group performs a regular allocation of the Group's capital based on internal regulatory capital models, which take into account the risks assumed by each of the businesses. The amount to be recovered from the CGU is compared to its recoverable amount to determine any potential impairment.

The recoverable amount is based on value in use, which was determined by discounting the estimated dividends over the medium term obtained from the projection of the budget with a time horizon of 6 years. In addition, the projected cash flows are updated every six months to factor in any potential deviations to the model.

The projections are determined using assumptions based on the macroeconomic data applicable to the Group's activity, contrasted by means of renowned external sources and the entities' internal information. A summary of the ranges of assumptions used and the ranges of contrasting sensitivity are provided below:

Assumptions used and banking business CGU sensitivity scenarios
(Percentage)

	31-12-2022	31-12-2021	31-12-2020	Sensitivity range
Discount rate (after taxes) *	9.0%	7.6%	8.2%	[-0.5%; + 2.5%]
Growth rate **	1.0%	1.0%	1.0%	[-0.5%; + 1.0%]
Net interest income over average total assets (NII) ***	[0.92% - 1.29%]	[0.92% - 1.28%]	[1.15% - 1.30%]	[-0.05%; + 0.05%]
Cost of risk (CoR)	[0.27% - 0.39%]	[0.24% - 0.39%]	[0.82% - 0.39%]	[-0.1%; + 0.1%]

(*) Calculated on the yield for the German 10-year bond, plus a risk premium. The pre-tax discount rate on 31 December 2022, 2021 and 2020 was 12.9%, 10.9% and 11.7%, respectively.

(**) Corresponds to the normalised growth rate used to calculate the residual value.

(***) Net interest income on average total assets.

At the close of the financial year, it has been confirmed that the projections used in the previous impairment test and actual figures would not have affected the conclusions of that test.

Taking into account the excess of the recoverable value over the carrying amount, the Group does not consider that any reasonably possible change in any of the assumptions could, in isolation, cause the carrying amount to exceed the recoverable value.

The judgements and estimates on the basis of which the key assumptions have been determined are those which the Group considers to be the most plausible and which, therefore, best reflect the value of the banking business.

Impairment test of the Insurance CGU

The methodology for estimating the value of the insurance CGU in use is the same as the methodology for the banking CGU, and the results obtained have not highlighted any indications of impairment at the close of the financial year.

A summary of the ranges of assumptions used and the ranges of contrasting sensitivity are provided below:

Assumptions used and insurance business CGU sensitivity scenarios
(Percentage)

	31-12-2022	31-12-2021	31-12-2020	Sensitivity
Discount rate (after tax)	10.50 %	8.71 %	8.81 %	[-0.5%; + 0.5%]
Growth rate *	1.5 %	1.5 %	1.5 %	[-0.5%; + 0.5%]

(*) Corresponds to the normalised growth rate used to calculate the residual value.

20. OTHER ASSETS AND LIABILITIES

The breakdown of these items in the balance sheet is as follows:

Details of other assets
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Inventories	101	96	75
Other assets	2,268	2,041	1,127
Prepayments and accrued income	894	1,035	669
Net pension plan assets (Note 23.1)	408	362	
Ongoing transactions	543	349	284
Dividends on equity securities accrued and receivable	173	62	3
Other	250	233	171
TOTAL OTHER ASSETS	**2,369**	**2,137**	**1,202**

Breakdown of other liabilities
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Prepayments and accrued income	1,580	1,410	1,132
Ongoing transactions	962	478	702
Other	218	227	161
TOTAL OTHER LIABILITIES	**2,760**	**2,115**	**1,995**

Agreement with Mutua Madrileña

In January 2022, CaixaBank reached an agreement with Mutua Madrileña and SegurCaixa Adeslas for the payment of compensation in the amount of EUR 650 million for the increase in Bankia's network in the current distribution arrangement. The income is accrued over a period of 10 years in line with the accrual of the expense of part of the severance payment for the termination of the non-life agreements with Mapfre (see section "Breakdown of distribution agreements with Mapfre for non-life insurance").

Breakdown of distribution agreements with Mapfre for non-life insurance

On 29 December 2021, the Group reached an agreement with Mapfre for the termination of the agency contract signed between Mapfre and Bankia Mediación Operador de Banca de Seguros Vinculado, SAU (Bankia Mediación) for the distribution of non-life insurance for which compensation amounting to EUR 247 million was agreed and paid in cash, corresponding to 110% of the value of the new production (excluding the existing portfolio) of the non-life insurance business, as determined by the independent expert designated by the parties. The amount was paid by CaixaBank through its subsidiary company Bankia Mediación.

Of the total amount of the compensation, a total of EUR 106 million was used from the header “Provisions - Other provisions” of the balance sheet linked to the amount recognised in the PPA exercise (see Note 7). The remainder was recorded as an advance expense in the “Other Assets” heading of the balance sheet as this is an amount that the Group had to assume to be able to provide access to a greater network of branches free of any agreement in which non-life insurance products that are currently being marketed will be distributed. The Group's directors estimate that the anticipated expense will be recovered with the agreement arranged (see section "Agreement with Mutua Madrileña") with SegurCaixa Adeslas/Mutua Madrileña.

Mapfre and CaixaBank agreed to refer to arbitration (see Note 23.3) in order to determine whether the latter is obliged, under the aforementioned banking-insurance agreements, to pay the former an additional amount of EUR 23 million, corresponding to 10% of the value of the non-life business as determined by the independent expert.

The breakdown of the changes of the balance under "Inventories" is as follows:

Changes in inventories

(Millions of euros)

	2022		2021		2020	
	Foreclosed assets	Other assets	Foreclosed assets	Other assets	Foreclosed assets	Other assets
Gross cost, inventories						
Opening balance	76	54	80	31	53	35
Plus:						
Acquisitions	3	220	8	201	14	125
Transfers and other	9			1	18	
Less:						
Sales	(8)	(185)	(10)	(176)	(5)	(129)
Transfers and other *	(11)	(22)	(2)	(3)		
CLOSING BALANCE	69	67	76	54	80	31
Impairment allowances,						
Opening balance	(31)	(3)	(35)	(1)	(33)	(1)
Plus:						
Net allowances (Note 37)	(3)		(3)	(1)	(2)	
Transfers and other	(1)	(2)	2	(1)		
Less:						
Amounts used	4		5			
Transfers *	1					
CLOSING BALANCE	(30)	(5)	(31)	(3)	(35)	(1)
INVENTORIES	**39**	**62**	**45**	**51**	**45**	**30**

(*) They mainly include the value of the constructions/land fields reclassified from other balance sheet headings: from "Investment property" or "Non-current assets and disposal groups classified as held for sale" (see Notes 18 and 21).

21. NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The breakdown of the changes of the balance under this heading is as follows:

Changes in non-current assets for sale
(Millions of euros)

	2022			2021			2020		
	Foreclosed assets		Other assets (2)	Foreclosed assets		Other assets (2)	Foreclosed assets		Other assets (2)
	Foreclosure rights (1)	Other		Foreclosure rights (1)	Other		Foreclosure rights (1)	Other	
Gross cost									
Opening balance	225	3,217	806	133	1,351	273	183	1,333	314
Additions due to business comb. (Note 7)				130	1,702	326			
Additions	88	135	138	82	102	215	33	75	86
Transfers and other	(133)	458	76	(120)	716	1,782	(83)	205	73
Disposals for the		(1,028)	(400)		(654)	(1,790)		(262)	(200)
CLOSING BALANCE	180	2,782	620	225	3,217	806	133	1,351	273
Impairment									
Opening balance	(47)	(980)	(183)	(35)	(458)	(66)	(41)	(390)	(45)
Additions due to business comb.				(17)	(504)	(68)			
Allowances (Note 39)		(264)	(82)		(228)	(1)		(159)	(43)
Recoveries (Note 39)		76	41	1	104	1		87	8
Transfers and other	9	(99)	4	4	(82)	(82)	6	(70)	1
Amounts used		341	28		188	33		74	13
CLOSING BALANCE	(38)	(926)	(192)	(47)	(980)	(183)	(35)	(458)	(66)
TOTAL	**142**	**1,856**	**428**	**178**	**2,237**	**623**	**98**	**893**	**207**

(1) Foreclosure rights are measured initially at the carrying amount at which the asset will be recognised when the definitive foreclosure occurs.

(2) Mainly includes: investments reclassified as non-current assets held for sale, assets deriving from the termination of operating lease agreements and closed branches.

(3) Mainly includes reclassifications of foreclosure rights to "Other foreclosed assets" or "Investment property" when the property is put up for lease, for assets from credit regularisations (see Note 18).

(4) Includes provisions recognised to cover against the risk of insolvency on credit operations of CaixaBank cancelled through the acquisition of real estate assets by BuildingCenter.

Sale of the property at Castellana 51

In November 2022, CaixaBank sold the property it owns at Paseo de la Castellana, 51, Madrid. CaixaBank's Board of Directors agreed the sale of the latter to Inmo Criteria Patrimonio, S.L.U. (a wholly-owned subsidiary of Criteria Caixa, S.A.U.), which submitted the best offer.

The sale price of this property was EUR 238.5 million. The sale has resulted in the recording of a positive impact on the statement of profit or loss of EUR 101 million (EUR 71 million net of tax effect), under the heading "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net)" in 2022 (see Note 39).

The breakdown, by age, of foreclosed assets, excluding impairment allowances, determined on the basis of the foreclosure date, is as follows:

Age of foreclosure assets
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	No. of assets	Gross amount	No. of assets	Gross amount	No. of assets	Gross amount
Up to 1 year	1,605	166	4,510	362	1,519	157
Between 1 and 2 years	2,081	188	2,683	230	3,266	320
Between 2 and 5 years	9,213	738	12,451	1,054	5,850	591
More than 5 years	20,433	1,870	19,462	1,796	4,917	416
TOTAL	**33,332**	**2,962**	**39,106**	**3,442**	**15,552**	**1,484**

22. FINANCIAL LIABILITIES

The breakdown of this heading is as follows:

Breakdown of financial liabilities at amortised cost - 31-12-2022
(Millions of euros)

		Value adjustments				
	Gross balance	Accrued interest	Micro-hedges	Transaction costs	Premiums and	Bal. sheet amount
Deposits	**421,531**	**(19)**		**(9)**	**367**	**421,870**
Central banks	16,278	(242)				16,036
Credit institutions	12,704	70				12,774
Customers	392,549	153		(9)	367	393,060
Debt securities issued	**50,926**	**605**		**(10)**	**1,087**	**52,608**
Other financial liabilities	**8,023**					**8,023**
TOTAL	**480,480**	**586**		**(19)**	**1,454**	**482,501**

Breakdown of financial liabilities at amortised cost - 31-12-2021
(Millions of euros)

		Value adjustments				
	Gross balance	Accrued interest	Micro-hedges	Transaction costs	Premiums and	Bal. sheet amount
Deposits	**487,093**	**(1,032)**		**(10)**	**478**	**486,529**
Central banks	81,671	(1,224)				80,447
Credit institutions	13,590	13				13,603
Customers	391,832	179		(10)	478	392,479
Debt securities issued	**51,720**	**582**		**(11)**	**1,393**	**53,684**
Other financial liabilities	**6,812**					**6,812**
TOTAL	**545,625**	**(450)**		**(21)**	**1,871**	**547,025**

Breakdown of financial liabilities at amortised cost - 31-12-2020
(Millions of euros)

		Value adjustments				
	Gross balance	Accrued interest	Micro-hedges	Transaction costs	Premiums and	Bal. sheet amount
Deposits	**301,001**	**(160)**		**(12)**	**(306)**	**300,523**
Central banks	50,377	(287)				50,090
Credit institutions	5,268	(2)				5,266
Customers	245,356	129		(12)	(306)	245,167
Debt securities issued	**35,542**	**420**		**(8)**	**(141)**	**35,813**
Other financial liabilities	**6,067**					**6,067**
TOTAL	**342,610**	**260**		**(20)**	**(447)**	**342,403**

22.1. DEPOSITS FROM CREDIT INSTITUTIONS

The breakdown of the gross balances of this heading is as follows:

Breakdown of deposits from credit institutions
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Demand	**2,339**	**2,444**	**1,138**
Other accounts	2,339	2,444	1,131
Term or at notice	**10,365**	**11,146**	**4,130**
Deposits with agreed maturity	4,041	3,918	3,371
Repurchase agreement	6,324	7,228	759
TOTAL	**12,704**	**13,590**	**5,268**

22.2. CUSTOMER DEPOSITS

The breakdown of the gross balances of this heading is as follows:

Breakdown of customer deposits
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
By type	**392,549**	**391,832**	**245,356**
Current accounts and other demand deposits	265,323	260,810	143,020
Savings accounts	94,573	89,639	77,305
Deposits with agreed maturity	29,952	37,914	22,729
Hybrid financial liabilities	124	193	298
Repurchase agreements	2,577	3,276	2,004
By sector	**392,549**	**391,832**	**245,356**
Public administrations	16,978	19,853	13,136
Private sector	375,571	371,979	232,220

22.3. DEBT SECURITIES ISSUED

The breakdown of the gross balances of this heading is as follows:

Breakdown of debt securities issued
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Mortgage covered bonds	17,178	20,854	14,497
Plain vanilla bonds *	21,784	17,104	11,729
Securitised bonds	1,175	1,627	1,077
Structured notes	1,309	1,384	1,436
Promissory notes	330	591	653
Preference shares	4,250	5,000	3,000
Subordinated debt	4,900	5,160	3,150
TOTAL	**50,926**	**51,720**	**35,542**

(*) Includes plain vanilla bonds or ordinary bonds and non-preference plain vanilla bonds or ordinary bonds

The changes in the balances of each type of securities issued is as follows:

Changes in debt securities issued
(Millions of euros)

	Mortgage covered bonds	Public sector covered bonds	Plain vanilla bonds	Securitise d bonds	Structur ed notes	Subordin ated debt	Preference shares
Gross balance							
Opening balance 2020	54,260	5,900	8,771	31,907	1,782	3,459	2,525
Issuances			3,000	425			750
Depreciation and amortisation	(1,244)	(1,500)	(40)	(14)	(193)		
Exchange differences and other							
CLOSING BALANCE 2020	53,016	4,400	11,731	32,318	1,589	3,459	3,275
Repo securities							
Opening balance 2020	(38,721)	(5,900)	(41)	(30,520)	(163)	(309)	(275)
Buy-backs							
Repayments and other	202	1,500	39	(721)	10		
CLOSING BALANCE 2020	(38,519)	(4,400)	(2)	(31,241)	(153)	(309)	(275)
CLOSING NET BALANCE 2020	**14,497**		**11,729**	**1,077**	**1,436**	**3,150**	**3,000**
Gross balance							
Opening balance 2021	53,016	4,400	11,731	32,318	1,589	3,459	3,275
Additions due to business combinations (Note 7)	17,671		2,599	6,518		1,675	1,250
Issuances	6,064	1,000	2,787	2,302		1,000	750
Depreciation and amortisation	(7,424)			(5,719)		(665)	
Exchange differences and other							
CLOSING BALANCE 2021	69,327	5,400	17,117	35,419	1,589	5,469	5,275
Repo securities							
Opening balance 2021	(38,519)	(4,400)	(2)	(31,241)	(153)	(309)	(275)
Additions due to business combinations (Note 7)	(8,892)			(1,063)			
Buy-backs	(6,529)	(1,000)	(11)	(2,302)	(52)		
Repayments and other	5,467			814			
CLOSING BALANCE 2021	(48,473)	(5,400)	(13)	(33,792)	(205)	(309)	(275)
CLOSING NET BALANCE 2021	**20,854**		**17,104**	**1,627**	**1,384**	**5,160**	**5,000**
Gross balance							
Opening balance 2022	69,327	5,400	17,117	35,419	1,589	5,469	5,275
Issuances	6,553	2,000	4,791			1,175	
Depreciation and amortisation	(13,640)	(2,300)	(70)	(7,447)	(170)	(1,310)	(750)
Exchange differences and other							
CLOSING BALANCE 2022	62,240	5,100	21,838	27,972	1,419	5,334	4,525
Repo securities							
Opening balance 2022	(48,473)	(5,400)	(13)	(33,792)	(205)	(309)	(275)
Buy-backs	(6,579)	2,300	(41)			(425)	
Repayments and other	9,990	(2,000)		6,995	95	300	
CLOSING BALANCE 2022	(45,062)	(5,100)	(54)	(26,797)	(110)	(434)	(275)
CLOSING NET BALANCE 2022	**17,178**		**21,784**	**1,175**	**1,309**	**4,900**	**4,250**

The breakdown of preference share issues are as follows:

Breakdown of preference share issues
(Millions of euros)

			Nominal	Outstanding amount		
Issue date	**Maturity**	**Nominal amount**	**interest rate**	**31-12-2022**	**31-12-2021**	**31-12-2020**
June 2017 *	Perpetual	1,000	6.750%	1,000	1,000	1,000
July 2017 **	Perpetual	750	6.000%		750	
March 2018 *	Perpetual	1,250	5.250%	1,250	1,250	1,250
September 2018 **	Perpetual	500	6.375%	500	500	
September 2019 *	Perpetual	275	6.500%		275	275
October 2020 *	Perpetual	750	5.875%	750	750	750
September 2021 *	Perpetual	750	3.625%	750	750	
PREFERENCE SHARES				4,250	5,275	3,275
Own securities purchased					(275)	(275)
TOTAL				**4,250**	**5,000**	**3,000**

(*) They are perpetual Additional Tier 1 Instruments, although they may be (partially or totally) redeemed under specific circumstances at the option of CaixaBank (once at least five years have elapsed from their issue date according to the specific conditions of each of them, and with the prior consent of the corresponding competent authority) and, in all cases, are convertible into ordinary newly-issued shares of the entity if CaixaBank or CaixaBank Group has a Common Equity Tier 1 ratio (CET1) of less than 5.125%, calculated in accordance with European Regulation 575/2013, of 26 June, of the European Parliament and Council, on prudential requirements of credit institutions and investment firms ("CRR"). The conversion price of the preference shares shall be the highest of i) the volume-weighted daily average price of CaixaBank's shares in the five trading days prior to the day the corresponding conversion is announced, ii) the Conversion Floor Price and iii) the nominal value of CaixaBank's shares at the time of conversion.

(**) From the business combination with Bankia (see Note 7).

The breakdown of subordinated debt issues is as follows:

Breakdown of subordinated debt issues
(Millions of euros)

			Nominal	Outstanding amount		
Issue date	**Maturity**	**Nominal amount**	**interest rate**	**31-12-2022**	**31-12-2021**	**31-12-2020**
February 2017	15-02-2027	1,000	3.500%		510	1,000
March 2017 *	17.7.2028	500	3.375%		500	
July 2017	07-07-2042	150	4.000%	150	150	150
July 2017	14-07-2028	1,000	2.750%	1,000	1,000	1,000
April 2018	17-04-2030	1,000	2.250%	1,000	1,000	1,000
February 2019 *	15-02-2029	1,000	3.750%	1,000	1,000	
March 2021	18-06-2031	1,000	1.250%	1,000	1,000	
November 2022	23-02-2033	750	6.250%	750		
SUBORDINATED DEBT				4,900	5,160	3,150
Own securities purchased						
TOTAL				**4,900**	**5,160**	**3,150**

(*) From the business combination with Bankia (see Note 7).

22.4. OTHER FINANCIAL LIABILITIES

The detail of the balance of this heading in the balance sheet is as follows:

Breakdown of other financial liabilities
(Millions of euros)

	31-12-2022	**31-12-2021**	**31-12-2020**
Payment obligations	1,282	1,313	1,215
Guarantees received	59	24	24
Clearing houses	1,178	1,314	1,169
Tax collection accounts	1,785	1,461	1,271
Special accounts	1,716	368	426
Liabilities associated with right-of-use assets (Note 18)	1,608	1,864	1,468
Other items	395	468	494
TOTAL	**8,023**	**6,812**	**6,067**

The heading 'Other financial liabilities — Liabilities associated with right-of-use assets' (see Note 18) presents the current value of future lease payments during the mandatory period of the contract. The movement corresponding to the financial year is as follows:

Future payments on operating leases

(Millions of euros)

	01-01-2020	Net add.	Finance update	Paym.	31-12-2020	Add. for BC	Net add.	Finance update	Paym.	31-12-2021	Net add.	Finance update	Paym.	31-12-2022
Soinmob Inmobiliaria contract *	**590**	12	11	(60)	**553**		78	10	(62)	**579**	30	9	(40)	**578**
Other	**919**	66	8	(78)	**915**	456	7	8	(101)	**1,285**	(94)	1	(162)	**1,030**
TOTAL	**1,509**	**78**	**19**	**(138)**	**1,468**	**456**		**18**	**(163)**	**1,864**	**(64)**	**10**	**(202)**	**1,608**
Discount rate applied (according to the term) **														
Spain	[0.10%-1.66%]				[0.10%-1.66%]					[0.00%-1.66%]				[0.00%-1.66%]
Portugal	[0.20%-0.90%]				[0.20%-0.90%]					[0.20%-0.90%]				[0.20%-0.90%]

Financ. update: Financial update; BC: Business combination (see Note 7)

(*) Sale and leaseback agreement.

(**) The difference in the discount rate applied for businesses in Spain and Portugal is mainly due to the term of the lease agreements in each of them

22.5. SHORT-TERM FUNDING

The breakdown of short-term funding is as follows:

Breakdown of short-term funding

(Millions of euros)

	2022		2021		2020	
	Amount	Average rate	Amount	Average rate	Amount	Average rate
Repurchase agreement						
Closing balance	8,901	1.66%	10,504	(0.14%)	2,763	(0.34%)
Annual average	41,707	0.21%	22,518	(0.40%)	8,957	(0.12%)
Maximum in the period	52,058	(0.47%)	34,968	(0.43%)	12,164	0.23%
Promissory notes						
Closing balance	330	1.09%	591	(0.51%)	653	(0.24%)
Annual average	432	(0.20%)	564	(0.41%)	804	(0.22%)
Maximum in the period	576	(0.53%)	692	(0.51%)	1,054	(0.21%)

23. PROVISIONS

The breakdown of the changes of the balance under this heading is as follows:

Changes in provisions
(Millions of euros)

	Pensions and other post-employment defined benefit obligations	Other long-term employee benefits	Pending legal issues and tax litigation		Commitments and guarantees given		Other provisions
			Legal contingencies	Provisions for taxes	Contingent risks	Contingent commitments	
BALANCE AT 31-12-2019	**521**	**1,710**	**394**	**282**	**158**	**62**	**497**
With a charge to the statement of profit or loss	5	138	81	(19)	(30)	(2)	55
Provision		146	117	20	2	67	115
Reversal		(10)	(36)	(39)	(32)	(69)	(60)
Interest cost / (income)	5	2					
Personnel expenses							
Actuarial (gains)/losses	133						
Amounts used	(24)	(423)	(145)	(46)			(113)
Transfers and other	(55)	(27)	2	7	6	(1)	29
BALANCE AT 31-12-2020	**580**	**1,398**	**332**	**224**	**134**	**59**	**468**
Additions due to business	626	105	314	197	258	85	262
With a charge to the statement of profit or loss	(390)	2,296	190	35	(50)	3	216
Provision		33	359	42	(21)	88	389
Reversal		(9)	(169)	(7)	(29)	(85)	(173)
Interest cost/(income)	4						
Personnel expenses *	(394)	2,272					
Actuarial (gains)/losses	(38)						
Amounts used	(45)	(348)	(212)	(24)			(76)
Transfers and other	73	1	150	(39)	18	(46)	(221)
BALANCE AT 31-12-2021	**806**	**3,452**	**774**	**393**	**360**	**101**	**649**
With a charge to the statement of profit or loss	5	(62)	147	(50)	94	(15)	72
Provision		24	271	16	153	74	353
Reversal		(45)	(124)	(66)	(59)	(89)	(281)
Interest cost/(income)	5	2					
Personnel expenses		(43)					
Actuarial (gains)/losses	(182)						
Amounts used	(50)	(595)	(276)	(18)			(154)
Transfers and other		(181)	9	(8)	6	1	(15)
BALANCE AT 31-12-2022	**579**	**2,614**	**654**	**317**	**460**	**87**	**552**

(*) At 1 January 2022, the amendments resulting from the new Labour Agreement signed on 7 July 2021 entered into force. As regards the complementary social provision, it was agreed to set a fixed annual growth of 0.35% in the future of benefits caused to replace the various criteria established, chiefly based on the CPI (applicable thus far). This remeasurement is applicable to all current and future defined benefit plans, both those implemented through the CaixaBank Employment Pension Plan and those outside it. At the time of the agreement (2021), this resulted in the settlement of the obligations amounting to EUR 394 million.

23.1. PENSIONS AND OTHER POST-EMPLOYMENT DEFINED OBLIGATIONS

Provisions for pensions and similar obligations – Defined benefit post-employment plans

The Group's defined benefit post-employment benefit obligations are as follows:

- Part of the commitments with employees and former employees of CaixaBank are covered using insurance policies with Group or non-Group insurance companies, mainly from merger processes. In this case, CaixaBank is the insurance policyholder, and the contracts are managed by each insurance company, which also assumes the risks.
- The rest of the obligations vested on the business in Spain arise from the CaixaBank Employment Pension Plan, which features various subplans. These subplans are integrated into two pension funds, namely the fund Pensions Caixa 30, a pension fund that which combines a greater number of holders and beneficiaries. The pension funds insure their defined benefit commitments through different insurance contracts, the policyholder of which is the Pension Plan Control Committee, the majority of which are with VidaCaixa. CaixaBank does not control the Pension funds into which these subplans are integrated, although it holds a minority representation on the Control Committees established in each of them.
- Since most of the defined benefit commitments are covered through the pension funds or through insurance policies taken out directly by CaixaBank —the purpose of which is to ensure the provisions payable by the beneficiaries are equivalent to the provisions insured under the policies taken out— the Group is not exposed to market volatilities and unusual market movements. At different closures, the fair value of the policies taken out directly with VidaCaixa or other companies, and that of pension fund assets (mainly covered through insurance policies), is calculated with a uniform assessment methodology, as laid down in the accounting standard.

If an insurance policy is a CaixaBank Employment Pension Plan asset and its flows exactly match the amount and timing of the benefits payable under the plan, the fair value of these insurance policies is deemed to be the present value of the related obligations. There will only be a defined benefit net liability when certain commitments are not insured by CaixaBank or the pension fund, for example, longevity queues for which the insurers have not been able to find financial instruments with a sufficiently long duration that replicate the guaranteed payments. Otherwise an asset would be produced as a net position.

Whilst the insurance policies taken out with insurers external to the Group and the value of the assets held through the Pension Funds are presented in net form on the balance sheet, given that they are eligible assets of the plan and are used to settle the obligations assumed, the fair value of the other policies taken out directly by CaixaBank with VidaCaixa is eliminated in the consolidation process, with the integration of the financial investments of VidaCaixa under the policies in the various heading of the consolidated balance sheet.

Meanwhile, BPI has assumed all the obligations externalised in the "Fundo de Pensões Banco BPI" pension fund, and recognises the present value of the obligations, net of the fair value of plan assets.

The breakdown of the changes of the balance under this heading is as follows:

Changes in provisions for pensions and similar obligations
(Millions of euros)

	Related entity *						Non-related entity **								
	Defined benefit obligations			Fair value of plan assets			Defined benefit obligations (A)			Fair value of assets (B)			Net asset/(liability) for long-term commitments		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
OPENING BALANCE	(806)	(489)	(473)	804	490	473	(3,355)	(3,674)	(3,568)	3,717	3,583	3,530	362	(91)	(38)
Interest cost (income)	(5)	(3)	(4)	6	3	4	(10)	(5)	(15)	(201)	110	41	(211)	105	26
Past service cost		(1)					(33)	(17)	(21)				(33)	(17)	(21)
COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN PROFIT OR LOSS	(5)	(4)	(4)	6	3	4	(43)	(22)	(36)	(201)	110	41	(244)	88	5
Actuarial gains/(Losses) arising from experience assumptions	12	17	(10)				371	36	(112)				371	36	(112)
Actuarial gains/(Losses) arising from financial assumptions	170	21	(27)	(183)	(30)	39	312	33	(87)	(268)	(106)	104	44	(73)	17
COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN EQUITY	182	38	(37)	(183)	(30)	39	683	69	(199)	(268)	(106)	104	415	(37)	(95)
Plan contributions				1	(93)	(1)	(4)	(4)	(4)		19	20	(4)	15	16
Plan payments	50	45	25	(50)	(45)	(25)	165	167	152	(167)	(168)	(156)	(2)	(1)	(4)
Settlements		84	2			(1)		310	35	(108)		(19)	(108)	310	16
Additions due to business combinations (Note 7)		(626)			478		6	(131)			137		6	6	
Transactions		146	(2)		1	1	(30)	(70)	(54)	13	142	63	(17)	72	9
OTHER	50	(351)	25	(49)	341	(26)	137	272	129	(262)	130	(92)	(125)	402	37
CLOSING BALANCE	**(579)**	**(806)**	**(489)**	**578**	**804**	**490**	**(2,578)**	**(3,355)**	**(3,674)**	**2,986**	**3,717**	**3,583**	**408**	**362**	**(91)**
Recognised in:															
"Other assets - Net pension plan assets" (Note 20)													408	362	
"Provisions - Pensions and other post-employment defined benefit obligations" (Note 23)	(579)	(806)	(489)												(91)
Type of obligation															
Vested obligations	(578)	(804)	(487)				(2,578)	(2,699)	(2,946)						
Non-vested obligations	(1)	(2)	(2)					(656)	(728)						
Type of investment															
Implemented through insurance policies				578	804	490				2,986	1,771	1,701			
Investments in real estate assets											395	392			
Investments in equity instruments											260	235			
Investments in debt instruments											1,250	1,182			
Investments in other assets											41	73			

(*) The obligations are insured with a related company, the Group being the policyholder.
(**) The obligations are insured with a third party or the Group is not the policyholder.

The present value of defined benefit obligations was calculated using the following criteria:

- The "projected unit credit" accrual method has been used, which considers each year of service as giving rise to one additional unit of benefit entitlement and measures each unit separately.
- The estimated retirement age of each employee is the first age at which the employee has the right to retire or the age determined in the agreements, as applicable.
- The actuarial and financial assumptions used in the measurement are unbiased and mutually compatible.

The assumptions used in the calculations regarding business in Spain are as follows:

Actuarial and financial assumptions in Spain

	31-12-2022	31-12-2021	31-12-2020
Discount rate of post-employment benefits (1)	3.62 %	0.84%	0.39%
Long-term benefit discount rate (1)	3.2 %	0.01%	(0.26%)
Mortality tables (2)	PERM-F/2000 - P	PERM-F/2000 - P	PERM-F/2000 - P
Annual pension review rate (3)	0.35 %	0.35%	0% - 2%
Annual cumulative CPI (4)	2.93 %	2.56%	1.81%
Annual salary increase rate	1.0% 2023; CPI + 0.5% 2024 and onwards	0.75% 2022; 1% 2023; CPI + 0.5% 2024 and onwards	0% 2021; 0.75% 2022; 1% 2023; CPI + 0.5% 2024 and onwards

(1) Using a rate curve based on high-rated corporate bonds, with the same currency and terms as the commitments assumed. Rate informed on the basis of the weighted average term of these commitments.

(2) It has been decided to maintain the PERM-F/2000-P tables as the best estimate of the survival pattern, based on historical experience.

(3) Depending on each obligation. Based on the Agreement to Amend Employment Conditions signed on 1 July 2021, a fixed rate of 0.35% has been considered as a future revaluation for pension commitments arising from collective systems, covenants and/or agreements.

(4) Using the Spanish zero coupon inflation curve. Rate informed on the basis of the weighted average term of the commitments.

The assumptions used in the calculations regarding BPI's business in Portugal are as follows:

Actuarial and financial assumptions in Portugal

	31-12-2022	31-12-2021	31-12-2020
Discount rate *	3.8 %	1.26%	1.01%
Mortality tables for males	TV 88/90	TV 88/90	TV 88/90
Mortality tables for females	TV 90/01 - 2 years	TV 90/01 - 2 years	TV 88/90 – 3 years
Annual pension review rate	4.00% 2023; 3.00% 2024; 0.75% and onwards	0.4%	0.4%
Annual salary increase rate	[4.50 - 5.50] % 2023; [3.50 - 4.50] % 2024; [1.25 - 2.25] % and onwards	[0.9 - 1.9]%	[0.9 - 1.9]%

(*) Rate resulting from using a rate curve based on high-rated corporate bonds, with the same currency and terms as the commitments assumed.

Actuarial valuation of the pension commitments attributed to businesses in Spain and Portugal is carried out by qualified actuaries independent of the Group.

Additionally, in order to preserve the governance of the valuation and the management of the risks inherent to the acceptance in these commitments, CaixaBank has established an activity framework where the ALCO manages hedging proposals for these risks and the Global Risk Committee approves any changes to the criteria to measure the liabilities reflected in these commitments for businesses in Spain.

Below follows a sensitivity analysis of the value of obligations based on the main assumptions used in the actuarial valuation. To determine this sensitivity, the calculation of the value of the obligations is replicated, changing the specific variable and maintaining the remaining actuarial and financial assumptions unchanged. One drawback of this method is that it is unlikely that a change will occur in one variable alone as some of the variables may be correlated:

Analysis of sensitivity of the obligations
(Millions of euros)

	Spain		Portugal	
	+50 bp	-50 bp	+50 bp	-50 bp
Discount rate	(26)	28	(97)	108
Annual pension review rate *	0	0	101	(94)

(*) According to Labour Agreement signed on 7 July 202, fixed annual growth for Spain is 0.35%.

The estimate of the fair value of insurance contracts linked to pensions taken out directly by CaixaBank with VidaCaixa or other companies and of the value of the pension fund assets (also mainly insurance policies) takes into account the value of future guaranteed payments discounted from the same rate curve used for the obligations. Therefore, since the expected flows of payments are matched with those deriving from the policies, the possible fair changes —at the close of the financial year— in the discount rate would have a similar effect on the value of the Group's gross obligations and on the fair value of insurance contracts linked to pensions and the fair value of assets held through pension funds.

Consistent with the provision of Note 2.12, the sensitivity of the obligations has only been calculated when certain commitments are not insured by CaixaBank or the pension fund, for example, certain aforementioned longevity queues for business in Spain.

The estimated payment of the provisions planned for the next 10 years is stated below:

Analysis of sensitivity of the obligations
(Millions of euros)

	2023	2024	2025	2026	2027	2028-2032
Spain *	49	47	46	45	43	192
Portugal	73	70	68	66	64	295

(*) Excluding insured provisions to be paid directly by VidaCaixa to the Pension Funds.

23.2. PROVISIONS FOR OTHER EMPLOYEE BENEFITS

The Group has funds to cover the commitments of its discontinuation programmes, both in terms of salaries and other social costs, from the moment of termination until reaching the age established in the agreements. Funds are also in place covering length of service bonuses and other obligations with existing personnel. The main training programmes for which funds are kept are as follows:

Severance schemes
(Millions of euros)

	Year recognised	Number of people	Initial provision
Labour agreement 17-07-2014	2014	434	182
Labour agreement for Barclays Bank personnel restructuring 2015	2015	968	187
Labour agreement 29-06-2015 (territorial reorganisation of the workforce)	2015	700	284
Paid early retirements and resignations 16-04-2016	2016	371	160
Labour agreement 29-07-2016	2016	401	121
Paid early retirements and resignations 10-01-2017	2017	350	152
Labour agreement 27-04-2017 - BPI	2017	613	107
Labour agreement 28-04-2017 - Disassociations 2017	2017	630	311
Labour agreement 28-04-2017 - Disassociations 2018	2018	151	67
Labour agreement 08-05-2019	2019	2,023	978
Labour agreement 31-01-2020 - Disassociations 2020	2020	226	109
Labour agreement for restructuring 1-07-2021	2021	6,452	1,884

The breakdown of the changes of the balance under this heading is as follows:

Reconciliation of balances of other long term employee benefits

(Millions of euros)

	Obligations		
	2022	2021	2020
OPENING BALANCE	**3,452**	**1,398**	**1,710**
Service cost for the current year	3	(1)	4
Past service cost	96	2,279	98
Interest net cost (income)	2	1	2
Revaluations (Gains)/Losses	(163)	17	34
COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN PROFIT OR LOSS	(62)	2,296	138
Other			
Additions due to business combinations (Note 7)		105	
Plan payments	(595)	(348)	(423)
Transactions	(181)	1	(27)
TOTAL OTHER	(776)	(242)	(450)
CLOSING BALANCE	**2,614**	**3,452**	**1,398**
Of which: With pre-retired personnel	*119*	*232*	*299*
Of which: Termination benefits	*2,427*	*3,144*	*753*
Of which: Supplementary guarantees and special agreements			*238*
Of which: Length of service bonuses and other	*65*	*64*	*61*
Of which: Other commitments deriving from Barclays Bank	*3*	*12*	*47*

23.3. PROVISIONS FOR PENDING LEGAL ISSUES AND TAX LITIGATION

Litigiousness in the field of banking and financial products is subject to comprehensive monitoring and control to identify risks that may lead to the outflow of funds from the entity, making the necessary allocations and taking the appropriate measures in terms of adaptation and improving procedures, products and services. FY 2020 was marked by some highly irregular flows that were conditioned by the effect that the health crisis and State of Alarm caused on the normal operation of the justice system, though its operation could be deemed to have returned to normal in 2021 and 2022.

The dynamic nature of litigiousness and the high disparity of judicial criteria frequently drive changes in scenarios, without prejudice to which the Group has established monitoring mechanisms to control the progress of claims, actions and different judicial sensitivities on the contentious matters that make it possible to identify, define and estimate risks, based on the best information available at any given time.

In the case of disputes under general conditions, generally linked to the granting of mortgage loans to consumers (e.g. floor clauses, multi-currency clauses, mortgage expenses, advance maturity, etc.), the necessary provisions are held and the Group maintains ongoing dialogue with customers in order to explore agreements on a case-by-case basis. Similarly, CaixaBank leads the adherence to extrajudicial dispute resolution systems promoted by certain judicial bodies that resolve these matters, in order to promote amicable solutions that avoid litigating with customers and help alleviate the judicial burden.

In the same way, the Group has adapted its provisions to the risk of ongoing actions arising from claims for the amounts of payments on account for the purchase of off-plan housing, banking, financial and investment products, excessive and abnormal price of interest rates, right to reputation or statements of subsidiary civil liability arising from the potential conduct of persons with employment links.

Lastly, a criterion of prudence is adopted for constituting provisions for possible punishable administrative procedures, for which hedging is allocated in accordance with the economic criteria that may be laid down by the specific administration regarding the procedure, without prejudice to the full exercise of the right of defence in instances, where applicable, in order to reduce or annul the potential sanction.

The content of the main sections of this heading is set out below. The expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain.

IRPH (Mortgage Loan Reference Index)

In relation to the official reference rate for mortgages in Spain (IRPH), the judgment issued by the Court of Justice of the European Union (CJEU) on 3 March 2020, and the set of judgments issued by the First Chamber of the Spanish High Court on 6 and 12 November 2020 provide clarity to the prosecution of claims that question the lack of transparency in the marketing of mortgage loans that include such an index.

The chief legal conclusion of the current judicial framework and without prejudice to its eventual change, is the validity of mortgage loans that include such an index.

On the one hand, in mortgage loans where the IRPH had been included in the context of Public Agreements in order to facilitate access to social housing, the Spanish High Court deems that there was transparency in the procurement; The core elements relating to the calculation of the variable interest laid down in the contract were easily accessible, the consumer adhered to a financing system established and regulated by a regulatory rule, regularly reviewed by successive Councils of Ministers, the clause expressly referred to this regulation and these agreements and both the former and the latter enjoy publicity arising from their publication in the Official State Gazette (BOE).

In cases not covered by the abovementioned scenario, pre-contractual and contractual information provided to consumers of mortgage loans including such an index should be examined on a case-by-case basis, in order to determine whether or not they suffer from lack of transparency, since there are no assessed means of testing material transparency. In any case, the important thing is that any declaration of lack of transparency requires the Spanish High Court —according to repeated legal principle of the CJEU— to make a judgment of abuse, and such abuse —due to the existence of bad faith and major imbalance— has no place in such cases. In the opinion of the Spanish High Court, on the one hand, good faith is not infringed when offering an official index, recommended by the Bank of Spain since the end of 1993 as one of the rates that could be used for mortgage lending operations and when the central Government and several autonomous governments —through various regulatory provisions— had established the IRPH index as a reference for financing (borrowing) for the purchase of social housing. On the other hand, there is also no significant imbalance at the time of procurement, since the subsequent evolution is irrelevant and it cannot be ignored that hypothetically, by replacing the Savings Banks IRPH or Banks IRPH with the index proposed by the CJEU as a replacement in case of abuse and lack of agreement, the Entities IRPH would be applied as the supplementary legal index, which presents virtually no differences with the Savings Banks IRPH or Banks IRPH.

This criterion of the SC has been endorsed by the Court of Justice of the European Union in an order on 17 November 2021, ruling on a second question referred for a preliminary ruling by the 38th Court of First Instance of Barcelona (Case C-655/20). Despite the clarity of the decisions of the CJEU and the consistent criteria of the SC with the postulates of those decisions, a court of first instance in Palma de Mallorca, disagreeing with the rulings of the SC, has raised other new questions for a preliminary ruling.

In conclusion, we consider that the full validity of the contract and the absence of risk of a possible outflow of resources as a result of a possible declaration of lack of transparency have been clarified, in accordance with the current state of the case law.

The Group, in accordance with the current legal basis and reasonableness of the foregoing, as well as the best available information to date, does not hold provisions for this item.

On 31 December 2022, the total amount of mortgages up to date with payments indexed to the IRPH (mortgage base rate) with individuals is approximately EUR 4,825 million (the majority of which are with consumers).

Litigation linked to consumer credit contracts ("revolving" cards) through the application of the Usury Repression Act of 1908, as a result of the Spanish Supreme Court Judgment dated 4 March 2020.

The Spanish High Court gave a sector-relevant judgment on the contracts of revolving cards and/or deferred-payment cards. The resolution determines i) that revolving cards are market-specific within credit facilities, ii) that the Bank of Spain publishes a specific benchmark interest rate for this product in its Statistical Bulletin, which is the one that must be used as a reference to determine which is the 'normal interest rate', iii) that 'the average interest rate of credit transactions on credit and revolving cards from the Bank of Spain statistics (...) was somewhat higher than 20%' and iv) that an APR like that analysed in the specific case, between 26.82% and 27.24%, is 'notably disproportionate', which entails the contract becoming null and void and the interests paid being refunded. This judgment, unlike the previous one on this subject matter where the supra duplum rule was used to define the disproportionate price —i.e. exceeding twice the ordinary average interest— does not, on this occasion, provide specific criteria or accuracy to determine with legal certainty the amount of excess or difference between the "normal interest rate" that can entail the invalidity of the contract. This circumstance has led to significant litigation and a series of highly disparate judicial criteria that have made it difficult to apply a uniform criterion. The matter is subject to specific monitoring and management. Recently, on 4 May 2022, the Supreme Court issued a ruling confirming that a determination of usury requires comparing the agreed rate with the average rate expected for the specific product type. The ruling upholds the assessment made by the Provincial Court that deemed a rate of 24.5% not to be usury, since the record showed that on the contract date, rates similar to the one agreed were usual. Another Supreme Court ruling of 4 October 2022: which examines the rate agreed on a revolving card issued at a time when there were no statistical data published by the Bank of Spain for this type of product. It finds that in the decade 1999/2009 rates of between 23-26% were common, and deems a rate within this threshold to be valid.

Additionally, CaixaBank and its card-issuing subsidiary, CaixaBank Payments and Consumer, received a class action brought by an Association of Consumers and Users (ASUFIN), which was partially dismissed by Valencia Commercial Court No. 4 on 30 December 2020. Firstly, the process was reduced to an action of eventual cessation of general conditions; the possibility of claiming refunds of amounts was rejected for the ASUFIN and in favour of CaixaBank. Subsequently, the judgment reaffirms this situation, fully dismisses the claim against CaixaBank and solely requests CaixaBank Payments and Consumer to discontinue the advance maturity clause, disregarding all other requests regarding lack of transparency in the operation of cards, interest calculation methods, the right to compensation for debt and the change of conditions under contracts of an indefinite duration. After both parties appealed the judgment, the 9th Section of the Valencia Provincial Court issued ruling no. 1152/2021 of 3 October 2021, by virtue of which it dismissed ASUFIN's appeal and upheld CaixaBank Payments and Consumer's appeal, and consequently dismissed the claim in its entirety, partially overturning the first instance judgment. This ruling is not final.

Based on the best information available to date, the heading "Other Provisions" includes the estimate of present obligations that could arise from legal proceedings, including those relating to revolving and/or deferred payment cards or, to a lesser extent, from personal loans at the interest rate subject to judicial review under these jurisprudential considerations, the occurrence of which has been considered probable.

In any case, any disbursements that may ultimately be necessary will depend on the specific terms of the judgments which the Company must face, and/or the number of claims that are brought, among others. Given nature of these obligations, the expected timing of the outflow of financial resources is uncertain, and, in accordance with the best available information today, the Group also deems that any responsibility arising from these proceedings will not, as a whole, have a material adverse effect on the Group's businesses, financial position or the results of its operations.

Coral Homes

On 28 June 2018, CaixaBank, S.A., the Company and Coral Homes Holdco, S.L.U., a company belonging to the Lone Star group, executed an investment agreement for the purpose of establishing the terms on which the Company and Coral Homes Holdco, S.L.U. would be —through a newly created company called Coral Homes, S.L.— the owners and managers of the business consisting of a specific group of real estate assets owned by the Company and 100% of the share capital of Servihabitat Servicios Inmobiliarios, S.L., a company dedicated to the provision of real estate management services. As part of the operation, Servihabitat Servicios Inmobiliarios, S.L. will go on servicing the Group's property assets during a period of 5 years under a new contract concluded on market terms.

The sale entered into with Lone Star contemplated a representations and warranties clause in relation to, among other matters, the ownership of the real estate assets transferred to Coral Homes, S.L. which, under specific circumstances, could give rise to claims against the Company until June 2020.

In July 2020, Coral Homes Holdco, S.L.U. brought arbitration proceedings before the International Court of Arbitration of the International Chamber of Commerce in order to unwind the contribution of a small group of real estate assets included in the business transferred to Coral Homes, S.L. and to claim certain alleged damages.

The arbitration proceedings that are currently underway and their resolution, after certain vicissitudes that have led to their prolongation, are expected in mid-2023. In the event that the arbitration is not successful, it is not expected to have a material impact on equity not included in the financial statements as at 31 December 2022.

Sareb Bonds

Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (Sareb) requests the Court to declare "that the Senior Bonds issued by Sareb from the 2017-3 and 2018-1 and successive Issues, may generate negative yields, as well as to oblige the defendant Financial Institutions to comply with said declaration".

The Group deems that this dispute has already been finally and bindingly resolved in law by the Decision, favourable to the Entities, rendered on 30 October 2018 by the College of Arbitrators (the "Decision"), and therefore the matter is res judicata. This and other arguments well-founded in law that have been raised by the defendant entities in their defence and the absolute reasonableness of the arbitrators' conclusions (the bonds cannot generate interest in favour of Sareb), lead the Group to consider the risk of this claim being upheld to be remote. In the proceedings, following the preliminary hearing, the parties were given notice to file their conclusions, and it is foreseeable that a judgment will be delivered in the early months of 2023.

Mapfre, proceedings after termination of insurance banking alliance with Bankia

There are two proceedings related to the termination of Mapfre's insurance banking alliance with Bankia.

The first is an arbitration in which Mapfre and CaixaBank agreed to submit the issue of whether CaixaBank was obliged, under the bancassurance agreements between Bankia and Mapfre, to pay Mapfre an additional amount equivalent to 10% of the valuations of the life and non-life business as determined by the independent expert chosen by both parties (Oliver Wyman). The total amount is 52 million euros (29 million euros for the life business and 23 million euros for the non-life business). The Group has not set up a provision in this respect as it considers that its position should prevail in the arbitration.

The second process consists of a lawsuit filed by Mapfre against Oliver Wyman and CaixaBank because the former disagrees with the valuation of the BV shares (life business) carried out by Oliver Wyman. Mapfre requests the Court to declare the breach by Oliver Wyman of the order received to carry out the valuation of the BV shares and to replace such valuation with a higher valuation to be established in court, condemning CaixaBank to pay the difference between the price already paid for 51% of the BV shares and the price resulting from the new valuation established in court. The Group considers that Oliver Wyman complied with the assignment received and has solid arguments to oppose this claim, for which reason no provision has been made.

Judicial proceedings relating to the 2011 Bankia rights offering

Civil proceedings in respect of the nullity of the subscription of shares

Claims are currently still being processed, although in a small number, requesting both the cancellation of share purchases in the rights offering made in 2011 on the occasion of the listing of Bankia and those relating to subsequent purchases, in relation to the latter scenario, however, they are residual claims.

On 19 July 2016, Bankia was notified of a collective claim filed by ADICAE; the processing of the proceedings is currently suspended.

In a judgment of 3 June 2021, the Court of Justice of the European Union resolved a preliminary question raised by the Spanish Supreme Court, clarifying that in cases of issuances intended both for retail investors and to qualified investors, the latter may bring an action for damages based on inaccuracies of the prospectus, although the national court will have to take into account whether such investor had or should have knowledge of the economic situation of the issuer of the public offer of subscription of shares and besides the prospectus. Applying this criterion in the proceedings that gave rise to this question, the Supreme Court considered that, in the specific case in question, it was not proven whether the plaintiff had access to information other than the prospectus, which is why it upheld the claim. Since then, there have been rulings both favourable and unfavourable to CaixaBank, with the Supreme Court finding in the former that the decision to subscribe the shares was not based on the information in the prospectus. The circumstances of each case must therefore be taken into account.

The Group maintains provisions to cover the risk arising from this litigation.

Abridged proceedings 1/2018 (originating in previous proceedings No. 59/2012) followed before the Criminal Chamber of the National Court due to the Bankia stock market flotation.

Criminal procedure whereby the Court agreed to admit the claim filed by Unión Progreso y Democracia against Bankia, BFA Tenedora de acciones, S.A.U. and the former members of their respective Boards of Directors. Other complaints have subsequently been added to this proceeding concerning persons alleging damages for the listing of Bankia (private prosecution on the indictment) and persons who do not have such status (private prosecution by a person unaffected by the alleged offence). Through the listing, in July 2011 Bankia acquired EUR 3,092 million, of which EUR 1,237 million corresponded to institutional investors and EUR 1,855 million to retail investors. Since the retail investors were practically returned all of the amounts invested in the listing, through the civil procedures or the voluntary payment process opened by Bankia itself, it is considered that the contingency opened with these has been virtually resolved.

On 29 September 2020, the Criminal Chamber, section four of the National Court, delivered a judgment (no. 13/2020), acquitting —with all kinds of favourable pronouncement— all the accused of all charges.

Only two accusations —an association and a legal person— formalised the corresponding appeal for cassation before the Criminal Chamber of the Spanish High Court against that judgment of 29 September 2020. The Supreme Court dismissed these appeals in a ruling delivered on 24 October 2022, and on 16 November 2022 issued an order declaring the acquittal of the National Court of 29 September 2020 to be final. The Group therefore regards this contingency as definitively and favourably terminated.

Ongoing investigation in Central Investigation Office No. 2 (PD 16/18)

In April 2018, the Anti-Corruption Prosecutor's Office started legal proceedings against CaixaBank, the Entity's former head of Regulatory Compliance and 11 employees, for events that could be deemed to constitute a money laundering offence, primarily due to the activity carried out in 10 branches of CaixaBank by alleged members of certain organisations formed of Chinese nationals, who allegedly conducted fraud against the Spanish Treasury between 2011 and 2015. The judge has asked the Public Prosecutor's Office to instigate the next steps. In addition, as of today, the filing of proceedings has already been agreed for four employees. Neither CaixaBank nor its legal advisers consider the risk associated with these criminal proceedings as being likely to arise. The potential impact of these events is not currently considered material, although CaixaBank is exposed to reputational risk due to these ongoing proceedings.

Ongoing investigation in Central Investigation Office No. 6 (PD 96/17) Separate records No. 21

In July 2021, the Court decided to summon as subject to investigation the legal person, calling for them to be heard in order to obtain knowledge on the measures implemented in its compliance programmes to prevent crimes or significantly reduce the risk of them being committed. The investigation concerns facts that may eventually be considered as constituting an offence of bribery and disclosure of secrets, if a public official has been deemed to have been fraudulently contracted for alleged private security activities. It resulted in the first procedural appointment as the investigated party, from which CaixaBank may provide explanations and evidence on the procedures, rules and controls of corporate criminal prevention.

On 29 July 2021 a court decision was announced that agreed to file the cause pursued against the bank, in accordance with the evidence provided until that date. On 7 February 2022, this decision was revoked by the Criminal Chamber of the National Court, which understood that the decision to close the case was premature and that further proceedings are necessary to clarify the facts. Evidence was presented along the lines suggested by the Court, including CaixaBank's Audit and Regulatory Compliance procedures.

In light of the actions taken, on 2 June 2022 the Court again agreed to dismiss the case against the Company. This decision was appealed and the National Court dismissed the appeal and declared the case closed with respect to CaixaBank and its chairman at the time of the events under investigation.

Bandenia Proceedings Preliminary Diligences 115/2015, Central Investigation Office No. 5 of Madrid

The offences under investigation are criminal organisation, continued falsification of commercial documents, continued fraud, money laundering, punishable insolvency and tax fraud, all committed through the conglomerate of the Bandenia group of companies. These companies allegedly conducted currency movements under the guise of lawful activities and opened accounts in various Spanish financial institutions.

In 2019, an order was issued ordering the opening of the separate piece called "Bandenia Laundering" to investigate the actions of CaixaBank and two other financial institutions in relation to the banking transactions made by the companies of the Bandenia Group, in case it could constitute a money laundering offence.

CaixaBank provided extensive documentation that was requested by the National Court, both in relation to Bandenia's operations and to the Regulatory Compliance programme that the Bank had in place at the time of the events under investigation (2013-2015). Two employees were summoned to testify as investigators, however, the investigation court closed the case. The Chamber, which upheld the appeal against the closure of the case, found that further evidence should be gathered before reaching a conclusion, and the case was reopened for further proceedings. To this effect, the National Court recently agreed the declaration of the legal representative of CaixaBank (in January 2023) and of the representatives of the other two banks. It is considered that, following further proceedings, the National Court will agree to dismiss the case, without there being any impact on or materialisation of a financial risk associated with these criminal proceedings, aside from the reputational damage that the public monitoring of an investigation of this nature may entail.

Banco de Valencia shareholders

Claim filed by the Small Shareholders Association of Banco de Valencia “Apabankval”: In 2012, Apabankval filed a claim for corporate crimes against members of the Board of Directors of Banco de Valencia and the external auditor. No amount of civil liability has been determined. The claim by Apabankval has resulted in previous proceedings 65/2013-10 of the Central Investigation Office no. 1 of the National Court.

Subsequently, a second claim filed by several individuals (“Banco de Valencia”) is included. Following on from this, by Order of 6 June 2016, the Central Investigation Office no. 1 of the National Court has admitted —to be included in previous proceedings 65/2013-10— a new claim filed by shareholders of Banco de Valencia against various directors of Banco de Valencia, the external auditor and Bankia, S.A. ("as a substitute for Bancaja"), for a corporate crime of falsification of accounts set out in article 290 of the Criminal Code.

On 13 March 2017, the Criminal Chamber, section 3 of the National Court, issued an order confirming that i) Bankia cannot be held liable for criminal acts and, ii) Bankia must be continue to be the secondary civilly liable party.

On 13 December 2017, Central Investigation Office no. 1 issued an Order agreeing to bring BFA, Tenedora de Acciones, S.A.U. and the Bancaja Foundation to the proceedings as secondary civilly liable parties.

On 2 December 2019, the Central Investigation Office no. 1 issued the conversion order agreeing to the continuation of these previous proceedings through the abridged procedures for the alleged participation in an ongoing corporate crime of falsehood in the annual accounts of Banco de Valencia for the fiscal years 2009-2010, punishable under art. 290 paragraphs 1 and 2 and art. 74 of the Criminal Code, against the members of the board of directors of Banco de Valencia and against various companies as secondary civilly liable parties, which include: BFA, Bankia, Bankia Hábitat S.L. y Valenciana de Inversiones Mobiliarias, S.L. Following the presentation by the prosecution of their provisional pleadings, on 31 October 2022, an order was issued to open the oral hearing, confirming the subsidiary civil liability of the former companies. The defence pleadings have been filed and the proceedings are now pending the oral hearing.

The National Court has had CaixaBank as the successor in Bankia's position as a consequence of the merger of Bankia (acquired company) with CaixaBank (acquiring company).

The Group has treated this contingency as a contingent liability which, despite its final result, is uncertain at this date.

Provisions for taxes

The detail of the balance of this heading in the balance sheet is as follows:

Provisions for taxes
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Income Tax assessments	16	20	31
Tax on deposits	22	40	18
Other	279	333	175
TOTAL	**317**	**393**	**224**

The main tax procedures ongoing at 2022 year-end are as follows:

- In 2020 the activities to verify financial years 2013 to 2015 were finalised, and due provisions were provided for their impacts. Disputed Corporation Tax assessments and disputed Value-Added Tax assessments are pending resolution by the Central Economic-Administrative Court.
- In 2017, the review actions for 2010 to 2012 were completed with no significant impact. The non-conformity assessments for Corporation Tax have been the subject of a partially upheld ruling by the National Court, which is pending enforcement by the Tax Agency. The non-conformity assessments for value added tax have been the subject of a dismissed ruling by the Central Economic-Administrative Court and are pending enforcement by the Tax Agency.

In addition, during the current year, the Bankia inspection process for fiscal years 2011 to 2013 was completed with the signing of the conformity assessment and the lawsuit for the Deposit Tax in the Canary Islands, releasing the unused provision.

The Group has allocated provisions to cover the maximum contingencies that may arise in relation to Corporation Tax and VAT assessments signed under protest.

23.4. PROVISION FOR COMMITMENTS AND GUARANTEES GIVEN

This heading includes the provisions for credit risk of the guarantees and contingent commitments given (Note 26).

23.5. OTHER PROVISIONS

The content of the main sections of this heading is set out below. The expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain.

Class action brought by the ADICAE association (floor clauses)

The legal case through which a class-action suit was brought by the Asociación de Usuarios de Bancos, Cajas y Seguros (ADICAE) due to the application of the minimum interest rate clause that is present in some of the Group's mortgages, is currently being appealed on procedural grounds to the Supreme Court. A ruling dated 29 June 2022 agreed to raise several issues for preliminary rulings in which the Supreme Court considers if, as part of a class-action suit as complex as this one, it is possible to analyse separately the transparency of how minimum-rate clauses are marketed, keeping in mind the need to evaluate any concurrent circumstances at the time the mortgage is signed, as well as other parameters, such as the evolution of the average consumer. The Group does not anticipate any changes to the risk in this matter, nor an adverse material impact, as a result of asking for these preliminary rulings.

With the available information, the risk derived from the disbursements that could arise due to these litigation proceedings is reasonably covered by the corresponding provisions.

Procedures of the Portuguese Resolution Fund (PRF)

On 3 August 2014, the Bank of Portugal applied a resolution procedure to Banco Espírito Santo, SA (BES) through the transfer of its net assets and under the management of Novo Banco, SA (Novo Banco). Within the framework of this procedure, the PRF completed a capital increase in Novo Banco for an amount of EUR 4,900 million, becoming the sole shareholder. The increase was financed through loans to the PRF for an amount of EUR 4,600 million, EUR 3,900 million of which was granted by the Portuguese State and EUR 700 million granted by a banking syndicate through the Portuguese financial institutions, including BPI with EUR 116 million.

On 19 December 2015, the Bank of Portugal initiated a procedure to put Banco Internacional do Funchal (Banif) into resolution, which came to a head with i) the partial sale of its assets for EUR 150 million to Banco Santander Totta, S.A.; and ii) the contribution of the rest of its assets that were not sold to Oitante, SA. The resolution was financed through the issuance of EUR 746 million of debt, guaranteed by the PRF and the Portuguese State as a counter-guarantee. The operation also included the ultimate guarantee of the Portuguese State amounting to EUR 2,255 million intended to cover future contingencies.

For the reimbursement of the PRF obligations with the Portuguese State (in the form of loans and guarantees) in relation to resolution measures adopted, the PRF has contributed ordinary instruments through the various contributions of the banking sector. Along these lines, the conditions of the loans with the PRF have been amended to bring them in line with the collection of the aforementioned contributions; there is no foreseen need to turn to additional contributions from the banking sector.

In 2017, the Bank of Portugal chose Lone Star to conclude the sale of Novo Banco, after which the PRF would hold 25% of the share capital and certain contingent capital mechanisms would be established by the shareholders. To cover the contingent risk, the PRF has the financial means of the Portuguese State, the reimbursement of which — where applicable— would have repercussions on the contributory efforts of the banking sector.

On 31 May 2021, the PRF signed a credit facility with a group of Portuguese financial institutions amounting to EUR 475 million, in which BPI participated with the amount of EUR 87.4 million. On 4 June 2021, the PRF made a provision of EUR 317 million to comply with Novo Banco's capital quota mechanism, of which EUR 58.3 million corresponded to BPI. On 23 December, the PRF made an additional payment of EUR 112 million that was pending following a favourable external opinion on the payment associated with the non-application of hedge accounting for interest rate risk management, of which EUR 20.6 million was made to BPI.

At this time, it is not possible to estimate the possible effects for the Resolution Funds deriving from: i) the sale of the shareholding in Novo Bank; ii) the application of the principle that none of the creditors of a credit institution under resolution may assume a loss greater than that which it would have assumed if that entity had gone into liquidation; iii) the guarantee granted to the bonds issued by Oitante and iv) other liabilities that – it is concluded – must be assumed by PRF.

Notwithstanding the possibility considered in the applicable law for the collection of special contributions, given the renegotiation of the terms of the loans granted to the PRF, which include BPI, and the public statement made by the PRF and the Office of the Minister of Finance of Portugal, declaring that this possibility will not be used, the consolidated financial statements of 2022 reflect the expectation of the Administrators that the Bank will not have to make special contributions or any other type of extraordinary contributions to finance the resolution measures applied to BES and Banif or any other contingent liability or liabilities assumed by the PRF.

Any change in this regard may have material implications for the financial statements of the Group.

24. EQUITY

24.1. SHAREHOLDERS' EQUITY

Share capital

Selected information on the figures and type of share capital figures is presented below:

Information about share capital

	31-12-2022	31-12-2021	31-12-2020
Number of fully subscribed and paid up shares (units) (1)	7,502,131,619	8,060,647,033	5,981,438,031
Par value per share (euros)	1	1	1
Closing price at year-end (euros)	3.672	2.414	2.101
Market cap at year-end, excluding treasury shares (millions of euros) (2)	25,870	19,441	12,558

(1) All shares have been recognised by book entries and provide the same rights.

(2) CaixaBank's shares are traded on the continuous electronic trading system, forming part of the Ibex-35.

The breakdown of the changes of the balance under this heading is as follows:

Changes in capital
(Millions of euros)

	Number of shares	Date of first listing	Nominal amount
BALANCE AT 31-12-2019	**5,981,438,031**		**5,981**
BALANCE AT 31-12-2020	**5,981,438,031**		**5,981**
Merger with Bankia (Note 7)	2,079,209,002	29-03-2021	2,079
BALANCE AT 31-12-2021	**8,060,647,033**		**8,061**
Capital reduction	**(558,515,414)**		**(559)**
BALANCE AT 31-12-2022	**7,502,131,619**		**7,502**

Capital reduction

On 22 December 2022, the CaixaBank Board of Directors resolved to reduce the Company's share capital by redeeming all the treasury shares acquired in the buy-back programme. The implementation of the capital reduction has been approved pursuant to the resolution adopted by the Annual General Meeting on 8 April 2022, under agenda item 9, after obtaining the relevant regulatory approvals.

CaixaBank's share capital has been reduced by EUR 558,515,414 after redeeming 558,515,414 treasury shares each at a nominal value of one euro, the resulting share capital amounting to EUR 7,502,131,619.

The capital reduction was charged to "Share premium", by means of the allocation of a restricted capital redemption reserve for an amount equal to the total nominal value of the shares being redeemed (i.e. EUR 558,515,414), which may only be drawn down on the same conditions as those required for the reduction of share capital, pursuant to article 335 c) of the Spanish Corporate Enterprises Act. Accordingly, the Company's creditors will not have the right to oppose the capital reduction referred to in Article 334 of the Spanish Corporate Enterprises Act. Nor is the consent of the syndicates of bondholders of outstanding debenture and bond issues required, under article 411 of the Corporate Enterprises Act, by application of the provisions of the First Additional Provision of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions.

The public deed for the reduction of the share capital was registered in the Commercial Register of Valencia on 13 January 2023.

Capital authorisations

On 22 May 2020, the Company's General Meeting approved authorisation of the Board of Directors to increase share capital one or more times and at any moment, over the course of five years starting from that date, by a maximum amount of EUR 2,990,719,015 (equivalent to 50% of the share capital at the time of authorisation), through the issue of new shares —with or without a premium and with or without a vote—, the equivalent value of new shares to be issued consisting in cash contributions, and with the ability to establish the terms and conditions of the capital increase. This authorisation replaces and renders ineffective (in the unused part) the previous delegation approved at the General Meeting held on 23 April 2015.

The authorisation in force includes delegating to the Board of Directors the power to exclude, in whole or in part, pre-emptive subscription rights. However, in this case, the capital increases will be limited, in general, to a maximum amount of EUR 1,196,287,606 (equivalent to 20% of the share capital at the time of authorisation). This limit will not apply to the capital increases that the Board can approve, suppressing the preferential subscription rights, to facilitate the conversion of securities issued pursuant to the agreement adopted by the Board under authorisation of the General Meeting, with the general limit of EUR 2,990,719,015 applicable to these capital increases.

Accordingly, on 14 May 2021 the General Meeting resolved to authorise the Board of Directors to issue convertible securities for the purpose of meeting regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments, up to a maximum aggregate amount of EUR 3,500 million and for a period of three years, with the power to exclude pre-emptive subscription rights if this is in the Company's best interest. The breakdown of instruments issued under this agreement is presented in Note 22.3.

Share premium

The breakdown of the changes of the balance under this heading is as follows:

Changes in share premium
(Millions of euros)

	Carrying amount
BALANCE AT 31-12-2019	**12,033**
BALANCE AT 31-12-2020	**12,033**
Merger with Bankia (Note 7)	3,235
BALANCE AT 31-12-2021	**15,268**
Capital reduction	(1,798)
BALANCE AT 31-12-2022	**13,470**

Retained earnings, revaluation reserves and other reserves

The breakdown of the balances of these headings is as follows:

Breakdown of reserves
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Reserves attributable to the parent company of CaixaBank Group	**16,976**	**13,658**	**12,648**
Legal reserve (1)	1,612	1,612	1,196
Restricted reserves for financing the acquisition of treasury shares	2	6	2
Unrestricted reserve for depreciated capital (2)	559		
Other restricted reserves (3)			509
Unrestricted reserves	5,207	2,773	2,620
Other consolidation reserves assigned to the parent	9,596	9,267	8,321
Reserves of fully-consolidated subsidiaries	**(5,046)**	**(5,527)**	**(5,522)**
Reserves of companies accounted for using the equity method	**571**	**307**	**584**
TOTAL	**12,501**	**8,438**	**7,710**

(1) At 2022 year-end, the legal reserve has reached the minimum amount required by the Spanish Corporate Enterprises Act.

(2) See section "Capital reduction".

(3) The other restricted reserves were provisioned through goodwill from Morgan Stanley, Bankpime and Banca Cívica. The Annual General Meeting of 14 May 2021 approved the reclassification to voluntary reserves in application of the current regulations.

Other equity instruments

The value of shares included in variable share-based remuneration plans (see Note 34) not delivered is as follows:

Breakdown of other equity instruments
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Value of shares not delivered	46	39	25

Treasury shares

The breakdown of the changes of the balance under this heading is as follows:

Changes in treasury shares
(Millions of euros / Number of shares)

	2022			2021			2020		
	No. of treasury shares	% Share capital *	Cost/ Sales	No. of treasury shares	% Share capital *	Cost/ Sales	No. of treasury shares	% Share capital *	Cost/ Sales
OPENING BALANCE	**7,218,511**	**0.090%**	**19**	**4,053,994**	**0.068%**	**12**	**3,121,578**	**0.052%**	**10**
Acquisitions and other	564,323,848	0.000%	1,818	6,356,541	0.079%	15	3,037,319	0.051%	8
Disposals and other **	(563,866,083)	0.000%	(1,812)	(3,192,024)	(0.040%)	(8)	(2,104,903)	(0.035%)	(6)
CLOSING BALANCE	**7,676,276**	**0.090%**	**25**	**7,218,511**	**0.090%**	**19**	**4,053,994**	**0.068%**	**12**

(*) Percentage calculated on the basis of the total number of CaixaBank shares at the end of the respective years.

(**) In 2022, 2021 and 2020, the results of treasury share transactions generated were not significant, being recognised under "Other reserves".

(***) At 31 December 2022, 2021 and 2020, does not include 7,515 VidaCaixa shares associated with unit-links, registered under the heading "Financial assets designated at fair value through profit or loss".

Additionally, the number of treasury shares accepted as financial guarantees given by the Group and treasury shares owned by third parties and managed by a Group company were as follows:

Treasury shares accepted as financial guarantees and owned by third parties
(Millions of shares / Millions of euros)

	Treasury shares accepted as financial guarantees			Treasury shares owned by third parties managed by the Group		
	31-12-2022	31-12-2021	31-12-2020	31-12-2022	31-12-2021	31-12-2020
Number of treasury shares	18	17	12	19	18	13
% of share capital	0.237%	0.215%	0.207%	0.249%	0.225%	0.225%
Nominal amount	18	17	12	19	18	13

24.2. ACCUMULATED OTHER COMPREHENSIVE INCOME

Changes under this heading are contained in the statement of recognised income and expenses.

24.3. MINORITY INTERESTS

The following table shows the Group subsidiaries in which certain non-controlling interests held a stake of 10% or more:

Subsidiaries with minority shareholders with stakes greater than 10%
(Percentage)

Subsidiary	Minority shareholders	Non-controlling interests		
		31-12-2022	31-12-2021	31-12-2020
Inversiones Inmobiliarias Teguise Resort	Metrópolis Inmobiliarias y Restauraciones	40%	40%	40%
Coia Financiera Naval	Construcciones Navales P. Freire	21%	21%	21%
El Abra Financiera Naval	Astilleros Zamakona	21%	21%	21%
Arrendadora de Equipamientos Ferroviarios	CAF Investment Projects, S.A.	15%	15%	
Telefonica Consumer Finance	Telefónica	50%	50%	50%

25. TAX MATTERS

25.1. TAX CONSOLIDATION

The consolidated tax group for Corporation Tax includes CaixaBank, as the parent, and subsidiaries include Spanish companies in the commercial group that comply with the requirements for inclusion under regulations, including the "la Caixa" Banking Foundation and CriteriaCaixa.

The other companies in the commercial group file taxes in accordance with applicable tax legislation.

Similarly, CaixaBank and some of its subsidiaries have belonged to a consolidated tax group for value added tax (VAT) since 2008, the parent company of which is CaixaBank.

25.2. YEARS OPEN FOR REVIEW

In 2020, an inspection for the main taxes applicable to the Company for the years 2013 to 2015, inclusive, was concluded with no major impact. The assessments signed under protest are duly provisioned.

Furthermore, Bankia and certain entities of the Tax Group maintained an inspection procedure in relation to Corporation Tax and withholdings on movable and real estate capital corresponding to financial years 2011 to 2013, which has ended in the current financial year, with no material impact. The assessments have been signed accordingly.

CaixaBank has 2016 and subsequent years open for review for Corporation Tax and the last four years for other taxes applicable to it, and BPI has 2018 and subsequent years open for the main taxes applicable to it. Furthermore, as the successor of Bankia, the Entity has the years 2014 and thereafter open for review for Corporation Tax and the last four years for the remaining taxes applicable to it.

The various interpretations that can be drawn from the tax regulations governing transactions carried out by financial institutions may give rise to certain contingent tax liabilities that cannot be objectively quantified. The Group's management considers that the provision under “Provisions - Pending legal issues and tax litigation” in the balance sheet is sufficient to cover these contingent liabilities

25.3. RECONCILIATION OF THE ACCOUNTING PROFIT TO THE TAXABLE PROFIT

The Group's reconciliation of accounting profit to taxable profit is presented below:

Reconciliation of accounting profit to taxable profit
(Millions of euros)

	2022	2021	2020
Profit/(loss) before tax (A)	**4,326**	**5,315**	**1,600**
Adjustments to profit/(loss)	**(417)**	**(4,904)**	**(451)**
Return on equity instruments (1)	(153)	(179)	(144)
Share of profit/(loss) of entities accounted for using the equity method (1)	(264)	(425)	(307)
Negative goodwill recognised in profit or loss		(4,300)	
Taxable income/(tax loss)	**3,909**	**411**	**1,149**
Tax payable (taxable income * tax rate)	**(1,173)**	**(123)**	**(345)**
Adjustments:	**(6)**	**39**	**115**
Changes in taxation of sales and gains/(losses) of portfolio assets	(5)	16	172
Changes in portfolio provisions excluding tax effect and other non-deductible	(6)	(6)	(93)
Cancellation of deferred tax assets and liabilities	3		
Recognition of deferred tax assets and liabilities	(13)		
Effect on tax expense of jurisdictions with different tax rates (2)	6	16	5
Tax effect of issues	78	54	43
Other non-deductible expenses	(64)	(22)	(22)
Withholdings from foreign dividends and other	(5)	(19)	10
Income tax (B)	**(1,179)**	**(88)**	**(219)**
Income tax for the year (revenue/(expense))	(1,178)	(84)	(230)
Tax rate (3)	30.1%	20.3%	20.0%
Income tax adjustments (2021/2020/2019)	(1)	(4)	11
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS (A) + (B)	**3,147**	**5,227**	**1,381**

(1) Income to a large extent exempt from tax due to already having been taxed at source.

(2) Practically all of CaixaBank's income and expense is taxed at the general Corporation Tax rate of 30% in the case of the businesses in Spain, however other jurisdictions are taxed at a different tax rate with a very low impact.

(3) The effective tax rate is calculated by dividing income tax for the year by taxable income.

25.4. DEFERRED TAX ASSETS AND LIABILITIES

The changes in the balance of these headings is as follows:

Changes in deferred tax assets

(Millions of euros)

	31-12-2019	Regularisations	Additions	Disposals	31-12-2020	Additions due to business combinations (Note	Regularisations	Additions	Disposals	31-12-2021	Regularisations	Additions	Disposals	31-12-2022
Pension plan contributions	**575**	32	13		**620**	281	1	2	(24)	**880**	1		(9)	**872**
Allowances for credit losses	**4,114**	(70)		(15)	**4,029**	5,323	39		(37)	**9,354**	1		(107)	**9,248**
Allowances for credit losses (IFRS 9)	**53**			(53)										
Early retirement obligations	**10**			(6)	**4**				(1)	**3**			(2)	**1**
Provision for foreclosed property	**942**	(96)		(3)	**843**	1,823	2			**2,668**			(27)	**2,641**
Credit investment fees	**5**			(1)	**4**		(1)			**3**	(1)			**2**
Unused tax credits	**910**	(165)			**745**	85	(12)	4		**822**	4		(87)	**739**
Tax loss carryforwards	**1,648**	(18)			**1,630**	309	46	60		**2,045**	90		(158)	**1,977**
Assets measured at fair value through equity	**96**			(9)	**87**	9		34		**130**		369		**499**
Others from business combinations	**92**			(32)	**60**	1,038			(439)	**659**	(227)		(124)	**308**
Other *	**1,391**	37	494	(150)	**1,772**	512	(64)	709		**2,929**	163	146	(1,228)	**2,010**
TOTAL	**9,836**	**(280)**	**507**	**(269)**	**9,794**	**9,380**	**11**	**809**	**(501)**	**19,493**	**31**	**515**	**(1,742)**	**18,297**
Of which: monetisable	*5,641*				*5,496*					*12,905*	*2*		*(145)*	*12,762*

(*) Includes, inter alia, eliminations from intra-group operations and those corresponding to different provisions, and other adjustments due to differences between accounting and tax rules.

Changes in deferred tax liabilities
(Millions of euros)

	31-12-2019	Regularisa-tions	Addi-tions	Dispo-sals	31-12-2020	Additions due to business combinations (Note 7)	Regulari-sations	Add.	Dispo-sals	31-12-2021	Regula-risa-tions	Add.	Dispo-sals	31-12-2022
Revaluation of property on first time adoption of IFRS	**202**	(2)		(5)	**195**	131			(153)	**173**	126		(10)	**289**
Assets measured at fair value through equity	**212**		45		**257**	29			(136)	**150**			(148)	**2**
Intangible assets from business combinations	**13**			(3)	**10**	166			(80)	**96**		118		**214**
Mathematical provisions	**204**		3		**207**			3		**210**		2		**212**
Others from business combinations	**201**			(46)	**155**	494			(403)	**246**			(65)	**181**
Other *	**226**		4	(45)	**185**	248		840		**1,273**	(151)		(364)	**758**
TOTAL	**1,058**	**(2)**	**52**	**(99)**	**1,009**	**1,068**	**0**	**843**	**(772)**	**2,148**	**(25)**	**120**	**(587)**	**1,656**

(*) Includes, inter alia, eliminations from intra-group operations and those corresponding to different provisions, and other adjustments due to differences between accounting and tax rules.

At 31 December 2022, the Group has a total of EUR 3,091 million of tax assets deferred by unregistered tax credits, of which EUR 2,853 million correspond to tax loss carryforwards and EUR 238 million to deductions.

Twice per year, in collaboration with an independent expert, the Group assesses the recoverable amount of its recognised deferred tax assets in the balance sheet, on the basis of a budget consisting in a 6-year horizon with the forecasted results used to estimate the recoverable value of the banking CGU (see Note 19) and forecast, subsequently, applying a sustainable net interest income (NII) to the average total assets and a normalised cost of risk (CoR) of 1.30% and 0.39%, respectively.

The type of deferred tax assets segregated by jurisdiction of origin are set out below:

Type of deferred tax assets recognised in the balance sheet - 31-12-2022
(Millions of euros)

	Temporary differences	Of which: Monetisable *	Tax loss carryforwards	Unused tax credits
Spain	15,384	12,729	1,974	739
Portugal	197	33	3	
TOTAL	**15,581**	**12,762**	**1,977**	**739**

(*) These correspond to monetisable timing differences with the right to conversion into a credit with the Treasury.

In keeping with the projections and the assessment exercise, the maximum timeline for recovering the tax assets in their entirety remains below 15 years.

The Group carries out sensitivity analyses on the key flow projection assumptions of the recovery model (see Note 19) with no significant variations concluded in the estimated term in the baseline scenario.

The exercises to evaluate the recoverability of tax assets, which have been carried out since 2014, are strengthened by backtesting exercises, which show stable behaviour.

In light of the existing risk factors (see Note 3.1) and the reduced deviation with respect to the estimates used to elaborate the budgets, the Administrators consider that, despite the limitations for applying different monetisable timing differences, tax loss carryforwards and unused tax credits, the recovery of all activated tax credits is still probable with future tax benefits.

25.5. OTHER

Under the provisions of Law 38/2022 of 28 December to establish, inter alia, temporary levies on the banking sector, CaixaBank and certain Group companies are subject to this tax, which will be accrued on 1 January 2023 for 2023 (and on 1 January 2024 for 2024) under the heading "Other operating expenses" in the income statement.

The Group is working towards estimating the impact of this 4.8% levy on net interest income and net fee and commission income on the statement of profit or loss for 2023, although in the absence of a final calculation it is estimated that the impact will be around EUR 400 million.

26. GUARANTEES AND CONTINGENT COMMITMENTS GIVEN

The breakdown of "Guarantees and contingent commitments given" included as memorandum items is set out below:

Breakdown of exposure and hedging on guarantees and contingent commitments - 31-12-2022
(Millions of euros)

	Off balance sheet exposure			Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial guarantees given	10,067	668	189	(22)	(41)	(173)
Loan commitments given	108,527	3,920	353	(57)	(12)	(18)
Other commitments given	36,705	1,333	403	(16)	(17)	(191)

Breakdown of exposure and hedging on guarantees and contingent commitments - 31-12-2021
(Millions of euros)

	Off balance sheet exposure			Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial guarantees given	7,788	800	247	(7)	(11)	(57)
Loan commitments given	97,870	3,696	353	(75)	(17)	(9)
Other commitments given	32,207	1,050	406	(13)	(27)	(245)

Breakdown of exposure and hedging on guarantees and contingent commitments - 31-12-2020
(Millions of euros)

	Off balance sheet exposure			Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial guarantees given	5,902	294	164	(7)	(9)	(64)
Loan commitments given	75,400	2,772	327	(43)	(11)	(5)
Other commitments given	19,486	553	168	(7)	(10)	(37)

The Group only needs to pay the amount of contingent liabilities if the guaranteed counterparty breaches its obligations. It believes that most of these risks will reach maturity without being settled.

With respect to contingent commitments, the Group has an undertaking to facilitate funds to customers through drawables on lines of credit and other commitments, whenever it receives a request and subject to compliance with certain conditions by the counterparties. It believes that a large portion of them will fall due prior to drawdown, either because they will not be requested by customers or because the drawdown conditions will not be met.

The breakdown of "Loan commitments given" included as memorandum items in the balance sheet, is set out below:

Loan commitments given
(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Available	Limits	Available	Limits	Available	Limits
Drawable by third parties						
Credit institutions	85	362	126	300	103	943
Public administrations	4,755	5,609	5,669	6,289	4,390	6,890
Other sectors	107,960	127,364	96,124	122,895	74,006	103,697
TOTAL	**112,800**	**133,335**	**101,919**	**129,484**	**78,499**	**111,530**
Of which: conditionally drawable	*6,313*		*5,002*		*3,839*	

27. OTHER SIGNIFICANT DISCLOSURES

27.1. OPERATIONS ON BEHALF OF THIRD PARTIES

The breakdown of off-balance sheet funds managed on behalf of third parties is as follows:

Breakdown of customer funds
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Assets under management	144,831	158,019	106,643
Mutual funds, portfolios and SICAVs	101,519	110,089	71,315
Pension funds	43,312	47,930	35,328
Other *	8,186	6,983	5,115
TOTAL	**153,017**	**165,002**	**111,758**

(*) Includes temporary funds associated with transfers and collections, in addition to other funds distributed by CaixaBank and Banco BPI.

27.2. TRANSFERRED FINANCIAL ASSETS

The Group converted a portion of their homogeneous loan and credits into fixed-income securities by transferring the assets to various securitisation special purpose vehicles set up for this purpose. In accordance with current regulations, securitisations in which substantially all the risk is retained may not be derecognised.

The balances classified in “Financial assets at amortised cost” corresponding to the outstanding amounts of securitised loans on the balance sheet are as follows:

Breakdown of securitised assets
(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Securitised mortgage loans	22,987	26,449	21,929
Other securitised loans	4,761	7,896	10,151
Loans to companies	2,995	4,771	5,372
Leasing arrangements	408	666	1,045
Consumer financing	1,134	2,211	3,733
Other	224	248	1
TOTAL	**27,748**	**34,345**	**32,080**

The breakdown of securitisations arranged, with the amounts outstanding and the amounts corresponding to credit enhancements granted to the securitisation funds is provided below:

Loan securitisation - issues on on-balance-sheet securitised loans

(Millions of euros)

Issue date		Acquired by:	Initial exposure securitised	Asset securitised			Repo securitisation bonds			Credit enhancements		
				2022	2021	2020	2022	2021	2020	2022	2021	2020
July	2003	AyT Génova Hipotecario III, FTH	800	0	0	75	0	0	29	0	0	8
March	2004	AyT Génova Hipotecario IV, FTH	800	0	72	87	0	13	15	0	8	8
November	2004	TDA 22 Mixto, FTH	388	23	28	25	9	11	12	2	2	2
April	2005	Bancaja 8 FTA *	1,650	171	204		58	73		28	28	
June	2005	AyT Hipotecario Mixto IV, FTA	200	0	19	23	0	8	11	0	1	1
June	2005	AyT Génova Hipotecario VI, FTH	700	72	89	104	45	55	66	5	5	5
November	2005	AyT Génova Hipotecario VII, FTH	1,400	178	213	250	73	86	101	8	8	8
December	2005	Valencia Hipotecario 2, FTH	940	0	98	114	0	34	35	0	5	5
February	2006	Bancaja 9 FTA *	2,000	294	339		165	188		25	25	
April	2006	MBS Bancaja 3 FTA *	800	87	105		46	228		0	0	
June	2006	AyT Génova Hipotecario VIII,	2,100	255	308	365	143	170	198	9	9	9
July	2006	AyT Hipotecario Mixto V, FTA	873	74	88	55	37	45	39	4	4	2
October	2006	Caixa Penedés 1 TDA *	23	2	2		0	0		0	0	
November	2006	Valencia Hipotecario 3, FTA	901	129	151	176	52	63	62	5	5	5
November	2006	AyT Génova Hipotecario IX, FTH	1,000	177	208	242	73	84	93	5	5	5
November	2006	Madrid RMBS I, FTA *	2,000	491	571		375	411		71	71	
November	2006	AYT Caja Murcia Hipotecario II FTA *	315	0	31		0	21		0	2	
December	2006	Madrid RMBS II, FTA *	1,800	427	459		337	373		69	69	
December	2006	TDA 27, FTA *	290	34	40		14	14		6	6	
January	2007	Bancaja 10, FTA *	2,600	591	671		546	602		35	35	
April	2007	MBS Bancaja 4 FTA *	1,850	264	309		193	220		1	1	
June	2007	AyT Génova Hipotecario X, FTH	1,050	198	235	270	201	236	272	8	10	10
June	2007	AyT Caja Granada Hipotecario I	400	68	76		58	65		5	5	
June	2007	Caixa Penedés Pymes 1 TDA *	48	3	4		0	0		0	0	
July	2007	Madrid RMBS III, FTA *	3,000	914	1,008		840	918		129	129	
July	2007	Bancaja 11, FTA *	2,000	547	607		515	522		28	28	
September	2007	Caixa Penedés 2 TDA *	24	0	1		0	0		0	0	
November	2007	FonCaixa FTGENCAT 5, FTA	1,000	111	134	158	38	38	38	27	27	27
December	2007	AyT Génova Hipotecario XI, FTH	1,200	244	288	330	252	293	335	30	31	34
December	2007	Madrid RMBS IV, FTA *	2,400	678	749		628	691		242	242	
July	2008	FonCaixa FTGENCAT 6, FTA	750	82	100	117	23	23	23	19	19	19
July	2008	AyT Génova Hipotecario XII, FTH	800	180	214	243	183	214	243	30	30	30
August	2008	Caixa Penedés FTGENCAT1 TDA *	6	2	3		0	0		0	0	
December	2008	Madrid RMBS Residencial I, FTA *	805	296	334		140	155		202	225	
December	2008	Bancaja 13, FTA *	2,895	1,119	1,261		1,107	1,201		179	179	
June	2010	Madrid RMBS Residencial II,FTA *	600	278	309		142	158		169	184	
December	2010	AyT Goya Hipotecario III, FTA	4,000	1,224	1,428	1,608	1,233	1,423	1,605	124	142	160
April	2011	AyT Goya Hipotecario IV, FTA	1,300	396	465	526	417	479	539	44	55	62
December	2011	AyT Goya Hipotecario V, FTA	1,400	433	515	578	461	528	599	49	59	63
February	2016	CaixaBank RMBS 1, FT	14,200	8,160	9,212	10,126	8,240	9,208	10,121	568	568	568
June	2016	CaixaBank Consumo 2, FT	1,300	136	170	228	139	0	239	52	52	52
November	2016	CaixaBank Pymes 8, FT	2,250	363	488	656	382	512	700	71	71	71
March	2017	CaixaBank RMBS 2, FT	2,720	1,691	1,891	2,088	1,734	1,923	2,121	107	118	129
July	2017	CaixaBank Consumo 3, FT	2,450	265	401	609	265	397	613	12	18	27
November	2017	CaixaBank Pymes 9, FT	1,850	270	447	675	272	455	690	12	20	31
December	2017	CaixaBank RMBS 3, FT	2,550	1,530	1,743	1,946	1,540	1,744	1,950	64	72	80
May	2018	CaixaBank Consumo 4, FT	1,700	109	260	483	133	293	546	7	14	25
November	2018	CaixaBank Pymes 10, FT	3,325	822	1,188	1,682	892	1,283	1,826	39	56	79
June	2019	CaixaBank Leasings 3, FT	1,830	408	666	1,045	424	688	1,078	23	39	59
November	2019	CaixaBank Pymes 11, FT	2,450	962	1,334	1,793	1,045	1,442	1,919	53	74	116
June	2020	CaixaBank Consumo 5, FT	3,550	997	1,825	2,920	1,155	2,068	3,550	68	117	178
November	2020	CaixaBank Pymes 12, FT	2,550	1,301	1,834	2,483	1,339	1,879	2,550	73	103	128
September	2021	Caixabank Corporates 1 FT	2,302	692	1,150		833	2,301		115	117	
TOTAL			**92,135**	**27,748**	**34,345**	**32,080**	**26,797**	**33,836**	**32,218**	**2,822**	**3,093**	**2,006**

(*) Securitisations from the business combination with Bankia (see Note 7).

The amounts outstanding of derecognised securitisation transactions were not significant.

Securitisation bonds placed in the market are recognised under "Financial liabilities at amortised cost - Debt securities issued" in the accompanying balance sheets, and they are the difference between the carrying amount of securitised bonds and the carrying amount of repo bonds.

Furthermore, the Group maintains the following synthetic securitisation transactions, by means of which it partially transfers the credit risk of a group of borrowers classified under the heading "Financial assets at amortised cost – Loans and advances" of the balance sheet:

Synthetic securitisation transactions

(Millions of euros)

Issue date		Fund	Initial exposure securitised	Carrying amount securitised		
				31-12-2022	31-12-2021	31-12-2020
February	2016	Gaudí I	2,025		43	65
August	2018	Gaudí II	2,025	367	805	1,509
April	2019	Gaudí III	1,282	544	899	1,277
June	2022	Gaudí IV	1,500	1,317		
TOTAL			**6,832**	**2,228**	**1,747**	**2,851**

The transfer of credit risk takes the form of a financial guarantee and it is not considered a substantial transfer of risk and profit. Therefore, the underlying exposure is maintained on the balance sheet.

27.3. SECURITIES DEPOSITS AND INVESTMENT SERVICES

The breakdown, by type, of the securities deposited by customers with the Group and third parties is as follows:

Securities deposited by third parties

(Millions of euros)

	31-12-2022	31-12-2021	31-12-2020
Book entries	**138,161**	**140,158**	**178,841**
Securities recorded in the market's central book-entry office	104,224	102,496	150,013
Equity instruments. Quoted	74,203	74,462	59,211
Equity instruments. Unquoted	4,265	4,055	3,289
Debt securities. Quoted	25,526	23,866	87,468
Debt securities. Unquoted	230	113	45
Securities registered at the Entity	610	767	
Equity instruments. Unquoted	610	767	
Securities entrusted to other depositories	33,327	36,895	28,828
Equity instruments. Quoted	663	931	652
Equity instruments. Unquoted	17,895	22,066	14,581
Debt securities. Quoted	12,518	12,141	12,306
Debt securities. Unquoted	2,251	1,757	1,289
Securities	5,914	5,910	5,349
Held by the Entity	**5,507**	**5,565**	**5,025**
Equity instruments	5,490	5,548	5,008
Debt securities	17	17	17
Entrusted to other entities	407	345	324
Equity instruments	407	345	324
Other financial instruments	66,855	73,355	69,350
TOTAL	**210,930**	**219,423**	**253,540**

27.4. FINANCIAL ASSETS DERECOGNISED DUE TO IMPAIRMENT

Changes in the items derecognised from the balance sheet because recovery was deemed remote are summarised below. These financial assets are recognised under "Suspended assets" in the memorandum accounts supplementing the balance sheet:

Changes in written-off assets

(Millions of euros)

	2022	2021	2020
OPENING BALANCE	**18,534**	**13,469**	**13,911**
Additions:	2,189	6,361	1,307
Of which due to business combinations (Note 7)		*4,223*	
Disposals:	2,447	1,296	1,749
Cash recovery of principal (Note 36)	382	454	450
Disposal of written-off assets **	1,037	564	967
Due to expiry of the statute-of-limitations period, forgiveness or any other	1,028	278	332
CLOSING BALANCE	**18,276**	**18,534**	**13,469**
*Of which: interest accrued on the non-performing loans **	*6,425*	*6,342*	*4,222*

(*) Primarily includes interest on financial assets at the time of derecognition from the consolidated balance sheet.

(**) Corresponds to the sale of non-performing and written-off assets and includes interest related to these portfolios.

28. INTEREST INCOME

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of interest income
(Millions of euros)

	2022	2021	2020
Central banks	358		
Credit institutions	115	20	35
Debt securities	2,300	1,906	1,950
Financial assets held for trading	7	1	
Financial assets compulsorily measured at fair value through profit or loss		1	2
Financial assets at fair value with changes in other comprehensive income	1,751	1,742	1,812
Financial assets measured at amortised cost	542	162	136
Loans and advances to customers and other financial income	6,541	5,332	4,534
Public administrations	128	80	65
Trade credits and bills	312	195	150
Mortgage loans	2,477	2,059	1,778
Loans secured by personal guarantee	3,371	2,830	2,432
Other	253	168	109
Adjustments to income due to hedging transactions	(679)	(254)	(129)
Interest income - liabilities	598	888	374
TOTAL	**9,233**	**7,892**	**6,764**
Of which: interest on exposures in stage 3	227	205	152

The average effective interest rate of the various financial assets categories calculated on average net balances (excluding rectifications) are as follows:

Average return on assets
(Percentage)

	2022	2021	2020
Deposits at central banks	0.30%	0.00%	0.00%
Financial assets held for trading – debt securities	1.04%	0.10%	0.02%
Financial assets compulsorily measured at fair value through profit or loss - Debt securities	3.14%	5.07%	6.23%
Financial assets measured at fair value with changes in other comprehensive income / Available-for-sale financial assets - Debt securities	2.58%	2.33%	2.33%
Financial assets measured at amortised cost			
Loans and advances to credit institutions	1.53%	0.49%	0.78%
Loans and advances to customers	1.93%	1.72%	2.02%
Debt securities	0.73%	0.29%	0.56%

29. INTEREST EXPENSE

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of interest expense
(Millions of euros)

	2022	2021	2020
Central banks	(19)	(2)	(15)
Credit institutions	(275)	(24)	(49)
Money market transactions through counterparties	(51)		
Customer deposits and other finance costs	(251)	(184)	(262)
Debt securities issued (excluding subordinated liabilities) *	(538)	(501)	(571)
Adjustments to expenses as a consequence of hedging transactions	196	448	471
Finance cost of insurance products	(1,020)	(1,240)	(1,280)
Asset interest expense	(342)	(391)	(133)
Lease liability interest (Note 22.4)	(10)	(18)	(19)
Other	(7)	(5)	(6)
TOTAL	**(2,317)**	**(1,917)**	**(1,864)**

(*) Excluding interest from preference shares accountable as Additional Tier 1 capital (recognised in shareholders' equity)

The average effective interest rate of the various financial liabilities categories calculated on average net balances (excluding rectifications) is set out below:

Average return on liabilities
(Percentage)

	2022	2021	2020
Deposits from central banks	0.02%	0.00%	0.04%
Deposits from credit institutions	0.99%	0.11%	0.37%
Customer deposits	0.07%	0.05%	0.10%
Debt securities issued (excluding subordinated liabilities)	1.02%	1.08%	1.62%
Subordinated liabilities	1.03%	0.77%	1.71%

30. DIVIDEND INCOME

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Dividend income
(Millions of euros)

	2022	2021	2020
Telefónica	69	90	100
Banco Fomento de Angola	87	98	40
Other	7	4	7
TOTAL	**163**	**192**	**147**

31. FEE AND COMMISSION INCOME

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of fee and commission income
(Millions of euros)

	2022	2021	2020
Contingent liabilities	251	215	161
Credit facility drawdowns	116	105	70
Exchange of foreign currencies and banknotes	172	135	99
Collection and payment services	1,412	1,355	934
Of which: credit and debit cards	*616*	*573*	*423*
Securities services	115	118	102
Marketing of non-banking financial products	1,773	1,698	1,164
Other fees and commissions	567	503	381
TOTAL	**4,406**	**4,129**	**2,911**

Breakdown of fee and commission expense
(Millions of euros)

	2022	2021	2020
Assigned to other entities and correspondents	(136)	(166)	(105)
Of which: transactions with cards and ATMs	*(112)*	*(144)*	*(89)*
Securities transactions	(29)	(31)	(25)
Other fees and commissions	(231)	(227)	(205)
TOTAL	**(396)**	**(424)**	**(335)**

32. GAINS/(LOSSES) ON FINANCIAL ASSETS AND LIABILITIES

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of gains/(losses) on financial assets and liabilities
(Millions of euros)

	2022	2021	2020
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	**41**	**37**	**187**
Financial assets measured at amortised cost	1	4	114
Debt securities		4	114
Financial liabilities at amortised cost	6	(1)	
Financial assets at fair value with changes in other comprehensive income	34	34	73
Debt securities	34	34	73
Gains/(losses) on financial assets and liabilities held for trading (net)	**476**	**97**	**127**
Equity instruments	18	7	(79)
Debt securities	3		7
Financial derivatives	455	90	199
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss (net)	**(9)**	**(3)**	**(24)**
Equity instruments	(9)	(9)	(14)
Debt securities		7	(5)
Loans and advances		(1)	(5)
Gains/(losses) from hedge accounting, net	**(18)**	**51**	**(3)**
Ineffective portions of fair value hedges	(18)	1	(3)
Valuation of hedging derivatives (Note 15)	(5,123)	(933)	4
Valuation of hedged items (Note 15)	5,105	934	(7)
Other		50	
TOTAL	**490**	**182**	**287**

33. OTHER OPERATING INCOME AND EXPENSES AND ASSETS AND LIABILITIES UNDER INSURANCE OR REINSURANCE CONTRACTS

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of other operating income
(Millions of euros)

	2022	2021	2020
Income from investment property and other income	94	98	92
Sales and income from provision of non-financial services	349	311	261
Other income	161	142	296
TOTAL	**604**	**551**	**649**

Breakdown of other operating expense
(Millions of euros)

	2022	2021	2020
Contribution to the Deposit Guarantee Fund / National Resolution Fund *	(566)	(596)	(355)
Operating expenses from investment properties and other **	(167)	(118)	(114)
Changes in inventories and other expenses of non-financial activities	(291)	(268)	(233)
Expenses associated with regulators and supervisors	(26)	(25)	(14)
Equity provision associated with monetisable DTAs	(149)	(124)	(55)
Other items	(368)	(314)	(234)
TOTAL	**(1,567)**	**(1,445)**	**(1,005)**

(*) The primary aim of the Single Resolution Mechanism (SRM) is to ensure the rapid and consistent resolution of failing banks in Europe with minimum costs. Its regulation establishes uniform rules and a standard procedure for the resolution of credit institutions and certain investment firms, and a Single Resolution Fund (SRF). This establishes a centralised decision-making power vested in the Single Resolution Board (SRB) and national resolution authorities.
Law 11/2015 and Royal Decree 1012/2015 established the requirements that banks would make at least one annual contribution to the National Resolution Fund (NRF) in addition to the annual contribution that will be made to the Deposits Guarantee Fund (DGF) by member institutions. The total amount of the contributions that must be made to the NRF by all Spanish banking entities must be equal to 1% of the total amount of all deposits guaranteed by the DGF before 31 December 2024.
The NRF was merged with the other national funds of the member States of the EU into the SRF in January 2016. By virtue of the provisions set forth in the SRM Regulation, the SRB replaced the national resolution authorities and assumed the administration of the SRF and the calculation of the banking contributions, which will be adjusted to the risk profile of each institution according to the criteria established in Royal Decree 1012/2015 and Commission Delegated Regulation 2015/63. The aim of the SRF is to reach a total amount of EUR 55 billion in 2024.
In addition to the foregoing, the FROB can request extraordinary contributions. Law 11/2015 also established and additional rate which will be used to finance the activities of the FROB as a resolution authority and which is the equivalent of 2.5% of the annual contribution that will be made to the National Resolution Fund.

(**) Includes expenses related to leased investment property.

Breakdown of income from assets under the insurance or reinsurance business
(Millions of euros)

	2022	2021	2020
Insurance and reinsurance premium income *	1,268	1,075	1,058
Reinsurance income	61	53	49
TOTAL	**1,329**	**1,128**	**1,107**

(*) Net of the portion relating to financial expenses.

Breakdown of expense from liabilities under the insurance or reinsurance business
(Millions of euros)

	2022	2021	2020
Paid provisions and other expenses related to insurance activity *	(429)	(427)	(411)
Net technical provisions *	26	10	(40)
Insurance and reinsurance premiums paid	(60)	(61)	(58)
TOTAL	**(463)**	**(478)**	**(509)**

(*) Net of the portion relating to financial expenses.

34. PERSONNEL EXPENSES

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of personnel expenses
(Millions of euros)

	2022	2021	2020
Wages and salaries	(2,707)	(2,790)	(2,088)
Social security contributions	(641)	(654)	(504)
Contributions to pension plans (saving and risk) *	(173)	(142)	(156)
Transfers to defined benefit plans	3	404	2
of which: 2021 labour agreement (Note 23)		*394*	
Other personnel expenses	(102)	(2,406)	(95)
of which: 2021 labour agreement (Note 23)		*(2,272)*	
TOTAL	**(3,620)**	**(5,588)**	**(2,841)**

(*) Includes premiums paid

The expense recognised in 'Contributions to defined pension plans' includes mainly mandatory contributions stipulated which are made to cover retirement, disability and death obligations of serving employees.

“Other personnel expenses” includes, inter alia, training expenses, education grants and indemnities and other short term benefits. This heading also records the cost of the capital-instrument-based remuneration plans, recorded with a balancing entry under 'Shareholders' equity — Other equity items' of the accompanying balance sheet, net of the corresponding tax effect.

Share-based remuneration plans are specified in the Annual Corporate Governance Report – Remuneration.

The average number of employees, by professional category and gender, is set out below:

Average number of employees *
(Number of employees)

	2022			2021			2020		
	Male	Female	Of which: with a disability ≥ 33%	Male	Female	Of which: with a disability ≥ 33%	Male	Female	Of which: with a disability ≥ 33%
Directors	3,544	2,300	36	4,624	2,858	39	3,321	2,113	24
Middle	3,907	4,103	63	3,783	4,095	66	3,317	3,637	43
Advisers	12,284	19,128	479	13,202	19,658	483	9,565	13,664	295
TOTAL	**19,735**	**25,531**	**578**	**21,609**	**26,611**	**588**	**16,203**	**19,414**	**362**

(*) The distribution, by professional category and gender, at any given time is not significantly different from that of the average number of

35. OTHER ADMINISTRATION EXPENSES

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of other administration expenses

(Millions of euros)

	2022	2021	2020
IT and systems	(489)	(706)	(444)
Advertising and publicity *	(169)	(173)	(168)
Property and fixtures	(151)	(158)	(113)
Rent **	(26)	(59)	(37)
Communications	(69)	(79)	(72)
Outsourced administrative services	(142)	(97)	(57)
Tax contributions	(69)	(60)	(38)
Surveillance and security carriage services	(44)	(41)	(31)
Representation and travel expenses	(52)	(33)	(24)
Printing and office materials	(15)	(20)	(20)
Technical reports	(67)	(88)	(58)
Legal and judicial	(11)	(16)	(15)
Governing and control bodies	(9)	(9)	(10)
Other expenses	(330)	(227)	(111)
TOTAL	**(1,643)**	**(1,766)**	**(1,198)**

(*) Includes advertising in media, sponsorships, promotions and other commercial expenses.

(**) The short-term amount of rental expenses in which IFRS 16 has not been applied is immaterial.

Information on the average payment period to suppliers

The following tables provide a breakdown of the required information relating to payments made and pending at the balance sheet date:

Payments made and outstanding at the reporting date - 2022

(Millions of euros)

	Amount	Percentage	Number of invoices	Percentage
Total payments made	3,732		1,553,434	
Of which: paid within the legal period *	*3,374*	*90.4 %*	*1,507,339*	*97.0 %*
Total payments pending	53		19,456	
TOTAL PAYMENTS IN THE YEAR	**3,785**		**1,572,890**	

(*) In accordance with the Second Transitional Provision of Act 15/2010 of 5 July, covering measures to combat non-performing assets in trading operations, by default, the maximum statutory period for payments between companies is 30 calendar days, which may be extended to 60 calendar days, provided that both parties agree.

Average supplier payment period and ratios - 2022

(Day)

	2022
Average payment period to suppliers	16.8
Ratio of transactions paid	16.6
Ratio of transactions pending payment	28.3

External auditor fees

"Technical reports" relates to fees and expenses, excluding the related VAT, paid to the auditor, broken down as follows:

Breakdown of external auditor fees *

(Thousands of euros)

	2022	2021	2020
Auditor of the Group (PwC **)			
Audit	**6,227**	**6,637**	**4,026**
Statutory or voluntary audit	6,227	6,598	3,546
Audit of merger balance sheet + proposed change to distribution of profits		39	480
Audit-related services	**2,822**	**2,661**	**1,837**
Review services prescribed by statutory or supervisory regulation to an auditor	1,875	1,858	1,293
Limited review	936	915	719
Customer asset protection reports	138	187	122
Review of pro forma financial information		45	70
Review of TLTRO III forms / other Eurosystem eligibility reports	180	145	28
Review of forms of indicators to calculate the contribution to the SRF	31	39	18
Report on the financial status and capital adequacy	428	445	214
Report on agreed procedures involving impairment of BPI credit portfolio	113	82	122
Other reports on agreed procedures in BPI	49		
Other audit-related services	947	803	544
Comfort letters for issues	469	427	277
Non-Financial Information Review Report	162	75	45
Report on the Internal Control System for Financial Information	24	124	75
Reports on social discount assurance and carbon footprint	63	69	22
Other assurance services	229	108	125
Other services	241	29	2
TOTAL	**9,290**	**9,327**	**5,865**

(*) The services contracted with our auditors comply with the Spanish Auditing Act's requirements of independence, and none of the work performed is incompatible with auditing duties.

(**) CaixaBank's separate and consolidated financial statements for 2020, 2021 and 2022 were audited by PricewaterhouseCoopers Auditores, S.L., with registered address at Paseo de la Castellana 259 B, Torre PWC, 28046 Madrid. The financial statements have been filed in the corresponding public registers of the CNMV. A resolution was carried at the Annual General Meeting (AGM) held on 6 April 2017 to ratify the appointment of PricewaterhouseCoopers Auditores, S.L. as financial auditor of CaixaBank and the Group for 2018 through to 2020, following the reasoned recommendation and preference issued by the Audit and Control Committee, after completing the selection process carried out in accordance with the criteria set out in Regulation (EU) 537/2014 of 16 April on specific requirements regarding statutory audit of public-interest entities. On 22 May 2020 and 14 May 2021, the AGM approved the extension of the current auditor's appointment to 2021 and 2022, respectively. Similarly, the AGM of 8 April 2022 approved the current auditor's reappointment for 2023.
PricewaterhouseCoopers Auditors, S.L. did not resign nor was it removed from its duties as auditor of CaixaBank during 2020, 2021 or 2022, or up to the reporting date of these financial statements.

Note : The regulatory ratio, calculated as the sum of "Audit related services - Other audit-related services" and "Other services" over the average audit fees for the past 3 financial years overdue amounts to 26%. Pursuant to current regulations, CaixaBank has only excluded from the numerator the review services prescribed by legal regulations for the auditor, under the terms of Regulation (EU) No. 537/2014 of the European Parliament and of the Council in article 4 (2).

36. IMPAIRMENT ON FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss
(Millions of euros)

	2022	2021	2020
Financial assets measured at amortised cost	**(883)**	**(897)**	**(1,942)**
Loans and advances	(883)	(897)	(1,942)
Net allowances (Note 14)	(574)	(878)	(1,694)
Of which - Credit institutions	5	(7)	(1)
Of which - Customers	(579)	(871)	(1,693)
Of which POCIs	(140)	(142)	
Write-downs	(691)	(473)	(698)
Recovery of loans written off (Note 27.4)	382	454	450
Financial assets at fair value with changes in other comprehensive income	**1**		**(1)**
TOTAL	**(882)**	**(897)**	**(1,943)**

37. IMPAIRMENT OR REVERSAL OF IMPAIRMENT OF NON-FINANCIAL ASSETS

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of the impairment/(reversal) of impairment on non-financial assets
(Millions of euros)

	2022	2021	2020
Tangible assets (Note 18)	**(86)**	**(62)**	**(110)**
Property, plant and equipment for own use	(81)	(87)	(30)
Provisions	(3)	(16)	
Releases	3		5
Write-downs	(81)	(71)	(35)
Investment property	(5)	25	(80)
Provisions	(108)	(57)	(145)
Releases	103	82	65
Intangible assets (Note 19)	**(14)**	**(58)**	**(14)**
Provisions	(5)	(5)	
Write-downs	(9)	(53)	(14)
Other (Note 20)	**(2)**	**(38)**	**12**
Inventories	(3)	(4)	(2)
Provisions	(5)	(6)	(4)
Releases	2	2	2
Other	1	(34)	14
TOTAL	**(102)**	**(158)**	**(112)**

38. GAINS/(LOSSES) ON DERECOGNITION OF NON-FINANCIAL ASSETS

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of gains/(losses) on derecognition of non-financial assets
(Millions of euros)

	2022			2021			2020		
	Gains	Losses	Net profit/(los	Gains	Losses	Net profit/(los	Gains	Losses	Net profit/(los
On disposals of tangible assets	33	(14)	19	46	(24)	22	44	(26)	18
On disposals of investments		(1)	(1)	1		1	7	(1)	6
On disposals of other assets	24	(1)	23	273	(1)	272	3		3
Of which: Sale of businesses from Bankia (Note 41)				*266*		*266*			
TOTAL	**57**	**(16)**	**41**	**320**	**(25)**	**295**	**54**	**(27)**	**27**

39. PROFIT/(LOSS) FROM NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE NOT QUALIFYING AS DISCONTINUED OPERATIONS

The breakdown of this item in the accompanying statement of profit or loss is as follows:

Breakdown of profit/(loss) from non-current assets classified as held for sale
(Millions of euros)

	2022	2021	2020
Impairment losses on non-current assets held for sale (Note 21)	(229)	(123)	(107)
Impairment losses on non-current investments held for sale (Note 21)	(1)		
Gain on disposal of investments (Note 16)	4	55	428
Of which: Erste Bank		*54*	
Of which: Comercia Global Payments			*420*
Profit/(loss) on disposal of non-current assets held for sale	216	55	13
Of which: Gain on the sale of the property at Paseo Castellana 51 (Note 21)	*101*		
TOTAL	**(10)**	**(13)**	**334**

40. INFORMATION ON THE FAIR VALUE

The Group's process for determining fair value ensures that the assets and liabilities are measured according to applicable criteria. In that regard, the measurement techniques used to estimate fair value comply with the following aspects:

- The most consistent and appropriate financial and economic methods are used, which have proven to provide the most realistic estimate of the price of the financial instrument and are commonly used by the market.
- They maximise the use of available information, both in terms of observable data and recent transactions of a similar nature, and limit —to the extent possible— the use of unobservable data and estimates.
- They are widely and sufficiently documented, including the reasons for their choice compared to other alternatives.
- The measurement methods chosen are respected over time, provided that there are no reasons to change the reasons for their choice.
- The validity of measurement models is regularly assessed using recent transactions and current market data.

Assets and liabilities are classified into one of the following levels using the following method to obtain their fair value:

- Level 1: assets and liabilities measured using the price that would be paid for them on an organised, transparent and deep market ("quoted price" or "market price"). In general, the following are included at this level:
  - Quoted debt securities. The following are mainly classified at this level:
    - Spanish and foreign public debt bonds, as well as other debt instruments issued by Spanish and foreign issuers.
    - Spanish and foreign public debt bonds under the insurance business.
    - Own securities issued by the Group, mainly vanilla bonds and mortgage bonds.
  - Quoted equity instruments. Investments in quoted shares and investments in collective investment institutions are mainly classified at this level.
  - Derivatives traded in organised markets.
- Level 2: assets and liabilities in which the relevant data used in measurement are directly or indirectly observable on the market, such as quoted prices for similar assets or liabilities in the active markets, interest rate curves or credit differentials. In general, the following are included at this level:
  - Debt securities of quoted debt with a low volume and level of market activity. Public debt bonds of Spanish autonomous communities, as well as other private debt instruments, are mainly classified at this level.
  - Over-the-counter hedging and trading derivatives. Interest-rate swaps, as well as financial swaps on goods and other risks, are mainly classified at this level.
  - Real estate assets corresponding to real estate investments, inventories, as well as assets arising from credit regularisations.
- Level 3: assets and liabilities for which the relevant data used for measurement are not observable market data, for the measurement of which alternative techniques are used, including price requests submitted to the issuer or the use of market parameters corresponding to instruments with a risk profile that can be equated to that of the instrument being measured. In general, the following are included at this level:
  - Unquoted debt securities. Unquoted debt bonds are mainly classified at this level.
  - Loans and receivables.
  - Deposits.
  - Unquoted equity instruments.

40.1. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The fair value of the financial instruments measured at fair value recognised in the balance sheet, broken down by associated carrying amount and level is as follows:

Fair value of financial assets (FA) measured at fair value (FV)
(Millions of euros)

	31-12-2022					31-12-2021					31-12-2020				
	Carrying amount	Fair value				Carrying amount	Fair value				Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
FA held for trading (Note 11)	**7,382**	**7,382**	**452**	**6,872**	**58**	**10,925**	**10,925**	**637**	**10,259**	**29**	**6,357**	**6,357**	**1,084**	**5,233**	**40**
Derivatives	6,963	6,963	37	6,872	54	10,319	10,319	35	10,259	25	5,301	5,301	35	5,231	35
Equity instruments	233	233	233			187	187	187			255	255	255		
Debt securities	186	186	182		4	419	419	415		4	801	801	794	2	5
FA not designated for trading compulsorily measured at FV through profit or loss (Note 12)	**183**	**183**	**44**	**4**	**135**	**237**	**237**	**47**	**5**	**185**	**317**	**317**	**50**	**3**	**264**
Equity instruments	127	127	44	4	79	165	165	47	5	113	180	180	50	3	127
Debt securities	6	6			6	5	5			5	52	52			52
Loans and advances	50	50			50	67	67			67	85	85			85
FA designated at FV through profit or loss															
Equity instruments															
Debt securities															
Loans and advances															
FA at FV with changes in other comprehensive income	**12,942**	**12,942**	**12,275**		**667**	**16,403**	**16,403**	**15,630**	**129**	**644**	**19,309**	**19,309**	**18,693**	**44**	**572**
Equity instruments	1,351	1,351	684		667	1,646	1,646	1,002		644	1,414	1,414	842		572
Debt securities	11,591	11,591	11,591			14,757	14,757	14,628	129		17,895	17,895	17,851	44	
Derivatives - Hedge accounting (Note 15)	**649**	**649**		**649**		**1,038**	**1,038**		**1,038**		**515**	**515**		**515**	
Assets under the insurance business (Note 17)	**67,928**	**67,928**	**67,796**	**40**	**92**	**83,148**	**83,148**	**82,969**	**34**	**145**	**76,893**	**76,893**	**76,715**	**130**	**48**
Financial assets held for trading	**26**	**26**	**26**			**111**	**111**	**111**			**545**	**545**	**545**		
Debt securities	26	26	26			111	111	111			545	545	545		
Financial assets designated at FV through profit or loss	**19,108**	**19,108**	**19,053**	**5**	**50**	**20,557**	**20,557**	**20,423**	**34**	**100**	**14,705**	**14,705**	**14,575**	**130**	
Equity instruments	11,086	11,086	11,086			13,159	13,159	13,159			9,301	9,301	9,301		
Debt securities	7,985	7,985	7,930	5	50	7,316	7,316	7,252	34	30	5,297	5,297	5,167	130	
Loans and advances - Credit institutions	37	37	37			82	82	12		70	107	107	107		
Available-for-sale financial assets	**48,794**	**48,794**	**48,717**	**35**	**42**	**62,480**	**62,480**	**62,435**		**45**	**61,643**	**61,643**	**61,595**		**48**
Equity instruments	84	84	49	35		171	171	171							
Debt securities	48,710	48,710	48,668		42	62,309	62,309	62,264		45	61,643	61,643	61,595		48

Fair value of financial liabilities (FL) measured at fair value (FV)

(Millions of euros)

	31-12-2022					31-12-2021					31-12-2020				
	Carrying amount	Fair value				Carrying amount	Fair value				Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
FL held for trading (Note 11)	**4,030**	**4,030**	**95**	**3,882**	**53**	**5,118**	**5,118**	**323**	**4,773**	**22**	**424**	**424**	**324**	**70**	**30**
Derivatives	3,971	3,971	36	3,882	53	4,838	4,838	43	4,773	22	151	151	51	70	30
Short positions	59	59	59			280	280	280			273	273	273		
Derivatives - Hedge accounting (Note 15)	**1,371**	**1,371**		**1,371**		**960**	**960**		**960**		**237**	**237**		**237**	
Liabilities under the insurance business (Note 17)	**18,311**	**18,311**	**18,311**			**19,365**	**19,365**	**19,365**			**14,608**	**14,608**	**14,608**		
Contracts designated at FV through profit or loss	18,311	18,311	18,311			19,365	19,365	19,365			14,608	14,608	14,608		

The main valuation techniques, assumptions and inputs used in fair value estimation for levels 2 and 3 by type of financial instruments are as follows:

Instrument type		Assessment techniques	Observable inputs	Non-observable inputs
Derivatives	*Swaps*	> Present value method	> Interest rate curves > Probability of default for the calculation of CVA and DVA	
Derivatives	Exchange rate options	> Black-Scholes model > Stochastic local volatility model > Vanna-Volga model	> Interest rate curves > Quoted option price > Probability of default for the calculation of CVA and DVA	
Derivatives	Interest rate options	> Present value method > Normal Black model	> Interest rate curves > Quoted option price > Probability of default for the calculation of CVA and DVA	
Derivatives	Index and equity options	> Black-Scholes model > Local volatility	> Quoted option prices > Correlations > Dividends. > Probability of default for the calculation of CVA and DVA.	
Derivatives	Inflation rate options	> Normal Black model	> Interest rate curves > Credit Default Swap curves > Probability of default for the calculation of CVA and DVA.	
Derivatives	Loans and advances	> Present value method > Intensity of default	> Interest rate curves > Credit Default Swap curves > Probability of default for the calculation of CVA and DVA.	
Equity instruments		> DCF (Discounted cash flow) > ECF (Equity cash flow) > DDM (Dividend Discount Method) > Underlying carrying amount	> Macroeconomic inputs > Risk premia and market premia > Market peers	> Business planes > Perpetual growth (g) > Net equity
Debt securities		> Present value method	> Interest rate curves > Risk premia > Market peers > Observable market prices	> Risk premia
Loans and receivables		> Present value method	> Interest rate curves > Early cancellation ratios	> Credit loss ratios (internal models)

(1) Present value method (net present value): this model uses the cash flows of each instrument, which are established in the different contracts, and deducts them to calculate the present value.

(2) Market peers (similar asset prices): market peer instrument prices, reference indices or benchmarks are employed to calculate the performance as of the entry price or its current valuation, making subsequent adjustments to take into account the differences between the measured asset and the one taken as reference. It can also be assumed that the price of an instrument is equivalent to another one.

(3) Black & Scholes model: this model applies a log-normal distribution of the securities prices in such a way that, under a neutral risk, the return expected is the risk-free interest rate. Under this assumption, the price of vanilla options can be calculated analytically, in such a way that the volatility of the price process can be obtained by inverting the BS formula for a premium quoted on the market.

(4) Normal Black model: when interest rates approach zero (or become negative), the Black & Scholes model is unable to model interest rate options. With the same assumptions as this model, but on the assumption that forward interest rates follow a normal distribution, we obtain the Normal Black Model, which is used to measure these interest rate options.

(5) Local stochastic volatility model: in this model volatility follows a stochastic process in time according to the degree of moneyness, reproducing the volatility smiles observed in the market. These models are appropriate for long-term exotic options using Monte Carlo simulation or the resolution of differential equations for valuation purposes.

(6) Vanna-Volga model: this model is based on building the local replica portfolio whose hedging costs of second derivatives, vanna (premium derivative with respect to the volatility and the underlying) and volga (premium's second derivative with respect to the volatility), are added to the corresponding Black-Scholes prices in order to reproduce the volatility smiles.

(7) Default intensity model: a model that extracts the instant probability of default from the market Credit Default Swaps quote of a given issuer/contract. The survival function of the issuer with which credit swaps are measured is obtained using these default intensities.

(8) DCF (Discounted cash flow): This method analyses and estimates future flows for shareholders and creditors, and then updates them, discounting at a weighted average rate cost of capital (WACC).

(9) DDM (Dividend Discount Method): future dividend flows are estimated, and then updated, discounting at the cost of equity (ke). A method widely used in regulated entities with limitations, therefore, to the distribution of dividends since they must keep minimum own funds (e.g. Banking)

(10) ECF (Equity cash flow): This method analyses and estimates future flows for shareholders, and then updates them, discounting at the cost of equity (ke).

(11) Underlying carrying amount: Equity according to annual accounts. A method used for holdings for which assets are considered to be measured at or near fair value.

The measurements obtained using internal models may differ if other techniques were applied or assumptions used regarding interest rates, credit risk spreads, market risk, exchange rate risk, or the related correlations and volatilities. Nevertheless, the Group's directors consider that the models and techniques applied appropriately reflect the fair values of the financial assets and financial liabilities recognised in the balance sheet, and the gains and losses on these financial instruments.

The main measurement methods used by the Group to determine recurring fair value have not been changed during the year (the main measurement methods were not changed during the years 2021 and 2020).

Significant inputs used for financial instruments measured at fair value classified at Level 2

- Dividends: future equity dividends in index and stock options are derived from estimated future dividends and dividend futures quotes.
- Correlations: they are used as input in the measurement of share basket options and are extracted using the historical closing prices of the various components of each basket.
- Probability of default for the calculation of CVA and DVA: Credit Valuation Adjustments (CVA) and Debit Valuation Adjustments (DVA) are added to the valuation of Over The Counter (OTC) derivatives due to the risk associated with the counterparty's and own credit risk exposure, respectively. In addition, Funding Valuation Adjustment (FVA) is a valuation adjustment of derivatives of customer transactions that are not perfectly collateralised that includes the funding costs related to the liquidity necessary to perform the transaction.

  The CVA is calculated bearing in mind the expected exposure with each counterparty in each future maturity. The CVA for an individual counterparty is equal to the sum of the CVA for all maturities. Adjustments are calculating by estimating exposure at default (EAD), the probability of default (PD) and loss given default (LGD) for all derivatives on any underlying at the level of the legal entity with which CaixaBank Group has exposure. Similarly, DVA is calculated by multiplying the expected negative exposure given the probabilities of default by the Group's LGD.

  The data necessary to calculate PD and LGD come from the credit market prices (Credit Default Swaps). Counterparty data are applied where available. Where the information is not available, the Group performs an exercise that considers, among other factors, the counterparty's sector and rating to assign the PD and the LGD, calibrated directly to market or with market adjustment factors for the probability of default and the historical expected loss. With FVA, the adjustment shares part of the CVA/DVA approaches, since it is also based on the future credit exposure of the derivatives, but in this case the exposures are not netted by counterparty, but rather at aggregate level in order to recognise the joint management of the liquidity. The data necessary to calculate funding cost are also based on prices taken from its issuance and credit derivatives markets.

  The change in the value of the CVA/FVA and DVA/FVA adjustments are recognised in “Gains/(losses) on financial assets and liabilities held for trading, net” in the statement of profit or loss.

The table below shows the changes to these adjustments:

Changes in CVA/FVA AND DVA/FVA

(Millions of euros)

	2022		2021		2020	
	CVA/FVA	DVA/DFVA	CVA/FVA	DVA/DFVA	CVA/FVA	DVA/DFVA
OPENING BALANCE	**(113)**	**26**	**(104)**	**22**	**(86)**	**19**
Additions due to business combinations (Note 7)			(80)	8		
Additions/changes in derivatives	69	51	72	(4)	(17)	3
Cancellation or maturity of derivatives			(1)		(1)	
CLOSING BALANCE	**(44)**	**77**	**(113)**	**26**	**(104)**	**22**

Significant inputs used for financial instruments measured at fair value classified at Level 3

Taking into account the Group's risk profile, exposure to level 3 assets and liabilities is reduced, chiefly focusing on equity instruments with a fair value based on multiple measurement models. The inputs used for estimating fair value take into account observable variables (macroeconomic inputs, risk and market premiums and comparable market variables) and unobservable variables (business plans, growth rates (g) according to estimates of institutions with recognised experience and net book equity according to the annual accounts of the measured company).

Transfers between levels

The transfers between levels of the instruments recorded at fair value are specified below:

Transfers between levels - 2022

(Millions of euros)

FROM	Level 1		Level 2		Level 3	
TO:	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
ASSETS						
Financial assets at fair value with changes in other comprehensive income			**101**			
Debt securities			101			
Financial assets measured at amortised		**3**	**480**			
Debt securities		3	480			
TOTAL		**3**	**581**			

Transfers between asset and liability levels are made primarily when there is:

- A significant increase or decrease in the liquidity of the asset in the market in which it is traded.
- A significant increase or decrease in market activity related to an observable input or
- A significant increase or decrease in the relevance of unobservable inputs, classified as Level 3 if an unobservable input is considered significant.

There were no material transfers among levels in 2021 and 2020.

Given the Group's risk profile regarding its portfolio of debt securities measured at fair value (see Note 3.4.1), the change in fair value attributable to credit risk is not expected to be significant.

Changes and transfers of financial instruments in Level 3

The change brought about in the Level 3 balance, on instruments registered at fair value, is detailed below:

Changes in Level 3 financial instruments ** - 31-12-2022
(Millions of euros)

	FA not designated for trading *		FA at fair view w/changes in other comprehensive		Assets under the insurance business
	Debt sec.	Equity instruments	Debt sec.	Equity instruments	Available-for-sale FA - Debt sec.
OPENING BALANCE	**5**	**113**		**644**	**45**
Reclassifications to other levels				(7)	
Total gains/(losses)		(1)		50	(3)
To reserves				(38)	
In the statement of profit or loss		(1)			(3)
To equity valuation adjustments				88	
Acquisitions		1		2	
Settlements and other		(34)		(22)	
BALANCE AT 31-12-2022	**5**	**79**	**0**	**667**	**42**

FA: Financial assets; Debt sec.: Debt securities; FV: Fair value
(*) Compulsorily measured at fair value through profit or loss
(**) No significant impacts have materialised as a result of the sensitivity analyses carried out on the level 3 financial instruments

There are no significant movements in financial instruments at Level-3 fair value in 2021 and 2020.

40.2. FAIR VALUE OF ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

The methodology for estimating the fair value of financial instruments at amortised cost recurrently is consistent with the provisions of Note 40.1. It is worth highlighting that the fair value presented for certain instruments may not correspond to their realisable value in a sales or settlement scenario, since it was not determined for that purpose; in particular:

- Loans and advances: Includes investments the typical lending activity. Fair value is estimated using the present value method based on expected cash flows established in the various contracts and subsequently discounted using:
  - Market interest rate curves as of the appraisal date.
  - Early write-off ratios based on available internal historical information.
  - Credit loss ratios based on IFRS 9 expected loss estimates based on internal models.
- Deposits: Includes the attracted deposits central banks, financial institutions and customers. Fair value is obtained using the present value method based on expected cash flows established in the various contracts and subsequently discounted using:
  - Market interest rate curves as of the appraisal date.
  - Internal model for estimating current account maturities and other demand deposits calibrated based on available internal historical information. This model takes the sensitivity of its remuneration at market interest rates and the level of permanence of account balances on the balance sheet.
  - The credit differential is added to the risk-free curve based on the generic loss probabilities of credit ratings.
- Debt securities issued: Includes Group debt issuances. Instruments classified in Level 3: fair value is obtained using the present value method based on expected cash flows established in the various issuances and subsequently discounted using:
  - Market interest rate curves as of the appraisal date.
  - Own credit risk

- Other financial liabilities: It chiefly includes amounts for tax collection accounts, clearing houses, and liabilities associated with right-of-use assets. The fair value has been assimilated to carrying amount, as these are mainly short-term balances. In the case of liabilities associated with right-of-use assets, the present value of future lease payments during the mandatory period of the contract is presented.

For further information on the abovementioned financial assets and liabilities valued at amortised cost, see Notes 14 and 22.

The fair value of the financial instruments at amortised cost recognised in the balance sheet, broken down by associated carrying amount and level is as follows:

Fair value of financial assets (FA) measured at amortised cost

(Millions of euros)

	31-12-2022					31-12-2021					31-12-2020				
	Carrying amount	Fair value				Carrying amount	Fair value				Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
FA at amortised cost (Note 14)	**442,754**	**441,390**	**42,579**	**19,570**	**379,241**	**420,599**	**443,797**	**37,734**	**22,390**	**383,673**	**267,509**	**289,064**	**17,490**	**3,224**	**268,350**
Debt securities	77,733	70,998	41,968	18,751	10,279	68,206	68,460	37,195	21,354	9,911	24,670	25,334	17,278	1,545	6,511
Loans and advances	365,021	370,392	611	819	368,962	352,393	375,337	539	1,036	373,762	242,839	263,730	212	1,679	261,839
Assets under the insurance business (Note 17)	**474**	**474**	**264**	**210**		**196**	**196**	**1**	**96**	**99**	**218**	**218**	**1**	**15**	**202**
Loans and receivables	**474**	**474**	**264**	**210**		**196**	**196**	**1**	**96**	**99**	**218**	**218**	**1**	**15**	**202**
Debt securities	264	264	264			133	133	1	96	36	189	189	1	15	173
Loans and advances - Credit institutions	210	210		210		63	63			63	29	29			29

FA: Financial assets

Fair value of financial liabilities (FL) measured at amortised cost

(Millions of euros)

	31-12-2022					31-12-2021					31-12-2020				
	Carrying amount	Fair value				Carrying amount	Fair value				Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
FL at amortised cost (Note 22)	**482,501**	**454,489**	**44,103**	**3,036**	**407,350**	**547,025**	**542,816**	**58,337**	**2,026**	**482,453**	**342,403**	**346,835**	**37,210**	**4,291**	**305,334**
Deposits	421,870	397,834	391	419	397,024	486,529	481,046	6,433		474,613	300,523	303,431	857	4,291	298,283
Debt securities issued	52,608	48,745	43,325	2,617	2,803	53,684	55,200	51,904	2,026	1,270	35,813	37,554	36,321		1,233
Other financial liabilities	8,023	7,910	387		7,523	6,812	6,570			6,570	6,067	5,850	32		5,818

FL: Financial liabilities

40.3. FAIR VALUE OF PROPERTY

In the particular case of real estate assets, their fair value is obtained by requesting the appraisal value from external appraisal agencies. These agencies maximise the use of observable market data and other factors that market participants would consider when pricing, limiting the use of subjective considerations and unobservable or contrasted data. Along these lines, its fair value, based on the fair value hierarchy, is classified as Level 2.

The Group has a corporate policy that guarantees the professional competence and independence and objectivity of external valuation agencies, under which these agencies must comply with neutrality and credibility requirements so that use of their estimates does not undermine the reliability of their valuations. This policy stipulates that all valuation agencies and appraisers used by the Group in Spain must be included in the Bank of Spain's Official Registry and that their valuations be performed in accordance with the methodology set out in Ministerial Order ECO/805/2003, of 27 March. In 2022, the main appraisers and valuation agencies with which the Group worked are as follows: Tasaciones Inmobiliarias, SA, , Gloval Valuation, S.A.U., Gesvalt, SA, UVE Valoraciones, S.A., CBRE Valuation Advisory, S.A. and Sociedad de Tasación, SA, among others.

The Group has established the following criteria to obtain the appraisal values of real estate assets.

- Statistical appraisals are used for real estate with a fair value of less than EUR 300 thousand.
- For foreclosed real estate with a fair value of EUR 300 thousand or more, appraisals have been requested in accordance with the criteria established by Order ECO/805/2003:
  - Appraisals under 2 years old are used for real estate investments, using the rental update method.
  - Appraisals under one year old are used for stock, using the cost method application.
  - Appraisals under one year old are used for properties from credit regularisations, using the comparison method application.

For the specific case of properties from credit regularisations (foreclosed assets) classified as non-current assets for sale, the Group has developed an internal methodology that determines the discount to be applied: to the appraisal value (obtained from companies and appraisal agencies), based on recent experience in sales of Group assets over the past 3 years; while for sales costs, to asset sales over the past 12 months. This methodology is chiefly based on the following drivers:

- Type of property: The model categorises the type of property, differentiating between residential, commercial, land and ongoing.
- Location. The model categorises property by zones, according to the commercial interest of their geographical location.
- The time that the property has been on the market. The model categorises property based on the time from the date of ownership of the property to the date of sale.

According to the drivers described above, for each sale made the Group calculates the ratio between the difference between the amount of the last current updated appraisal and the sale price, in the numerator, and the amount of the last current updated appraisal, in the denominator. Thus, it determines the adjustment to be made to the measurement value in order to obtain fair value. The updating of the data used to calculate the adjustment based on appraisal values is conducted on a three-year basis.

In order to determine sale costs, the Group calculates the ratio between the assumed marketing costs and the total volume of sales of realised assets.

Furthermore, the Group has established a backtesting analysis between the adjustment calculated by the model and the price for which the properties were finally sold. This exercise is conducted on a biannual basis.

The measurement methods used by the Group to determine non-recurring fair value have not been changed during the year (measurement methods were not changed during the years 2021 and 2020).

The fair value of real estate assets by asset type along with their associated carrying amount is set out below:

Fair value of real estate assets by type of property

(Millions of euros)

	31-12-2022		31-12-2021		31-12-2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Tangible assets - Investment property	**1,556**	**2,217**	**1,815**	**2,206**	**1,947**	**2,464**
Homes, land and other	1,211	1,836	1,613	1,984	1,779	2,265
Industrial buildings	26	39	18	23	30	38
Offices and commercial premises	319	342	184	199	138	161
Other assets - Inventories	**39**	**44**	**45**	**45**	**45**	**45**
Homes, land and other	39	44	44	44	44	44
Industrial buildings			1	1		
Offices and commercial premises					1	1
Non-current assets held for sale and disposal groups classified as held for sale	**1,998**	**2,545**	**2,415**	**2,616**	**991**	**1,146**
Homes, land and other	1,719	2,210	2,041	2,213	854	974
Industrial buildings	100	123	32	43	38	50
Offices and commercial premises	179	212	342	360	99	122
TOTAL	**3,593**	**4,806**	**4,275**	**4,867**	**2,983**	**3,655**

41. RELATED-PARTY TRANSACTIONS

Pursuant to the provisions of the rules of procedure of the Board of Directors, the Board of Directors, after the report of the Audit and Control Committee, will approve the operations conducted by the Entity or its subsidiaries with directors, with shareholders holding 10% or more of the voting rights or represented on the Board of Directors of the Entity, or with any other related party as outlined in IAS 24 "Information to be disclosed on related parties", unless by law the competence of the Annual General Meeting is applicable.

For these purposes, the following will not be deemed related party transactions: i) transactions conducted between the Company and its wholly-owned subsidiaries, directly or indirectly; ii) transactions between the Company and its subsidiaries or investee companies provided that no other party related to the Company has an interest in such subsidiaries or investee companies; iii) execution by the Company and any executive director or member of senior management, of the contract regulating the terms and conditions of the executive functions they are to perform, including determining the specific amounts or remuneration to be paid under that contract, to be approved in accordance with the provisions of this Regulation; iv) transactions carried out based on measures to safeguard the stability of the Company, taken by the competent authority responsible for its prudential supervision.

The Regulation establishes that the Board of Directors will be able to delegate the approval of: i) transactions between Group companies that are made in the field of the normal process and under market conditions; ii) transactions arranged under contracts whose standard terms and conditions are applicable to a large number of customers, that are signed at generally set rates or prices by whomever acting as the goods or service provider in question, and where the amount of the transaction does not exceed 0.5% of the annual net income of the Entity.

The granting by the Entity of credits, loans and other forms of financing and guarantees to Directors, or to persons associated with them, will be pursuant to —besides the provisions of this article— the regulations governing the organisation and discipline of credit institutions and the supervisory guidelines in this field. The breakdown of financing granted to "key management personnel and executives" is as follows:

Outstanding financing granted to key management personnel - Directors and senior management
(Thousands of euros)

	2022	2021	2020
Outstanding financing	**9,721**	**9,036**	**6,854**
Average maturity (years)	19	19	20
Average interest rate (%)	0.58%	0.41%	0.31%
Financing granted in the year	**3,375**	**1,363**	**1,764**
Average maturity (years)	9	22	23
Average interest rate (%)	0.92%	0.93%	0.79%

Loan and deposit transactions or financial services arranged by CaixaBank with 'key management personnel', in addition to related party transactions, were approved under normal market conditions. Moreover, none of those transactions involved a significant amount of money. Likewise, there was no evidence of impairment to the value of the financial assets or to the guarantees or contingent commitments held with 'key management personnel'.

The Spanish state constitutes a related party pursuant to the regulations in force through its indirect participation in excess of 10% of CaixaBank's shares through the FROB and BFA. In that regard, according to the exemption in paragraph 25 of IAS 24, the balances with Spanish Public Administration as a related party are not presented, although significant balances and transactions with them have been conveniently disclosed in the various notes in the report.

There are no Related-party Transactions, as defined in Article 529s of the CCA that have exceeded, either individually or aggregated, the established disclosure thresholds. However, in order to prepare the annual accounts, the most significant transactions that have taken place during the year have been disclosed in detail.

The most significant balances between the Group and its related parties are set out below, complementing the other balances in the notes to this report.

Related party balances and operations

(Millions of euros)

	Significant shareholder (1) (2)			Associates and joint ventures			Directors and senior management (3)			Other related parties (4)			Employee pension plan		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
ASSETS															
Loans and advances to credit institutions															
Loans and advances	17	36	22	878	582	426	10	9	7	25	25	20			
Mortgage loans	*16*	*18*	*21*		*3*		*10*	*9*	*7*	*11*	*11*	*9*			
Other	*1*	*18*	*1*	*849*	*579*	*426*				*14*	*14*	*11*			
Of which: valuation adjustments				*(2)*	*(2)*	*(1)*									
Equity instruments				1	1										
Debt securities	17,503	19,161	12							5					
TOTAL	**17,520**	**19,197**	**34**	**879**	**583**	**426**	**10**	**9**	**7**	**30**	**25**	**20**			
LIABILITIES															
Customer deposits	486	307	210	825	1,069	659	20	13	26	15	18	48	533		66
TOTAL	**486**	**307**	**210**	**825**	**1,069**	**659**	**20**	**13**	**26**	**15**	**18**	**48**	**533**		**66**
PROFIT OR LOSS															
Interest income			1	20	16	11									
Interest expense					(1)										
Fee and commission income	1			323	169	239									
Fee and commission expenses				(2)	(17)	(13)									
TOTAL	**1**		**1**	**341**	**167**	**237**									
OTHER															
Contingent liabilities	16	1		43	40	26									
Contingent commitments		1		555	773	475	1	3	3	4	1	3			
Assets under management (AUMs) and assets under	27,169	23,623	12,842	1,632	1,489	1,648	30	28	192	20	21	336	3,218	3,394	3,055
TOTAL	**27,185**	**23,625**	**12,842**	**2,230**	**2,302**	**2,149**	**31**	**31**	**195**	**24**	**22**	**339**	**3,218**	**3,394**	**3,055**

(1) They refer to balances and operations carried out with the "Fundación la Caixa" Banking Foundation, CriteriaCaixa, BFA Tenedora de Acciones, SAU, the FROB and its dependent companies. At 31 December 2022, 2021 and 2020 the stake of CriteriaCaixa in CaixaBank is 30.01% and at 31 December 2022 and 2021, the stake of BFA Tenedora de Acciones, SAU in CaixaBank is 16.12%. The shareholdings at 31 December 2022 are shown not considering the effects of the capital reduction (see Note 24). The stake of BFA Tenedora de Acciones, SAU in CaixaBank derives from the merger with Bankia in 2021 (see Note 7).

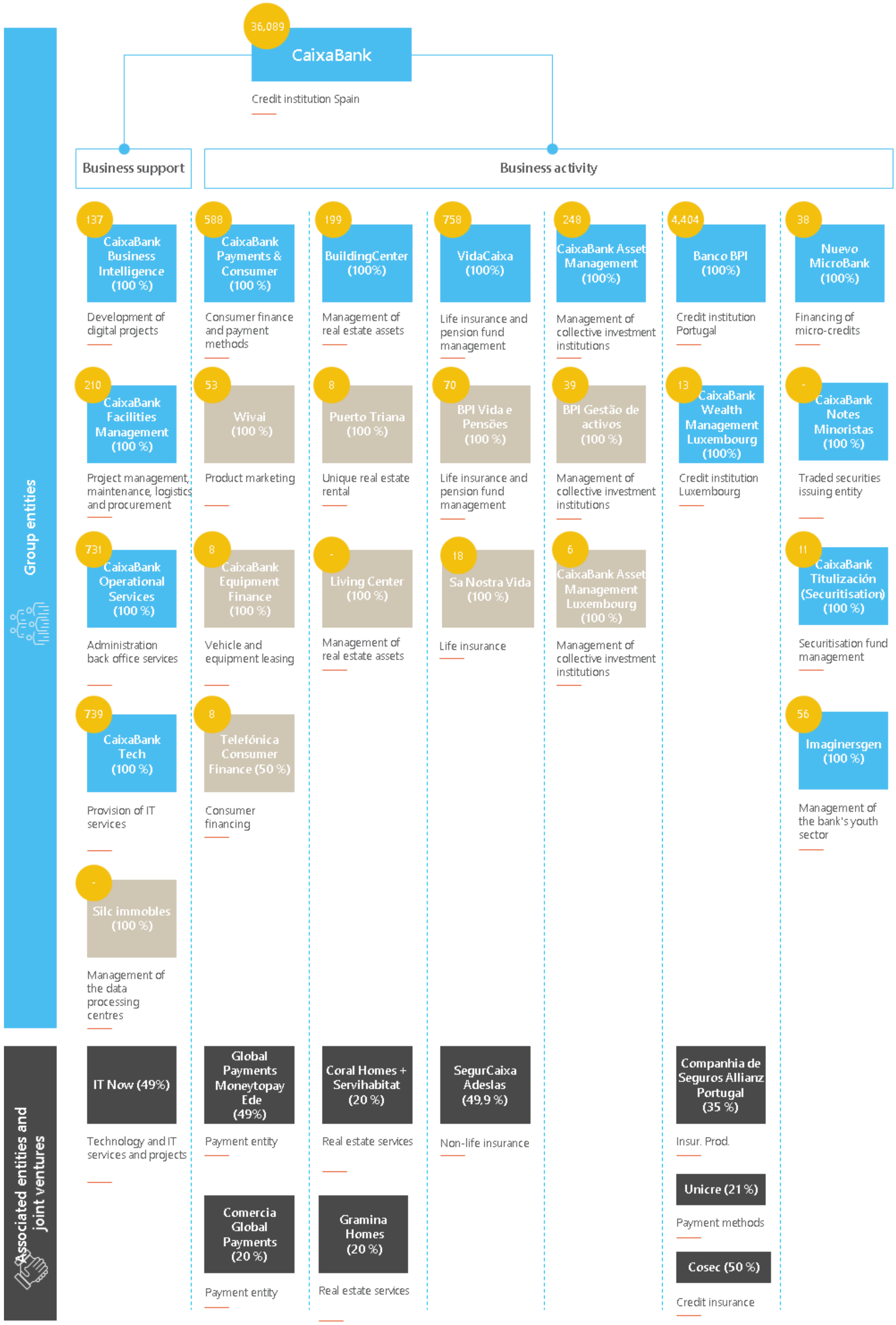
(2) As regards the cost of lawsuits relating to preferential shares and subordinate obligations of the former Bankia, pursuant to the agreement with BFA to distribute costs in this field, Bankia already assumed a maximum loss of EUR 246 million resulting from the costs related to the execution of the sentences in which it was convicted in the various proceedings against Bankia (now CaixaBank) due to the aforementioned issues. The potential contingency arising from current and future claims including interest and costs would be, where applicable, paid by BFA under the said agreement.

(3) Directors and Senior Management of CaixaBank.

(4) Family members and entities related to members of the Board of Directors and Senior Management of CaixaBank.

(5) Includes collective investment institutions, insurance contracts, pension funds and securities depositary.

The table below shows the main subsidiaries, joint ventures and associates, and their type of link.



Number of employees. Subsidiaries in which CaixaBank has a direct shareholding. Subsidiaries in which CaixaBank has an indirect shareholding.

Note: This includes the most relevant entities in terms of their contribution to the Group, excluding operations of a shareholding nature (dividends) and extraordinary operations.

Linked companies		Nature of the link
CaixaBank	FBLC + CriteriaCaixa	CaixaBank provides the FBLC Group (including CriteriaCaixa) certain services, under the Internal Protocol of Relationships subscribed by the parties.
CaixaBank	FBLC + CriteriaCaixa; Business activity; Business support	CaixaBank, S.A. is the parent company of the tax group for the purpose corporation tax with regard to the majority of the consolidated group's subsidiaries with a tax address in Spain. The tax group includes CriteriaCaixa and the "la Caixa" Banking Foundation, in accordance with the current legislation.
CaixaBank	Business activity; Business support	CaixaBank fully or partially brokers the financial operations of the companies under its consolidated group and finances their activities. Similarly, CaixaBank holds BPI prudential issuances in its portfolio, within the framework of the management of the Group's joint liquidity. Additionally, VidaCaixa procures financial interest rate swaps with CaixaBank to adapt the flows of investments to insurance contract commitment derivatives. CaixaBank subsequently closes this risk with market.
CaixaBank	Business activity	CaixaBank receives fees for the services of its subsidiaries and associates marketed via its network in Spain.
Banco BPI	BPI Vida e Pensões; BPI Gestão de Activos; Companhia de Seguros Allianz Portugal; Unicre; Cosec	BPI receives fees for marketing the services marketed via its network in Portugal. Similarly it fully or partially brokers the financial operations of these companies and finances their activities.
IT Now – CaixaBank Tech	FBLC + CriteriaCaixa; Business activity	IT Now (a joint venture between the Group and IBM) provides to CaixaBank Tech technology and IT development services. In turn, CaixaBank Tech provides IT services to the FBLC Group (including CriteriaCaixa) and to the rest of CaixaBank Group's subsidiaries.
CaixaBank Business Intelligence	CaixaBank	CaixaBank Business Intelligence provides digital project development services.
CaixaBank Operational Services; CaixaBank Facilities Management	FBLC + CriteriaCaixa; CaixaBank; Business activity; Business support	CaixaBank Operational Services and CaixaBank Facilities Management provide the companies of the identified staff administrative back-office services and works management, maintenance, logistics and procurement services, respectively.
VidaCaixa	CaixaBank	CaixaBank has outsourced certain employee commitments to VidaCaixa.
Silc immobles	CaixaBank	Silc immobles maintains the real estate and carries out maintenance on the data processing centres, which are leased to CaixaBank.
BuildingCenter – Living Center	CaixaBank; Business activity; Business support	BuildingCenter is the owner of real estate that is leased to subsidiaries of the Group and it receives rental income through said real estate. Similarly, BuildingCenter provides management services on certain CaixaBank assets for which it receives a fee. Living Center is the owner of the properties from foreclosures from the businesses combination with Bankia.
Coral Homes + Servihabitat; Gramina Homes – BuildingCenter	CaixaBank	Servihabitat undertakes the servicing of the BuildingCenter property portfolio. Similarly, Servihabitat receives marketing fees for sales through its real estate channels owned by BuildingCenter and CaixaBank.

Transactions between Group companies form part of the normal course of business and are carried out at arm's length.

The most significant operations carried out in 2022, 2021 and 2020 between group companies, in addition or complementary to those mentioned in the above notes in this report, are as follows:

2022

- In March 2022 CaixaBank sold its stake in Bankia Vida to VidaCaixa SAU de Seguros y Reaseguros. The transaction has no equity impact for the Group.
- In April 2022, the stakes in Redsys (4.2%), Servired (19.2%), Bizum (1.1%), Sistema de tarjetas y medios de pago (2.5%), Euro 6000 (10.3%) and Visa (15,141 class C shares) owned by CaixaBank, from the business combination with Bankia in 2021, were transferred to CaixaBank Payments & Consumer through a contribution from shareholders, with an approximate valuation of EUR 30 million. This transaction has no equity impact for the Group.
- In November 2022 CaixaBank transferred its stake in Sa Nostra Vida to VidaCaixa SAU de Seguros y Reaseguros. The transaction has no equity impact for the Group (see Note 7).

2021

- Sale of businesses from Bankia: In October 2021, CaixaBank sold certain lines of business directly pursued by Bankia to the following investees:
    - Sale of the acquiring business (POS) to Comercia Global Payments EP, SL (CGP) for EUR 260 million. Global Payments Inc and CaixaBank hold an 80% and 20% stake, respectively, in CGP.
    - Sale of the prepaid card business to Global Payments MoneytoPay, EDE, SL (MTP) for EUR 17 million. Global Payments Inc and CaixaBank hold a 51% and 49% stake, respectively, in MTP.

  The result of the transactions referred to above was a consolidated net gain of EUR 266 million in the income statement, recorded under the heading "Gains/(losses) on derecognition of non-financial assets, net" in the statement of profit or loss.
- CaixaBank Payments & Consumer (CPC): In November 2021, it was agreed to sell to CaixaBank Payments&Consumer the card business from the business combination with Bankia to CaixaBank Payments&Consumer for EUR 414 million, determined based on generally accepted methods of measurement and reviewed by an independent expert. The operation did not have an impact on equity for the Group.
- BuildingCenter: In November 2021, a number of operations were conducted to reorganise the Group's real estate activities following the merger with Bankia, with a view to concentrating these activities through BuildingCenter. These operations did not have a material impact on equity for the Group.

The most relevant operations of 2022, 2021 and 2020 with the significant shareholder, in addition to those mentioned in the previous notes of this report, are as follows:

- In December 2022, CaixaBank sold the property it owns (see Note 21) at Paseo de la Castellana 51 in Madrid to Inmo Criteria Patrimonio, S.L.U. (a wholly-owned subsidiary of Criteria Caixa, S.A.U.), which submitted the best offer.
- On 31 December 2022, 2021 and 2020, CriteriaCaixa held derivatives with CaixaBank to cover the interest rates of bilateral banking loans, for a nominal value of EUR 50, 250 and 202 million, respectively. The fair value of this derivative at 31 December 2022, 2021 and 2020 was EUR -3, 3 and 2 million, respectively.

Description of the relations with CriteriaCaixa and the 'la Caixa' Banking Foundation

The 'la Caixa' Banking Foundation (FBLC), CriteriaCaixa and CaixaBank have an Internal Protocol on Relations available on the CaixaBank website, last updated in 2021, which governs the mechanisms and criteria of relations between CaixaBank and FBLC and CriteriaCaixa, particularly in the following areas: i) management of related-party transactions, establishing mechanisms to avoid conflicts of interest; and ii) regulation of the information flows needed to fulfil reporting obligations in terms of trading and supervision.

The latest amendment to the Internal Protocol on Relations was made to adapt it to the entry into force of Act 5/2021, of 12 April, which amends the revised text of the Corporate Enterprises Act, among other matters, with respect to the regime governing related-party transactions carried out by listed companies. This affects transactions between CaixaBank and CaixaBank Group companies, on the one hand, and the "la Caixa" Banking Foundation and "la Caixa" Banking Foundation Group companies, such as Criteria, on the other.

CaixaBank (as licensee) has a license agreement in effect with FBLC (as licensor) governing the use of certain trade names and the assignment of Internet domain names. The trade names licensed out under that agreement include the "la Caixa" brand and the star logo. The trade name license was granted in 2014 with an indefinite nature. However, it may be terminated by withdrawal or complaint by the licensor after 15 years have passed from signing, or in the event the stake held by FBLC in CaixaBank is less than 30 per cent of the share capital and voting rights of CaixaBank, or in the event there is a shareholder with a bigger stake in CaixaBank. The Company pays FBLC a fee for this licence that can be reviewed annually.

FBLC assigned to CaixaBank and CaixaBank Group companies, free of charge, the trademarks corresponding to their corporate names and the trademarks related to banking, financial, investment and insurance products and services, except for those that contain the "Miró Star" (Estrella de Miró) graphic design or the "la Caixa" denominative sign, which are covered by the licence. It also assigned the domain names used relating to the same company names.

Beyond the provisions of the above paragraphs, the Group's activities are not dependent on or significantly influenced by patents or licences, industrial contracts, new manufacturing processes or special commercial or financial contracts.

42. OTHER DISCLOSURE REQUIREMENTS

42.1. THE ENVIRONMENT

There is no significant environmental risk due to the activity of the Group, and therefore, it is not necessary to include any specific breakdown on environmental information in the document (Order of the Ministry of Justice JUS/616/2022, of 30 June). Furthermore, no significant tangible asset items at the Group are affected by environmental issues of any type.

The Group is committed to carrying out its business, projects, products and services in the most environmentally-friendly way possible, and its activities do not have a direct impact on the environment (see the corresponding section in the accompanying Management Report).

In 2022, the Group did not receive any relevant fines or sanctions related to compliance with environmental regulations.

No significant tangible asset items at the Group are affected by environmental issues of any type.

42.2. CUSTOMER SERVICE

CaixaBank has a Customer Service Office charged with handling and resolving customer complaints and claims. This office has no connections with commercial services and performs its duties with independent judgment and according to the protection rules for financial services customers.

The average resolution time in 2022 is 11 calendar days, whereas in 2021 and 2020 it was 21 and 23 calendar days, respectively.

Complaints received

(Number of complaints)

	2022	2021	2020
HANDLED BY THE CUSTOMER SERVICE OFFICE (CSO)	**306,548**	**239,347**	**119,361**
Customer Care Service (CCS)	306,548	239,347	119,361
FILED WITH THE SUPERVISORS' CLAIMS SERVICES	**6,875**	**3,720**	**1,598**
Bank of Spain	6,381	3,363	1,350
Comisión Nacional del Mercado de Valores (Spanish securities market regulator)	265	183	82
Directorate-General of Insurance and Pension Plans	229	174	166

The number of reports or resolutions issued by Customer Services and the Supervisors' Claims Services was as follows:

Reports issued by customer services supervisors' claim services

	CCS			Bank of Spain			CNMV			DGS (Direccion General de Seguros)		
Type of resolution	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Resolved in favour of the claimant	145,409	109,270	54,791	954	518	179	64	65	22	57	7	15
Resolved in favour of the entity	108,470	90,166	35,085	627	483	160	64	65	19	56	3	13
Acceptance				1,507	1,158	232	91	37	6	18	1	
Other (rejected/unresolved)	57,220	36,398	19,963	2,611	547		1			29	7	
TOTAL	**311,099**	**235,834**	**109,839**	**5,699**	**2,706**	**571**	**220**	**167**	**47**	**160**	**18**	**28**

42.3. OFFICES

The branches of the Group are specified below:

BRANCHES OF THE GROUP
(No. of branches)

	2022	2021	2020
Spain	4,081	4,970	3,786
Abroad	331	355	432
TOTAL	**4,412**	**5,325**	**4,218**

43. STATEMENT OF CASH FLOWS

The main cash flow variations corresponding to the financial year are set out below by type:

- Operating activities (EUR 79,875 million): mainly due to the decrease in central bank deposits under financial liabilities at amortised cost as a result of the amortisation of TLTRO-III (EUR 65,132 million) and the increase in financial assets at amortised cost (EUR 24,385 million).
- Investment activities (EUR 164 million): flows from the sale of the building at Castellana 51 (EUR 239 million), the purchase of 81.31% of Sa Nostra Vida (EUR 250 million), along with sales of financial assets classified as non-current assets held for sale by Group companies (EUR 1,182 million) and flows from purchases and sales of tangible and intangible assets (EUR 763 million).
- Financing activities (EUR 3,984 million): stems from cash flows from debt issuance and maturities (EUR 1,001 million) and the share buyback programme (EUR 1,818 million), together with dividends paid (EUR 1,178 million) in the year.

APPENDIX 1 - CAIXABANK'S INVESTMENTS IN SUBSIDIARIES

(Thousands of euros)

			% shareholding		Share capital			Cost of direct holding (net)
Corporate name	**Business activity**	**Registered address**	**Direct**	**Total**		**Reserves**	**Profit/(loss)**	
Abside Capital SICAV S.A. (*)	SICAVs	Madrid-Spain	91.00	91.00	2,404	(811)	-	1,200
Alicante Capital SICAV S.A. (*)	SICAVs	Madrid-Spain	100.00	100.00	2,555	(798)	-	1,278
Aris Rosen, S.A.U.	Services	Barcelona-Spain	100.00	100.00	60	342	(57)	105
Arquitrabe Activos, S.L.	Holding company	Barcelona-Spain	100.00	100.00	98,431	5,800	2,392	104,734
Arrendadora de Equipamientos Ferroviarios, S.A.	Lessor of trains	Barcelona-Spain	85.00	85.00	12,720	5,906	1,893	14,300
BPI (Suisse), S.A. (1)	Asset management	Switzerland	-	100.00	3,000	4,874	1,830	-
BPI Gestão de Activos - Sociedade Gestora de Fundos de Investimento Mobiliário, SA	Management of collective investment institutions	Portugal	-	100.00	2,500	15,323	8,131	-
BPI Vida e Pensões - Companhia de Seguros, SA	Life insurance and pension fund management	Portugal	-	100.00	76,000	74,634	12,391	-
Banco BPI, S.A.	Banking	Portugal	100.00	100.00	1,293,063	2,339,932	334,084	2,060,366
Bankia Habitat, S.L.U.	Holding company	Madrid-Spain	-	100.00	755,560	(30,952)	(8,420)	-
Bankia Mediación, Operador de Banca de Seguros Vinculado, S.A.U.	Insurance agency	Madrid-Spain	100.00	100.00	269	77,217	2,797	75,042
BuildingCenter, S.A.U.	Holder of real estate assets	Madrid-Spain	100.00	100.00	2,000,060	(282,803)	(163,244)	1,950,551
Caixa Capital Biomed S.C.R. S.A.	Venture capital company	Barcelona-Spain	91.00	91.00	1,200	(189)	1,524	894
Caixa Capital Fondos Sociedad De Capital Riesgo S.A.	Venture capital company	Madrid-Spain	100.00	100.00	1,200	6,656	306	3,234
Caixa Capital Micro SCR S.A.	Venture capital company	Madrid-Spain	100.00	100.00	1,200	233	(7)	1,254
Caixa Capital Tic S.C.R. S.A.	Venture capital company	Barcelona-Spain	81.00	81.00	1,209	(5,466)	9,153	3,954
Caixa Corp, S.A.	Holding company	Barcelona-Spain	100.00	100.00	361	351	-	585
Caixa Emprendedor XXI, S.A.U.	Promotion of business and entrepreneurial initiatives	Barcelona-Spain	100.00	100.00	1,007	18,246	432	17,954
CaixaBank Asset Management, SGIIC, S.A.U.	Management of collective investment institutions	Madrid-Spain	100.00	100.00	86,310	109,975	142,942	177,016
CaixaBank Brasil Escritório de Representaçao Ltda. (2)	Representative office	Brazil	100.00	100.00	1,214	2,981	274	345
CaixaBank Equipment Finance, S.A.U.	Vehicle and equipment leasing	Madrid-Spain	-	100.00	10,518	40,124	14,257	-
CaixaBank Facilities Management, S.A.	Project management, maintenance, logistics and	Barcelona-Spain	100.00	100.00	1,803	1,871	97	2,053
CaixaBank Notas Minoristas, S.A.U.	Finance	Madrid-Spain	100.00	100.00	60	1,751	2,319	4,229
CaixaBank Titulizacion S.G.F.T., S.A.U.	Securitisation fund management	Madrid-Spain	100.00	100.00	1,503	1,283	2,380	6,423
CaixaBank Wealth Management Luxembourg, S.A.	Banking	Luxembourg	100.00	100.00	12,076	10,132	(4,690)	40,725
Caixabank Asset Management Luxembourg, S.A.	Management of collective investment institutions	Luxembourg	-	100.00	150	3,948	250	-
CaixaBank Business Intelligence, SAU	Development of digital projects	Barcelona-Spain	100.00	100.00	100	1,199	444	1,200
Caixabank Operational Services, S.A.	Specialised services for back office administration	Barcelona-Spain	100.00	100.00	1,803	19,541	3,596	9,579
Caixabank Payments & Consumer, E.F.C., E.P., S.A.	Consumer finance	Madrid-Spain	100.00	100.00	135,156	1,487,941	378,647	1,602,028
Caixabank Tech, S.L.	Provision of IT services	Barcelona-Spain	100.00	100.00	15,003	100,968	2,635	172,320
Centro de Servicios Operativos e Ingeniería de Procesos, S.L.U.	Specialised services for back office administration	Madrid-Spain	100.00	100.00	500	14,690	333	17,886
Coia Financiera Naval, S.L.	Provision of financial services and intermediation in the shipbuilding sector	Madrid-Spain	76.00	76.00	3	57	(18)	2

APPENDIX 1 - CAIXABANK'S INVESTMENTS IN SUBSIDIARIES

(Thousands of euros)

Corporate name	Business activity	Registered address	% shareholding Direct	% shareholding Total	Share capital	Reserves	Profit/(loss)	Cost of direct holding (net)
Corporación Hipotecaria Mutual, E.F.C., S.A.	Mortgage lending	Madrid-Spain	100.00	100.00	5,000	70,123	(10,396)	63,987
El Abra Financiera Naval, S.L.	Provision of financial services and intermediation in the shipbuilding sector	Madrid-Spain	76.00	76.00	3	25	(15)	2
Estugest, S.A.	Administrative activities and services	Barcelona-Spain	100.00	100.00	661	184	11	781
Gestión y Recaudación Local, S.L.	Management of collection in city councils	Granada-Spain	-	100.00	900	1,032	234	-
Gestión y Representación Global, S.L.U.	Instrument	Madrid-Spain	100.00	100.00	12	2,705	(1)	2,715
Grupo Aluminios de Precisión, S.L.U. (*)	Aluminium smelting in sand moulds	Burgos-Spain	100.00	100.00	7,500	21,242	1,489	3,360
HipoteCaixa 2, S.L.	Mortgage loan management company	Barcelona-Spain	100.00	100.00	3	46,621	420	46,797
Hiscan Patrimonio II, S.A.U.	Holding company	Madrid-Spain	100.00	100.00	241,927	(10,392)	(410)	222,962
Hiscan Patrimonio, S.A.	Holding company	Barcelona-Spain	100.00	100.00	46,867	70,969	(88)	116,797
Imaginersgen, S.A.	Digital business	Barcelona-Spain	100.00	100.00	60	2,496	2,371	1,858
Inter Caixa, S.A.	Services	Barcelona-Spain	100.00	100.00	60	17	(5)	92
Inversiones Coridith SICAV S.A. (*)	SICAVs	Madrid-Spain	100.00	100.00	2,515	(757)	-	1,257
Inversiones Corporativas Digitales, S.L.	Holding company	Barcelona-Spain	-	100.00	3	(3,050)	8	-
Inversiones Inmobiliarias Teguise Resort, S.L.	Hotels and similar accommodation	Las Palmas-Spain	60.00	60.00	7,898	12,131	2,772	8,618
Inversiones y Desarrollos 2069 Madrid, S.L.U., in liquidation (L)	Real estate services	Madrid-Spain	100.00	100.00	6,711	(3,851)	(3,747)	115
Livingcenter Activos Inmobiliarios, S.A.U.	Real estate development	Barcelona-Spain	-	100.00	137,331	1,479,755	(134,045)	-
Líderes de Empresa Siglo XXI, S.L.	Private security for goods and people	Barcelona-Spain	100.00	100.00	378	1,316	58	753
Naviera Cata, S.A.	Shipowner	Las Palmas de Gran Canaria-Spain	100.00	100.00	60	28	(16)	118
Negocio de Finanzas e Inversiones II, S.L.	Finance	Barcelona-Spain	100.00	100.00	6	438	(1)	445
Nuevo Micro Bank, S.A.U.	Financing of microloans and other loans with a social impact	Madrid-Spain	100.00	100.00	90,186	287,146	25,061	90,186
OpenWealth, S.A.	Other financial services, with the exception of n.c.o.p insurance and pension plans.	Barcelona-Spain	100.00	100.00	120	922	(333)	1,044
Participaciones y Cartera de Inversión, S.L.	Instrument	Madrid-Spain	-	100.00	1,205	303	(6)	-
PremiaT Comunidad Online, S.L.	Marketing of cashless platform	Barcelona-Spain	-	100.00	100	467	(432)	-
Puertas de Lorca Desarrollos Empresariales, S.L.U., in liquidation (L)	Real estate services	Madrid-Spain	100.00	100.00	10,747	(6,450)	115	-
Puerto Triana, S.A.U.	Real estate developer specialised in shopping centres	Seville-Spain	100.00	100.00	124,290	(3,171)	(170)	120,339
Sa Nostra Compañia de Seguros de Vida, S.A.	Life insurance	Balearic Islands-	-	100.00	14,399	148,765	8,416	-
Sercapgu, S.L.	Holding company	Barcelona-Spain	100.00	100.00	4,230	(240)	(12)	632
Silc Immobles, S.A.	Real-estate administration, management and operation	Madrid-Spain	-	100.00	40,070	96,752	(2,052)	-
Telefónica Consumer Finance E.F.C., S.A.	Consumer finance	Madrid-Spain	-	50.00	5,000	28,781	4,364	-
Tenedora Fintech Venture, S.A.U.	Holding company	Madrid-Spain	100.00	100.00	60	1,140	236	369

APPENDIX 1 - CAIXABANK'S INVESTMENTS IN SUBSIDIARIES

(Thousands of euros)

Corporate name	Business activity	Registered address	% shareholding Direct	% shareholding Total	Share capital	Reserves	Profit/(loss)	Cost of direct holding (net)
Unión de Crédito para la Financiación Mobiliaria e Inmobiliaria, E.F.C., S.A.U.	Mortgage loans	Madrid-Spain	100.00	100.00	53,383	4,023	(38,420)	14,250
Valenciana de Inversiones Mobiliarias, S.L.U.	Holding company	Valencia-Spain	100.00	100.00	4,330	109,194	(136)	113,784
VidaCaixa Mediació, Sociedad de Agencia de Seguros Vinculada, S.A.U.	Insurance agency	Madrid-Spain	-	100.00	60	3,696	203	-
VidaCaixa, S.A. de Seguros y Reaseguros Sociedad Unipersonal	Direct life insurance, reinsurance and pension fund management	Madrid-Spain	100.00	100.00	1,347,462	474,510	758,593	2,534,688
Wivai Selectplace, S.A.U.	Product marketing	Barcelona-Spain	-	100.00	60	1,894	36,547	-

(L) Companies in liquidation.

(*) Companies classified as non-current assets held for sale

(1) All data except cost are in local currency: Swiss franc (thousands)

(2) All data except cost are in local currency: Brazilian real (thousands).

Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.
Note: Besides the companies set out in the details of the Appendix, the Group holds a 100% share of the share capital of the following companies that are inactive: Cestainmob, S.L.U.; GDS Grupo de Servicios I, S.A.; Tot Caixa, S.A.; Web Gestión 1, S.A.; Web Gestión 2, S.A.; Web Gestión 3, S.A.; Web Gestión 4, S.A.; Cartera de Participaciones SVN, S.L.; Web Gestión 7, S.A.; Gestión Global de Participaciones, S.L.U.; Inmogestión y Patrimonios, S.A., Valoración y Control, S.L. and Telefónica Renting, S.A. Similarly, the following companies of which the Group wholly owns the share capital, are currently in liquidation: Inmobiliaria Piedras Bolas, S.A. de C.V.; Playa Paraíso Maya, S.A. de C.V.; Inmacor Desarrollos, S.A. de C.V.; Proyectos y Desarrollos Hispanomexicanos, S.A. de C.V.; Grand Coral Property and Facility Management, S.A., de CV; Tubespa, S.A., Costa Eboris, S.L.U. and Encina de los Monteros, S.L.U. The Company also has as a subsidiary the investee Habitat Dos Mil Dieciocho, S.L., which is currently in liquidation. Lastly, CaixaBank as well as other investee companies of CaixaBank Group are joint entities participating in the Joint Prevention Service of "la Caixa" Group.

APPENDIX 2 - CAIXABANK'S INVESTMENTS IN AGREEMENTS AND JOINT VENTURES OF CAIXABANK GROUP

(Thousands of euros)

Corporate name	Business activity	Registered address	% shareholding		Assets	Liabilities	Ordinary income	Share capital	Reserves	Profit/(loss)	Total comprehensive income	Cost of direct holding	Dividends accrued on total ownership interest
			Direct	Total									
Cosec - Companhia de Seguros de Crédito, S.A.	Credit insurance	Portugal	-	50.00	143,391	93,551	21,737	7,500	37,980	7,936	7,936	-	-
Inversiones Alaris, S.L. In liquidation (L)	Securities holding	Barcelona-Spain	33.00	67	7,695	2,369	-	11,879	(6,607)	55	55	-	-
Payment Innovation HUB, S.A.	Payment methods	Barcelona-Spain	-	50	1,629	88	1,721	60	1,233	248	248	-	-

(L) Companies in liquidation.

Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.

Note: The Company also has significant influence in the investee Royactura, en liquidación, S.L., which is currently in liquidation.

APPENDIX 3 - CAIXABANK'S INVESTMENTS IN THE GROUP'S ASSOCIATES

(Thousands of euros)

Corporate name	Business activity	Registered address	% shareholding		Assets	Liabilities	Ordinary income	Share capital	Reserves	Profit/(loss)	Total comp. income	Cost of direct holding (net)	Dividends accrued on total ownership interest
			Direct	Total									
Ape Software Components S.L.	Computer programming activities	Barcelona-Spain	-	25.00	3,423	3,310	2,833	12	373	(271)	(271)	-	-
Arrendadora Ferroviaria, S.A.	Lessor of trains	Barcelona-Spain	54.00	54.00	191,495	192,013	72,820	60	(592)	13	13	-	-
BIP & Drive, S.A. (*)	Teletoll systems	Madrid-Spain	-	25.00	23,731	6,404	16,006	4,613	9,002	3,712	3,712	-	-
Banco Comercial de Investimento, S.A.R.L. (1)	Banking	Mozambique	-	36.00	193,190,402	167,112,959	2,817,146	10,000,000	10,289,535	6,128,215	6,128,215	-	-
Bizum, S.L.	Payment entity	Madrid-Spain	-	24.00	15,325	9,243	43,835	2,346	1,659	2,077	2,077	-	-
Brilliance-Bea Auto Finance Co., L.T.D. (2)	Automotive sector financing	China	-	23.00	2,769,057	1,040,803	157,729	1,600,000	128,234	20	20	-	-
Comercia Global Payments, Entidad de Pago, S.L.	Payment entity	Madrid-Spain	-	20.00	843,050	395,893	520,819	4,625	358,225	84,307	84,307	-	20,240
Companhia de Seguros Allianz Portugal, S.A.	Insur. Prod.	Portugal	-	35.00	1,367,774	1,244,748	477,547	39,545	90,938	34,358	34,358	-	-
Concessia, Cartera y Gestión de Infraestructuras, S.A.	Infrastructure construction and operations	Madrid-Spain	24.00	32.00	14,480	92	-	17,249	(748)	(2,112)	(2,112)	878	-
Coral Homes, S.L.	Real estate services	Madrid-Spain	-	20.00	2,612,631	100,784	668,500	270,774	2,288,484	(47,410)	(47,410)	-	-
Drembul, S.L.	Real estate development	Logroño-Spain	22.00	47.00	36,925	6,770	3,506	30	24,244	(1,322)	(1,322)	3,179	-
Girona, S.A.	Holding company	Girona-Spain	34.00	34.00	5,642	110	697	1,200	4,306	26	26	1,642	-
Global Payments Moneytopay, EDE, S.L.	Payment entity	Madrid-Spain	-	49.00	175,574	143,534	16,473	1,367	25,629	5,043	5,043	-	1,526
Global Payments – Caixa Acquisition Corporation S.A.R.L.	Payment methods	Luxembourg	-	45.00	42,810	38	-	14	42,804	(45)	(45)	-	-
Gramina Homes, S.L.	Real estate services	Madrid-Spain	-	20.00	385,659	16,545	46,164	27,626	343,827	(2,339)	(2,339)	-	-
Guadapelayo, S.L., in liquidation (L)	Real estate development	Madrid-Spain	-	40.00	312	5,102	-	1,981	(6,718)	(53)	(53)	-	-
IT Now, S.A.	Services for IT technology projects	Barcelona-Spain	39.00	49.00	133,218	124,625	257,090	3,382	3,429	1,782	1,782	1,323	-
Ircio Inversiones, S.L., in liquidation (L)	Real estate development	Burgos-Spain	35.00	35.00	6	-	1,367	10,896	(9,770)	(1,121)	(1,121)	49	-
Justinmind, S.L.	Development of IT systems	Barcelona-Spain	-	17.00	889	690	558	5	464	(280)	(280)	-	-
Murcia Emprende Sociedad de Capital Riesgo, S.A.	Venture capital company	Murcia-Spain	29.00	29.00	3,945	57	-	2,557	(602)	1,925	1,925	600	-

APPENDIX 3 - CAIXABANK'S INVESTMENTS IN THE GROUP'S ASSOCIATES

(Thousands of euros)

			% shareholding										
Corporate name	**Business activity**	**Registered address**	**Direct**	**Total**	**Assets**	**Liabilities**	**Ordinary income**	**Share capital**	**Reserves**	**Profit/(loss)**	**Total comp. income**	**Cost of direct holding (net)**	**Dividends accrued on total ownership interest**
Parque Científico y Tecnológico de Córdoba, S.L.	Science park operation and management	Córdoba-Spain	16.00	36.00	28,164	20,342	788	23,422	(18,133)	(1,301)	(1,301)	-	-
Portic Barcelona, S.A.	Other services related to information technology and telecommunications	Barcelona-Spain	26.00	26.00	2,440	294	2,202	291	1,813	42	42	105	-
Redsys Servicios de Procesamiento, S.L.	Payment methods	Madrid-Spain	-	25.00	121,131	41,919	148,414	5,815	67,374	6,022	6,022	-	-
SegurCaixa Adeslas, S.A. de Seguros y Reaseguros	Non-life insurance	Madrid-Spain	-	50.00	6,078,151	4,188,263	3,966	469,670	1,020,118	400,800	345,392	-	136,924
Servired, Sociedad Española de Medios de Pago, S.A.	Payment methods	Madrid-Spain	-	41.00	80,994	52,956	3,181	16,372	9,999	1,667	1,667	-	-
Sistema de Tarjetas y Medios de Pago, S.A.	Payment methods	Madrid-Spain	-	21.00	376,593	369,202	8,901	240	4,647	2,504	2,504	-	-
Sociedad Española de Sistemas de Pago, S.A.	Payment entity	Madrid-Spain	27.00	27.00	13,187	3,083	10,804	512	7,449	2,142	2,142	2,012	269
Societat Catalana per a la Mobilitat, S.A.	Development and imp. of the T-mobilitat project	Barcelona-Spain	17.00	17.00	141,577	123,009	13,059	13,823	(847)	223	223	1,846	-
TFP, S.A.C. (5)	Factoring	Peru	16.00	16.00	23,021	2,863	9,733	6,000	8,828	5,330	5,330	920	352
Telefonica Factoring España, S.A.	Factoring	Madrid-Spain	20.00	20.00	79,732	62,627	12,696	5,109	1,740	10,257	10,257	2,525	1,733
Telefonica Factoring do Brasil, Ltda. (4)	Factoring	Brazil	20.00	20.00	309,389	273,731	50,273	5,000	(90)	30,748	30,748	2,029	1,328
Telefónica Factoring Colombia (3)	Factoring	Colombia	16.00	16.00	411,551,875	398,158,982	13,176,079	4,000,000	2,125,218	7,267,675	7,267,675	543	333
Unicre - Instituição Financeira de Crédito, S.A.	Card issuance	Portugal	-	21.00	452,219	312,655	198,949	10,000	97,239	26,631	26,631	-	-
Zone2Boost, S.L.	Holding company for business acquisition	Barcelona-Spain	-	40.00	2,786	39	130	3	3,272	(528)	(528)	-	-

(L) Companies in liquidation.

(*) Companies classified as non-current assets held for sale

(1) All data except cost are in local currency: New Mozambique metical (thousands).

(2) All data except cost are in local currency: Renmimbi (thousands).

(3) All data except cost are in local currency: Colombian pesos (thousands).

(4) All data except cost are in local currency: Brazilian real.

(5) All data except the cost are in local currency: Peruvian sol (thousands).

Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.

Note: Furthermore, the Company has significant influence over the investee company Chimparra, A.I.E. which is currently in liquidation.

APPENDIX 4 - DISCLOSURE ON THE ACQUISITION AND DISPOSAL OF OWNERSHIP INTERESTS IN SUBSIDIARIES IN 2022

(Article 155 of the Corporate Enterprises Act and Article 125 of the restated text of Spanish Securities Market Law).

On 27 June 2022, CaixaBank, S.A. filed a notice with the Spanish National Securities Market Commission (CNMV) informing it of the purchase agreement reached with Caja de Seguros Reunidos, Compañía de Seguros y Reaseguros, SA(CASER) for CaixaBank's subsidiary VidaCaixa, SAU de Seguros y Reaseguros (VidaCaixa) to acquire 81.31% of the share capital of Sa Nostra, Compañía de Seguros de Vida, SA (Sa Nostra Vida) for EUR 262 million.

On 30 September 2022, CaixaBank filed a communication with the CNMV stating that, in the context of an existing equity swap on 1,952% of its 4.495% stake in Telefónica SA ("TEF"), it had decided to partially settle this swap by handing over 1%, with a settlement date of 4 October 2022. The stake in TEF was therefore reduced to 3.495%.

APPENDIX 5 – ANNUAL BANKING REPORT

In accordance with Article 87 of Act 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, credit institutions are required to publish the following information on a consolidated basis for the last financial year ended, broken down by country where the credit institutions are established. Pursuant to the above, the information required is provided hereon:

- **Name, nature and geographic location of activity**

  In Note 1.1 to CaixaBank Group's consolidated financial statements the name, nature and geographical location of the activity is specified.

  Appendices 1, 2 and 3 of CaixaBank Group's consolidated financial statements detail the subsidiaries, joint ventures and associates that make up CaixaBank Group.

  Appendix 5 discloses notices on the acquisition and disposal of ownership interests in 2022, in accordance with Article 155 of the Corporate Enterprises Act and Article 125 of the revised text of the Securities Market Law.

- **Business volume**

  CaixaBank, SA is established in Spain, and has 7 foreign subsidiaries (10 branches), specifically in Poland, Morocco (3 branches), the UK, Germany, France, Portugal (2 branches) and Italy.

  CaixaBank also has 17 representative offices which do not carry out banking activities but provide information on the Company's services in the following 16 jurisdictions: Algeria, Australia, Brazil, China (3), Chile, Colombia, Egypt, the United Arab Emirates, the United States of North America, India, Turkey, Peru, Singapore, South Africa and Canada.

  Banco BPI has 323 branches in Portugal and 1 branch in Switzerland.

  Business volume by country on a consolidated basis is as follows:

Geographic information: Distribution of ordinary income from customers *

(Millions of euros)

	Banking and insurance			BPI			Corporate centre			Total CaixaBank Group		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Spain	14,826	13,074	11,041				59	85	62	14,885	13,159	11,103
Portugal	167	124	110	951	811	742				1,118	935	852
Poland	93	19	20							93	19	20
Morocco	14	11	9							14	11	9
United Kingdom	77	30	30							77	30	30
Germany	66	32	17							66	32	17
France	62	28	18							62	28	18
Angola							103	112	31	103	112	31
Share of profit/(loss) acc. for using equity							43	145	84	43	145	84
Other	21	20		7	8	8				28	28	8
TOTAL ORDINARY INCOME	**15,326**	**13,338**	**11,245**	**958**	**819**	**750**	**205**	**342**	**177**	**16,489**	**14,499**	**12,172**

(*) Correspond to the following headings of CaixaBank Group's public statement of profit or loss calculated pursuant to Bank of Spain Circular 5/2014:

1. Interest income
2. Dividend income
3. Share of profit/(loss) of entities accounted for using the equity method
4. Fee and commission income
5. Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
6. Gains/(losses) on financial assets and liabilities held for trading, net
7. Gains/(losses) on assets not designated for trading compulsorily measured at fair value through profit or loss, net
8. Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net
9. Gains/(losses) from hedge accounting, net
10. Other operating income
11. Income from assets under insurance and reinsurance contracts

(**) of international associates and others. Mainly corresponds to the share of profit/(loss) of international associates accounted for using the equity method, primarily Erste Group Bank (Austria, until November 2021) and Banco Comercial e de Investimento (Mozambique).

Full-time workforce by country

The full-time workforce by country is as follows:

Full-time workforce by country

	31-12-2022	31-12-2021	31-12-2020
Spain	39,825	44,912	30,421
Portugal	4,570	4,649	4,783
Poland	21	21	20
Morocco	29	28	27
United Kingdom	25	18	16
Germany	18	14	12
France	23	14	11
Switzerland	17	16	19
Other countries - Representative offices	97	90	77
TOTAL FULL-TIME WORKFORCE	**44,625**	**49,762**	**35,386**

Gross profit/(loss) before tax

Gross profit before tax on a consolidated basis in 2022 amounted to EUR 4,326 million (EUR 5,315 million and EUR 1,600 million in 2021 and 2020, respectively), and includes ordinary income from the branches detailed in b) above.

- **Income tax**

The net income tax expense recognised on consolidated profit in 2022 amounted to EUR 1,179 million (EUR 88 million and EUR 219 million in 2021 and 2020, respectively), as shown in the consolidated statement of profit or loss.

Payments of income tax made during 2022 have reached EUR 395 million, of which EUR 355 million have been paid in Spain, EUR 15 million in Portugal, EUR 8 million in the United Kingdom, EUR 7 million in France, EUR 4 million in Germany, EUR 3 million in Poland, EUR 2 million in Morocco, EUR 0.5 million in Switzerland and EUR 0.4 million in Luxembourg.

Income taxes actually paid in the fiscal year in each jurisdiction include the final settlements derived from the payments on account and withholdings paid, which are reduced in turn in the income tax rebates in the current year. The result of the settlements deriving from tax assessments during that year is also included.

All ordinary income generated by CaixaBank Group is taxable.

The amount of the corporation tax payments do not correspond to the amount of the income tax expense recorded in the consolidated statement of profit or loss. The main cause of this divergence lies in the different timing of recognition of the items that make up the accrual and cash criteria in relation to income tax.

- **Grants and public aid received**

In 2022, the Group received the following grants and public aid:

- A grant from the Ministry of Industry, Energy and Tourism, through the department of shipbuilding, for EUR 3.4 million in aid for shipbuilding.
- A grant from the State Foundation for Training in Employment (FEFE) for meeting certain conditions required in employee training courses, for an amount of EUR 3,7 million.
- Subsidy from the Government of Valencia for the installation of ATMs in certain areas, amounting to EUR 1 million.

- **Indicators and ratios**

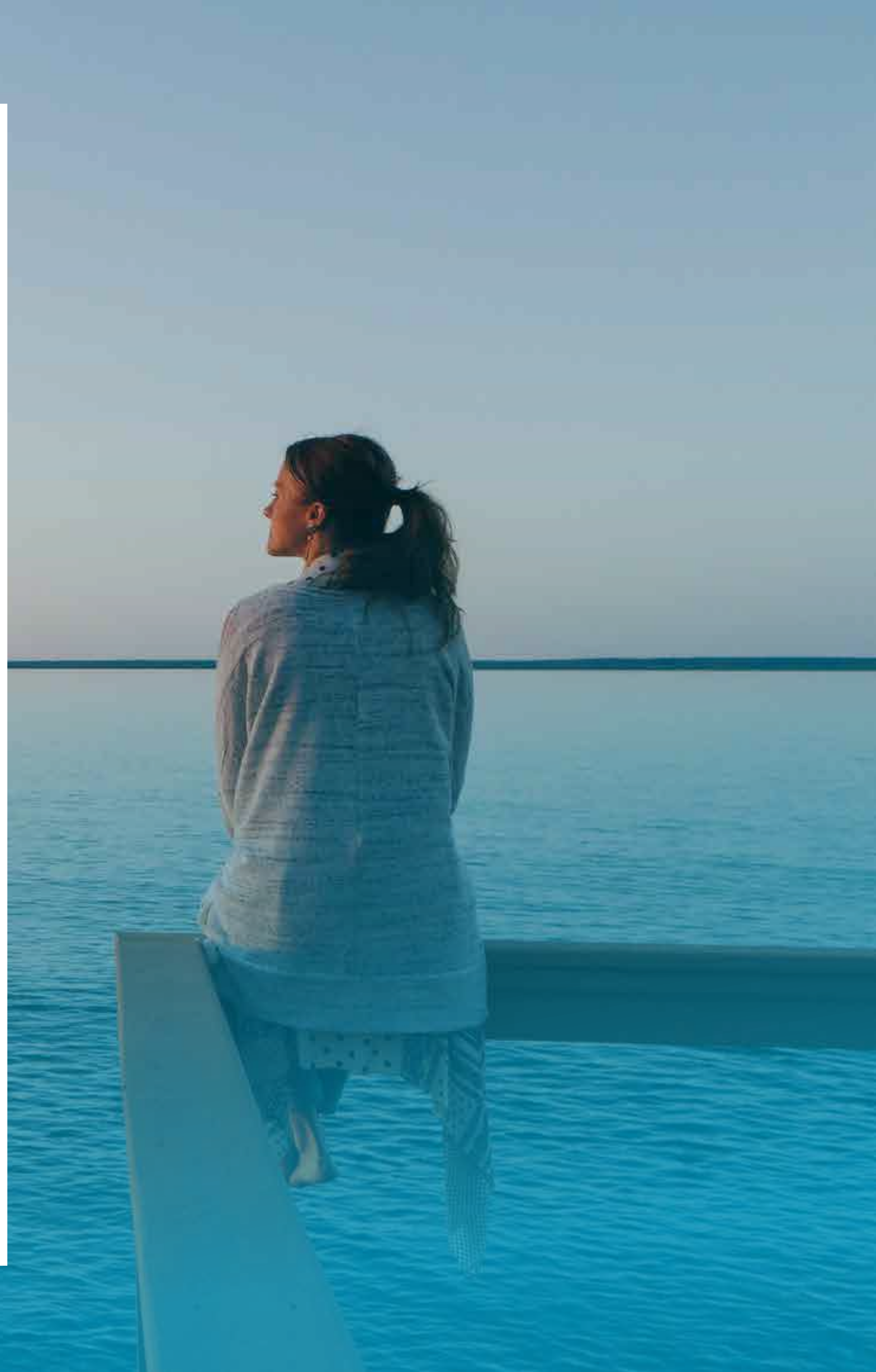
The relevant indicators and ratios are shown under the heading "08 Shareholders and Investors - Changes in profit/(loss)" of the 2022 Management Report. The return on assets in 2022, calculated as net profit (adjusted to reflect the amount of the Additional Tier 1 coupon, after tax, reported in equity) divided by average total assets over the last twelve months, was 0.4%, 0.8% (0.3% not considering the extraordinary assets of the merger) in 2021 and 0.3% in 2020).

Management Report

021-2022

⟶ Interactive document

CaixaBank



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_Legal Notice

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CaixaBank wishes to emphasise that this document may contain statements relating to projections or estimates in respect of future business or returns, particularly in relation to financial information regarding the CaixaBank Group, which has been prepared primarily on the basis of estimates made by the Company. Take into account that these estimates represent our expectations in relation to the evolution of our business, so there may be different risks, uncertainties and other relevant factors that can cause a change that substantially differs from our expectations. These variables include market conditions, macroeconomic factors, regulatory and government requirements; fluctuations in national or international stock markets or in interest and exchange rates; changes in the financial position or our customers, debtors or counterparties, and so forth. These risk factors, together with any others mentioned in past or future reports, could adversely affect our business and its performance. Other unknown or unpredictable variables, or when there is uncertainty as to their evolution and/or potential impacts, may cause the results to differ materially from those described in the forecasts and estimates.

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

The Statement of Profit & Loss 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 1606/2002 of the European Parliament and of the Council of 19 July 2002, as subsequently modified. In preparing these statements, Circular 4/2017 of the Bank of Spain of 6 December, as subsequently modified, has also been taken into due account in that it adapts IFRS-EU to Spanish credit institutions.

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In addition to the financial information prepared in accordance with IFRS, this report contains a number of the Alternative Performance Measures (APMs) set out in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) ("the ESMA Guidelines") so as to provide a clearer picture of the Company's financial performance and situation. Please be advised that these APMs have not been audited. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the CaixaBank Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. As such, they may not be comparable. Please refer to the "Glossary" section of the document for details of the APMs used. The report also provides a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS.

This document also includes the non-financial information statement in accordance with the provisions of Act 11/2018 of 28 December, on matters relating to non-financial information and diversity, the content of which has been obtained essentially from the Company's internal records and using its own definitions, which are detailed in the "Glossary" section and which may differ and not be comparable to those used by other companies.

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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, €MM or € million.

_Letter from the Chairman

The global outlook with which we started 2022 was very different from the one we have at the end of the year. Undoubtedly, the invasion of Ukraine has brought about a radical change of scenario.

It was unimaginable that this could happen in Europe in the third decade of the 21st century, but, unfortunately, it is a reality that, in addition to resulting in extraordinary human suffering, has produced a profound change in the economic, social and geopolitical environment. We are entering a new scenario where the challenges we have to face are not minor.

The pre-invasion economic environment was clearly positive in terms of economic recovery, following the two years of the pandemic and in spite of the confirmation of inflationary pressures, largely caused by bottlenecks in supply chains. However, the invasion of Ukraine has introduced, at a global level, a considerable factor of uncertainty in variables such as inflation and economic growth.

An uncertain economic environment in which our country's economy has shown strong resilience, supported by a labour market that has thrived more than expected.

In the medium term we continue to face significant global challenges with deep-seated trends, which although are now longstanding have accelerated after the pandemic and war. These are related to the transition of our economy to a more sustainable and environmentally friendly model, the growing digitisation of society and the fight against inequality.

From our company's point of view, 2022 has been a very important year, as **we have successfully concluded the integration process involved in the largest merger in the history of Spain**, while building the foundations to achieve the ultimate goal of this merger, which is to lead the transformation of the financial sector. And, we want to carry this out with a distinctive banking model that is highly inclusive and that establishes a close relationship with the families and companies, as well as the society we serve.

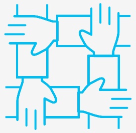
In line with this objective, in May we launched our first strategic plan after the merger with the slogan **"close to our customers"**, which should be used as a guideline in the medium term.

During this period spanning 2022-2024, our strategic priorities will focus on giving a strong boost to our business, beyond the barriers of traditional banking; we will continue to adapt our service model to the new needs of our customers, with the aim of continuing to provide excellent service quality; and we will continue working towards fostering the energy transition of companies and society, while promoting a responsible culture that uses as a benchmark the excellence in our corporate governance.

In parallel to this task of strategic focus, our company has continued to show great commercial dynamism, which has allowed us to increase our credit portfolio by 2.4% despite such a complex year.

We also continue to expand on services with high added value for our customers, such as long-term savings products, where we continue to grow our market share, reaching 29.7%.

This commercial performance, together with excellent risk management, which has taken our NPL ratio to minimum levels of 2.7%, has contributed to a profit after tax of 3.145 billion euros, that is, 29.7% higher than the previous year.



An enormous vocation of service and a clear objective, which is **being very close to our customers** and the society we serve.

These results have contributed to our ability to generate capital organically, enabling us to maintain high levels of capital adequacy, with a capital ratio of 12.8% at year-end, after distributing a dividend among our shareholders of 1.8 billion euros through a share buy-back programme.

These results, generated throughout the year, have been rewarded with market confidence, taking CaixaBank's market capitalisation to all-time highs with an annual rise 52%.

We look towards the future with optimism and great ambition. We have significant strengths, a well-defined strategy, a highly committed team and, above all, we enjoy the confidence of all our customers, which they show every day.

Our goal is to continue supporting society, families and companies, because this is the best contribution that CaixaBank can make to accompany and drive the transformation of our economy, both in terms of digitisation and the development of a more sustainable social and environmental fabric with greater opportunities and fairer for all.

And we will do so by becoming more accessible to the society we serve. We have reinforced this commitment by launching in October our new brand purpose: **"Standing by people for everything that matters."**

A closer relationship that becomes richer in the vulnerable groups in which we have a greater social impact through unique initiatives, such as Microbank, a European benchmark in micro-loans; Dualiza, our foundation that supports Dual Vocational Training; or in terms of housing through our stock of social rent properties.

And this is all possible because we have a different style of banking, deep-seated in our foundational origins, with an enormous vocation of service and a clear objective, which is being very close to our customers and the society we serve.

José Ignacio Goirigolzarri

Chairman

_Letter from the CEO

2022 was a very important year for the economy and the financial sector. The war in Ukraine had a significant impact in Europe, which experienced a marked economic slowdown, spiralling energy prices and subsequently a sharp rise in inflation. As a result, the second half of the year saw a major change in monetary policies that led to a rapid rise in interest rates, with benchmark rates leaving the negative zone after more than six consecutive years.

This year was particularly poignant for CaixaBank as we successfully completed the integration of Bankia. The complete integration of processes, teams, branches and businesses was completed during the year, as was the voluntary departure of 6,500 professionals. The work carried out has been both exhaustive and exemplary. I would like to express my thanks to all the staff, especially those who have left us in this process.

Now the integration is complete, we have become the leading financial group in the Iberian Peninsula, with the vocation and capacity to provide more than 20 million customers with an inclusive, quality and broad spectrum financial and insurance service. To do this, we have continued to make progress in specializing by segments, service models and digitization, so that today we can offer the maximum value and the closest proximity at the most efficient cost.

It is particularly noteworthy that, alongside the comprehensive integration process, our teams have upheld the vigour of their commercial activity and customer service, the benefits of which can clearly be seen in our results for the year.

The number of linked customers has continued to rise, representing 70.4% of the retail customer base in Spain. The healthy credit portfolio grew by 2.4%, and financing for families and businesses increased by 34%. In long-term savings, a traditional area of strength and importance for the CaixaBank Group, combined market share of investment funds, pension pans and savings insurance continued to improve, reaching 29.7%, with a balance of more than €212,000 million euros.

Total revenue increased by 5.6% in the year (on a comparable basis), while recurring expenses fell by 5.6% thanks to synergies from the integration. As a result, efficiency improved by more than 6 percentage points in the year. Added to this, the cost of risk remained very low, attributable profit was €3,145 million, up 29.7% on a comparable perimeter.

Financial strength has continued to be one of the main priorities. The CET1 capital ratio exceeds the minimum required by almost 450 basis points, and liquidity remains at very comfortable levels, even after early repayment of 81% of the TLTRO balance drawn. NPLs have fallen by 22% and the NPA ratio remains at 2.7%, the lowest level since 2008.

This strong balance sheet allows us to keep our cash dividend policy and propose a distribution of 55% of profit for the year among our more than 600,000 shareholders.

The bank continues to make a firm commitment to sustainability. This year we have mobilized more than €23.5 billion in sustainable finance, 37% of the target for 2022-2024 In addition, since 2018, we have been carbon neutral in our operational footprint and in 2022, as signatories of the Net Zero Banking Alliance, we have set our decarbonization targets starting with a credit portfolio with emission ratios that are far lower than those of other financial institutions. CaixaBank aims to reduce the average intensity of its lending portfolio in the electricity sector by 30% by 2030, and issuances financed by the oil and gas sector by 23%.

We began 2023 with a strong balance sheet, which will allow us to continue supporting **families, businesses and society** as a whole.

Similarly, we have been the only Spanish financial institution to adhere to the Convention on Biodiversity promoted by the United Nations and the first Spanish bank to join the Poseidon Principles, established by the Global Maritime Forum, in addition to maintaining our firm commitment to the United Nations Global Compact.

Both our asset management company, CaixaBank Asset Management, and our insurance firm, VidaCaixa, have maintained the highest rating in the United Nations' Principles for Responsible Investment (PRI). CaixaBank continued to be included in the main international sustainability indices, with high ratings.

We began 2023 with a strong balance sheet that will allow us to continue supporting families, businesses and society as a whole. We are bolstered by **an excellent team who are cohesive and focused on service and a robust business model.** We are confident that, guided by our corporate values of social commitment, we will achieve the challenges set out in our **2022-2024 Strategic Plan.**

Gonzalo Gortazar Rotaeche

CEO

01 Our identity

CaixaBank

_Presentation of the CaixaBank Group

CaixaBank is a financial group with a **socially-responsible model of universal banking and long-term vision**, based on quality, close relationships and specialisation.

Which offers a value proposition of products and services adapted for each segment, adopting innovation as a strategic challenge and a distinguishing feature of its corporate culture, and whose leading position in retail banking in Spain and Portugal makes it a key player in supporting sustainable economic growth.

CaixaBank, S.A. is the parent company of a financial services group whose shares are traded on the stock exchanges of Barcelona, Madrid, Valencia and Bilbao, and on the continuous market. Traded on the IBEX-35 since 2011, it is also listed on the Euro Stoxx Bank Price EUR, the MSCI Europe and the MSCI Pan-Euro.

_Impact on Society

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

We do this with:

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

We contribute to the progress of society

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

In addition to contributing to the financial well-being of our customers, **our aim is to support the progress of society.**

We are a retail bank with strong roots in the areas where we work, and we feel part of the business fabric **of the communities where we have a presence.**

_CaixaBank in 2022

_ Customers

> Be a leading financial services provider.
> Relationship based on proximity and trust.
> Excellence in service.
> Value proposition for each segment.
> Commitment to innovation.

#1 Bank in Spain with a strong position in Portugal

20.2 m → Of customers

18.3 m → Spain

1.9 m → Portugal

€592,234 m → Of total assets

€609,133 m → Customer funds

€361,323 m → Loans and advances to customers, gross

>OMNI-CHANNEL PLATFORM, FOSTERING INNOVATION

4,081 → Branches in Spain and **11,608 ATMs**

2.1 m → Heavy Users[1] in Spain

92 % → Spanish citizens with a branch or agent in their municipality

11.2 m → Of digital customers in Spain

324 → Branches in Portugal and **1,339 ATMs**

0.9 m → Of digital customers In Portugal

[1] *Customers with more than 130 days with connection to digital channels for 6 months.*

> MARKET SHARE

Spain

24.0 % Loans to households and businesses

24.8 % Household and business deposits

25.6 % Mortgages

24.5 % Investment funds

23.9 % Loans to businesses

34.0 % Pension plans[1]

30.7 % Credit cards

23.2 % Life-risk insurance

Portugal

11.5 % Loans to households and businesses

13.8 % Mortgages

11.0 % Loans to businesses

12.5 % Life-risk insurance[2]

10.9 % Household and business deposits

11.6 % Investment funds[2]

> CAIXABANK

Best Bank in Spain 2022 and Best Bank in Western Europe 2022 by Global Finance.

Best Bank for Sustainable Finance in Spain for 2022.

Best Bank in Spain 2022 by Euromoney.

Best Bank for Responsibility in Western Europe 2022.

> BPI

Best Bank of the Year in Portugal in 2022 The Banker.

Best Bank in Portugal 2022 Euromoney.

[1] The contribution of the integration of Sa Nostra Vida in the fourth quarter of 2022 is included.
[2] Data as at November 2022.

_Shareholders and Investors

> Long-term creation of value.

> Offering attractive returns.

> Close and transparent relationship.

CaixaBank, **best shareholder service for a listed company 2021 at the 7th Rankia Awards.**

> SHAREHOLDER RETURNS

55 % → Cash pay-out in 2022[2]

€0.2306 → Dividend per share[1]

50 % - 60 % → Pay-out objective 2023

→ During 2022, **the share buyback programme was carried out to the value of €1,800 m.**

> PROFIT SUSTAINED BY THE PROGRESS OF COMMERCIAL ACTIVITY AND SYNERGIES

€3,145 m → Adjusted attributable profit **+ 29.7% with respect to 2021 profit** (without extraordinary items from merger)

€11,997 m → Core Income **+5.8%** (on a comparable basis)

9.8 % → ROTE

> SOLID CAPITAL POSITION

12.8 % → CET1

17.4 % → Total capital

25.9 % → MREL

> IMPROVEMENT IN CREDIT QUALITY METRICS

2.7 % → Non-performing loan ratio

74 % → NPL coverage ratio

0.25 % → Cost of risk 12 months

> STRONG LIQUIDITY

€139,010 m → Total liquid assets

194 % → Liquidity Coverage Ratio (specific)

142 % → Net Stable Funding Ratio (NSFR) (one-off)

[1] Dividend charged against 2022 profits agreed by the Board of Directors, to be proposed at next AGM. Equivalent to 55% of the pay-out on the net attributable adjusted profit.
[2] Charged against 2022 results.

_People and culture

> Foster and develop talent by promoting equal opportunities, meritocracy and diversity.

> Deploy the best employee experience strategy by contributing to well-being and work-life balance.

> Promoting the attributes of agility and collaboration.

44,625 Employees CaixaBank Group

56.5% → Female

43.5% → Male

99.5% → Indefinite contracts

45.8 years → Average age

17.9 years → Average length of service

>COMMITMENT TO DIVERSITY

41.8% → On women in managerial positions[1]

1.1% → Gender pay gap

578 → Employees with disability

CaixaBank renewed in 2022 **for the twelfth consecutive year.**

Family-Friendly Company Certificate (FFC), maintaining the A Level of excellence.

>COMMITTED TO TRAINING AND TALENT ATTRACTION

70.2 hours → On employee training

€15.1 m → On investment in training

Top Employer

→ CaixaBank S.A., awarded the Top Employer Spain 2023, which **recognises excellence** in the professional environment that organisations create for their employees.

>REMUNERATION FOR EMPLOYEE RETENTION

The General Remuneration Policy is linked to ESG risks

The CaixaBank Employee Pension Plan (PC30) continues to be the leader in terms of assets and profitability by promoting social and environmental initiatives and investing in companies that follow principles of good governance.

4.08% → Return on Employee Pension Plan at 5 years

[1] *From lower management in A and B branches. Scope CaixaBank, S.A.*

_ Society

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

> CONTRIBUTION TO GDP

1.00 %

€13,323 m Direct and indirect contribution to Spanish GDP

17 % Gross added value of CaixaBank in the financial and insurance sector

0.42 %

€1,000 m On direct and indirect contribution to Portuguese GDP

7 % Gross added value of BPI in the financial and insurance sector

> FINANCING AND INVESTMENT WITH IMPACT

€1,000 m Of own social bonds issued in 2022

>€47,000 m **Assets under management** with a high sustainability rating according to SFDR (articles 8 and 9)[4]

> PAID TAXES, THIRD-PARTY TAX COLLECTION AND OTHER CONTRIBUTIONS

- **€1,894 m** Taxes paid
- **€1,778 m** On third-party taxes collected[2]
- **€740 m** Other contributions[3]

> BOOST TO ECONOMIC ACTIVITY

62,928 Spain

6,068 Portugal

Job positions generated through the multiplier effect of purchases from suppliers[1]

€1,016 m In microcredits and other financing **with social impact**

5,876 **New businesses** created with support to entrepreneurs

> COMMITMENT TO SOCIETY

Presentation of the **commitment to providing personalised services to the community of Senior Citizens** with the best services in the sector:

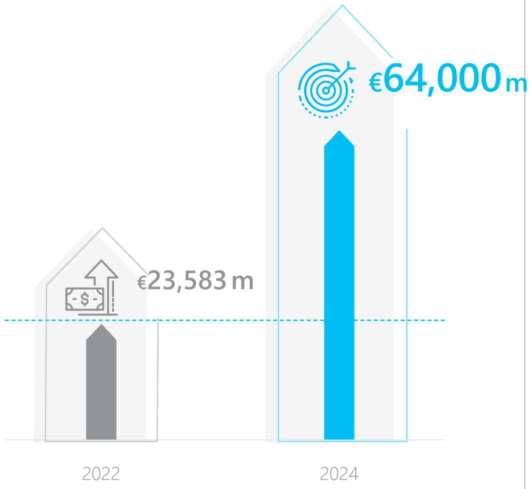
- 1,233 specialised and exclusively dedicated advisers.
- Reinforcements of 1,882 staff members in branches for customer service.

[1] CaixaBank Research, based on the value of CaixaBank, Spanish GDP and employment according to National Accounting and productivity figures per worker and based on the input/output tables of the National Statistics Institute (INE) with 4th-quarter data.
[2] Taxes payable by third parties arising from their economic relationship with CaixaBank.
[3] Contribution to the Deposit Guarantee Fund, Extraordinary contribution to the banking sector (Portugal), Contribution to the Single Resolution Fund and Financial Contribution monetisable DTAs.
[4] According to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 sustainability-related disclosures in the financial services sector (SFRD).

_Environment and climate

Transition to a **carbon-neutral economy.**

> SUSTAINABLE ENVIRONMENT FUND



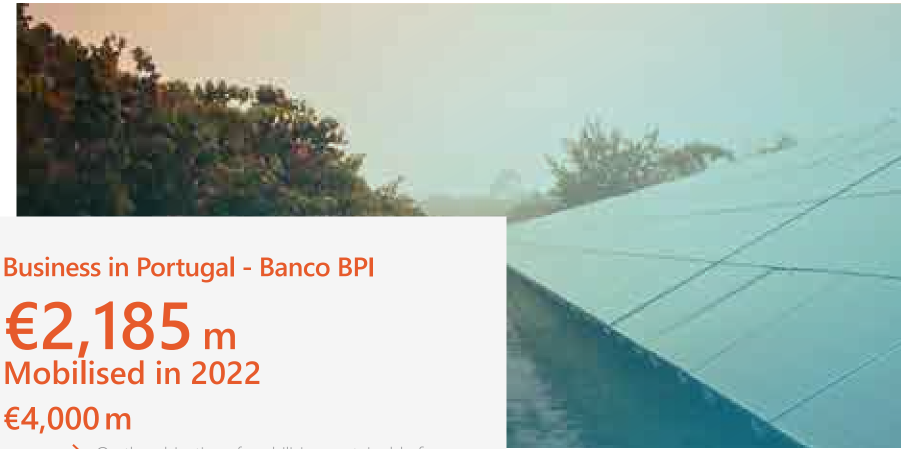
€23,583 m
Mobilising sustainable finance

8,074
Green financing

1,016
Social financing

€11,543 m
Sustainable financing linked to sustainability variables

€2,950 m
Intermediation mediation



Business in Portugal - Banco BPI

€2,185 m
Mobilised in 2022

€4,000 m
On the objective of mobilising sustainable finance

REFINITIV

REFINITIV recognises CaixaBank in its League Table as:

- **16th** Global bank - *Global Top Tier Green & ESG Loans*
- **3rd** 3 EMEA[1] Bank - *Top Tier Green & ESG Loans*

Bloomberg

Bloomberg recognises CaixaBank in its League Table as:

- **13th** Global Bank - *Top Tier Green Use of Proceeds*
- **1st** EMEABank - *Top Tier Green Use of Proceeds*

> OUR COMMITMENTS

Following its adhesion as a founding member to the *Net Zero Banking Alliance* (NZBA) in 2021, CaixaBank has published the interim targets for decarbonisation, at 2030, of its credit portfolio.

CaixaBank is the first Spanish financial institution to have signed the **Financial Sector statement on biodiversity.**

_Renewal and extension of certifications and efficiency promotion

EMAS · ISO 50001 · ISO 14001

€2,000 m
On own Green bonds issued in 2022

[1] *Europe, Middle East and Africa.*

_Significant events in the year

ESG | Corporate | Product and business | Issues | Awards and Recognitions

January

- Agreement with Mutua Madrileña and SegurCaixa Adeslas for the payment of **compensation in the amount of €650 million for the increased network resulting from integrating Bankia** in the current distribution arrangement.
- CaixaBank issues its **fourth social bond** for €1,000 million.

February

- CaixaBank recognised for its **leading role in international financing solutions** by the IFC (World Bank Group) for the second consecutive year.

Presentation of the commitment to **providing personalised services to senior citizens.**

March

- Implementation of measures to facilitate **support to those affected by the war in Ukrainian.**
- The Association of Volunteers mobilises two convoys of buses **to transport 400 refugees from Ukraine to Spain.**

April

- imagin leaps into the metaverse by inaugurating **Imaginland** and becomes the **first European fintech** in the virtual world.
- CaixaBank, named **Best Bank in Spain 2022** and **Best Bank in Western Europe 2022** by Global Finance magazine.
- BPI acknowledged as "**Best Bank in Portugal 2022**" by the magazine Euromoney.
- CaixaBank reinforces its capital position by issuing **two senior non-preferred issuances** for the amount of £500 million and €1,000 million.

May

- CaixaBank named '**Best Bank for Sustainable Finance in Spain for 2022**' by the magazine Global Finance.

Presentation of the **2022-2024 Strategic Plan.**

CaixaBank launches its **share buy-back programme** for a maximum amount of €1,800 million.

June

- CaixaBank has been named the '**Best Private Bank in Europe for Big Data Analytics and Artificial Intelligence**' and '**Best Private Bank for Digital Communication and Marketing**' by PWM (FT Group).
- **Acquisition of an 81.31% stake in the company Sa Nostra**, Compañía de Seguros de Vida, S.A.
- CaixaBank, CaixaBank Asset Management and VidaCaixa publishes the **Statement of Main Adverse Impacts** of investment decisions on sustainability factors.

July

- CaixaBank was recognised as the leading bank in **sustainable financing in Europe** in the first half of 2022, according to the Refinitiv ranking.
- Euromoney chooses CaixaBank as '**Best Bank in Spain 2022**' and '**Best Bank in Corporate Responsibility** in Western Europe 2022'.

August

- CaixaBank, first Spanish bank to adhere to **Poseidon Principles.**
- FTSE4Good ranks CaixaBank **among the world's most sustainable banks.**

September

- CaixaBank, the only European bank chosen by the ECB to **collaborate in the prototype of a digital euro.**
- CaixaBank launches "**MyBox Jubilación**", the most comprehensive retirement savings solution.
- CaixaBank issues its **first green bond** for €1,000 million.

October

- BPI enters the metaverse and opens the CaixaBank Group's **first virtual reality banking branch**.
- More than **10,000 volunteers** mobilise to celebrate the CaixaBank Social Week.
- CaixaBank launches an initiative to **promote sustainable mobility** with specialised financing.

CaixaBank publishes the **2030 interim decarbonisation targets** of its credit portfolio.

November

- CaixaBank named '**Best Performing Private Bank in Europe 2022**' by The Banker/PWM (FT Group).
- CaixaBank issues its **sixth green bond** for €1,000 million.
- CaixaBank launches its first climate report as the European benchmark bank in sustainability.

CaixaBank approves adherence to the **Codes of Good Practice** that integrate support measures for mortgage borrowers in difficulty.

December

- CaixaBank strengthens its **commitment to responsible investing** with new PRI scores.
- CaixaBank renews its inclusion in the **Dow Jones Sustainability Index**.
- CDP acknowledges CaixaBank as a **leading company in sustainability** for its action to combat climate change.
- Following the completion of the **Share Buy-back Programme**, it was agreed to engage in a **reduction in the share capital** by redeeming all the treasury shares acquired.
- **CaixaBank reduces the amount of the TLTRO-III** within the framework of the early repayment option. In the total this year **€65,132 million has been repaid.**
- CaixaBank is the first Spanish financial institution to have signed the Financial Sector statement on **biodiversity**.

_Alliances and affiliations

> CROSS-DISCIPLINARY ESG

UN international initiative that promotes sustainable development by aligning the business activity with ten principles on human rights, labour standards, the environment and the fight against corruption. CaixaBank (2005); MicroBank and VidaCaixa (2009); CABK AM (2011) and BPI (2021).

Responsible Banking Principles. A voluntary initiative to promote the alignment of the banks' actions with the Sustainable Development Goals and the Paris Agreement. CaixaBank (2019).

They promote investment management based on environmental, social and good governance criteria. VidaCaixa (2009), CaixaBank AM (2016) and BPI Gestao de Activos (2019).

Initiative that drives the development and expansion of innovative risk and insurance management solutions that contribute to environmental, social and economic sustainability. VidaCaixa (2020).

Promoting responsible and sustainable investment in Spain (2011).*

Entity that represents savings and retail banking institutions in Europe. There are different committees with the participation of CaixaBank teams.

Entity that represents savings banks in Spain. There are different committees with the participation of CaixaBank teams.

Strives to fulfil SDGs by promoting high-impact investments. CaixaBank Asset Management holds the chairmanship of SpainNAB, the Advisory Board for Impact Investment (2019).

Commitment to promoting, fostering and disseminating new knowledge about sustainability and social impact (2005).

BPI / "la Caixa" Foundation Chair in Responsible Finance

To promote research and education on the role of finance in society's progress and economic development, together with the Nova School of Business Economics. BPI (2020).

They strive to ensure enough private capital is allocated to sustainable investments. Members of the network of UN European sustainability centres (2019).

Promotes the integration of social, environmental and governance aspects in the management of companies (2010).

Promotes the commitment of companies to improving society through responsible action. CaixaBank is on the Board of Trustees and the Advisory Board (2011).

Monitors compliance with the SDGs by Spanish companies. Created by "la Caixa" in collaboration with the Leadership and Democratic Governance Chair of ESADE (2017).

Working group with other financial and academic institutions and experts to create a common tool for measuring and assessing impacts (2022).

Principles that promote development and integrity in green and social bond markets (2018, 2021).

United Nations body responsible for promoting responsible and universally accessible tourism (2019).

Spanish Association of CSR Professionals. CaixaBank is a member of the Board (2015).

Initiative that drives the development and expansion of innovative risk and insurance management solutions that contribute to environmental, social and economic sustainability (2020).

Defending CSR and the fight against corruption in Spanish companies (2019).

* *Adhesion of Bankia, merger with CaixaBank.*

> ENVIRONMENTAL

Net Zero Banking Alliance

→ Commitment to achieve neutral greenhouse gas emissions in credit and investment portfolios by the deadline of 2050 (2021).

Net Zero Asset Owners Alliance

→ An initiative driven by the United Nations and PRI involving the commitment to transition its portfolios towards net zero greenhouse gases emissions in 2050. VidaCaixa (2022).

Collective Commitment to Climate Action

→ Commitment to align the business strategy with the temperature goals of the Paris Agreement (2019).

TCFD

→ Financial Stability Board initiative that encourages the disclosure of climate-related risks of companies (2018).

PCAF

→ Partnership of financial institutions to develop and implement a methodology for measuring and reporting greenhouse gas emissions associated with loans and investments (2021).

EQUATOR PRINCIPLES

→ Commitment to apply a voluntary management framework for determining, assessing and managing social and environmental risks in project financing (2007).

Climate Action 100+

→ Initiative to foster dialogue with companies around the globe with high greenhouse emission levels (2018). VidaCaixa and CABK AM (2018).

POSEIDON PRINCIPLES

→ Framework established by the Global Maritime Forum for assessing and promoting climate-aligned shipping portfolios. It seeks to enhance the role of maritime financing in addressing global climate goals. CaixaBank (2022).

Grupo Español Crecimiento Verde

→ Promotes economic growth linked to a low-carbon economy through collaboration between the public and private sectors (2016).

Cátedra AgroBank

→ Chair to promote innovation and sustainability in the agribusiness industry (2016).

→ Promotes and develops renewable green hydrogen production as a driver of decarbonisation with the aim of achieving the European Union's climate targets (2021).

> GOVERNANCE

closingap

→ Alliance of companies that acts as a reference cluster, with public and private collaboration, and that analyses the cost of economic and social opportunity of gender gaps (2021).

WOMEN'S EMPOWERMENT PRINCIPLES

→ Women Empowerment Principles Promoted by the UN, involving the public commitment of aligning policies towards advancing gender equality. CaixaBank (2013) and BPI (2021).

TARGET GENDER EQUALITY

→ Promoted by the United Nations Global Compact with the aim of increasing the representation of women on boards of directors and in executive management positions (2020).

> SOCIAL

Fundación "la Caixa"

→ Partnership with the "la Caixa", the first Social Action Project in Spain and one of the largest in the world.

UNEP Finance – Principles for Responsible Banking

Collective Commitment to Financial Health and Inclusion

→ Initiative to promote better health and financial inclusion of customers and society in general (2021).

advance

→ Collaborative dialogue initiative promoted by PRI to act and influence companies and other institutions to act on human and social rights. CaixaBank AM and VidaCaixa (2022).

funcas educa

→ The Funcas-Educa Financial Education Stimulus Programme, promoted by CECA and the Funcas Foundation, aims to improve the level and quality of financial culture in Spanish society (2018).

Strategic Protocol to Reinforce the Social and Sustainable Commitment of the Banking Sector

→ To reinforce the social and sustainable commitment of banking on measures to promote financial inclusion, adherence through CECA (2021)

→ Promotes microfinance as a tool to combat social and financial exclusion in Europe through self-employment and the creation of micro-enterprises. MicroBank (2008).

EIF – European Investment Fund

→ Its main mission is to support European microbusinesses and small and medium-sized enterprises (SMEs), by helping them to access financing (2018).

CEB

→ Its mission is to promote cohesion and strengthen social integration in Europe by financing projects with a strong social component (2008).

> GOVERNANCE

REDI

→ Spanish non-profit association that promotes an inclusive and respectful environment with LGTBI diversity in the workplace. CaixaBank (2022).

APWG

→ International partnership to unify the global response against cybercrime, of which CaixaBank is a co-founder (2013).

02 Corporate strategy and materiality

CaixaBank

_Environment

_Economic contex

_Evolution in global economy and eurozone

Following the extraordinary impact of the pandemic in 2020 and the strong upturn in 2021, **2022 was expected to serve as a stepping stone for the global economy to get back on track.** However, the outbreak of the war in Ukraine came as another extraordinary shock, when several large economies were still below pre-COVID levels and inflationary pressures were already emerging from the aftermath of the pandemic (supply disruptions, demand readjustments, fiscal stimuli, etc.). Consequently, Russia's invasion of Ukraine in 2022 weighed heavily on the energy industry that exacerbated the inflationary pressures, thereby resulting a significant tightening of monetary policy from the main central banks, with increases in benchmark rates in the United States and the eurozone of 4.25 and 2.5 percentage points, respectively.

For the year as a whole, **this all of this led to declines in the international markets**, particularly in technology, and sharp increases in debt rates. On the other hand, global economic activity showed some resilience thanks to the recovery of the services sector, the strength in the labour market and the excess savings accumulated over the previous two years. In particular, it is estimated that the world's economy grew 3 % in 2022, with some fluctuation throughout the year and with some variation among different countries.

The United States showed very moderate GDP growth (2.1 %), even with slight recession in some quarters, while eurozone GDP grew by around 3 %, albeit with marked disparity between countries. China's GDP also grew 3 %, although this figure was much lower than expected, hampered by the zero-Covid policy and the string of lockdowns, in addition to the decline in the real estate sector, both of which look likely to continue in 2023.

Looking to the quarters to come, **a further slowdown in global activity is expected,** held back by increased uncertainty, the erosion of the purchasing power due to rising inflation, diminishing confidence and the tightening of monetary policy. Nonetheless, the cooldown in global demand, alongside improvements in bottlenecks, should help bring inflation down and, therefore, facilitate the end to monetary tightening, although some rates are forecast to remain high. After a difficult winter, the global economy should pick up in 2023. Even so, **the environment is very uncertain and there are significant risks of a further weakness in activity**, more persistent inflation and greater monetary tightening. In this context, the following will be key: (i) the persistence of the impact on energy prices; (ii) second-round effects on inflation; (iii) the anchoring of inflation expectations; (iv) the alignment of tax policy with the monetary aim of cooling demand; and (v) the effectiveness of the monetary tightening carried out.

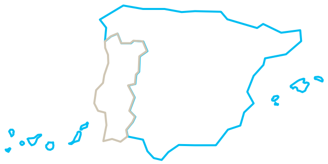
Reorientation **of the ECB's monetary policy.**

The eurozone has been one of the regions worst affected by the war in Ukraine war due to its high dependency on Russian gas imports.Russia's decision to gradually reduce the flow of gas into Europe throughout 2022 (to virtually zero since September), catapulted gas prices, which in August set record highs and forced the European Commission to adopt a battery of measures to confront this energy crisis.

In order to weather the winter months and avoid energy rationing, **the EC recommended energy saving measures,** while pushing gas reserves to 90% of their total storage capacity by November. This challenge was met comfortably, allowing us to get through winter with more peace of mind. In this context, the eurozone economy performed better than expected up to the third quarter, thanks to the lifting of COVID restrictions. However, the deterioration in business and household confidence point to moderate declines in activity towards the end of 2022 and early 2023. This is more pronounced in Germany and Italy, two of the largest economies exposed to Russian gas. Despite the year-end slowdown, the Eurozone's GDP grew by 3.5% in 2022. More caution is needed for 2023, when the eurozone is expected to grow barely 0.5%.

Following a new all-time high of 10.6% in October, inflation eased as a result of the moderation of energy prices and closed the year at 10.0%. The base effects, the greater stability of energy prices, the easing of the bottlenecks, the cooling of economic activity and the limited second-round effects should, on the whole, support a gradual reduction in inflation in 2023, although it will remain well above the ECB's target.

_Evolution in Spain



Resilience of the Spanish labour market in 2022.

The performance of the Spanish economy throughout 2022 was conditioned by the lifting of pandemic control restrictions, which encouraged the reactivation of international tourism and, on the other, by the outbreak of the war in Ukraine, the accentuation of inflationary pressures and the rise in interest rates. In a context marked by great uncertainty, economic activity slowed in the second half of the year, affected by declining household spending due to the impact of the upturn in inflation and interest rates on their purchasing power. Nonetheless, the economy overcame a turbulent year with relative success, and thanks to the country's low dependence on Russian gas and the high regasification capacity of liquefied natural gas, the impact of the crisis was lower than in other major European economies. Furthermore, the excess household savings accumulated during the pandemic and the fiscal and regulatory measures implemented partially cushioned the impact of higher energy prices. Thus, over the course of the year, the GDP grew by 5.5 %, although at the close of the year it still stood 0.9% below pre-pandemic levels (fourth term of 2019).

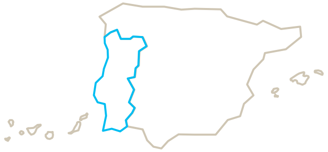
A sharp slowdown in economic growth is expected in 2023.

In positive terms, the good performance of the labour market stands out, with an increase of 470,000 workers registered with the Social Security system when compared to the end of the previous year. This labour market recovery allowed inequality indicators to fall to levels below pre-pandemic levels, according to the CaixaBank *Research* inequality tracker (https://realtimeeconomics.caixabankresearch.com/#/monitor). Specifically, it is estimated that the Gini index in Spain in November 2022 was already 1.8 points below the level of February 2020, just before the start of the health restrictions.

Furthermore, after reaching a historical high 10.8% in July, inflation decelerated to 5.7% at the end of the year as a result of the correction of energy prices and registered an annual average of 8.4%. However, the underlying inflation continued to rise, mainly driven by the increase of processed food prices, reaching 6.9% in December. Excluding energy and all food, inflation closed the year at 4.4%.

2023 looks set to be a complex year with a high level of uncertainty. In principle, a sharp slowdown in GDP growth is to be expected, weighed down by the climate of uncertainty and the erosion of purchasing power following from the upturn in inflation and interest rates. However, the year is forecast to improve. After a difficult winter, the moderation of inflation and tensions in commodity markets will tend towards a gradual recovery in real incomes and activity. In the Spanish economy, we expect a GDP growth of 1.3%, after growing above 5.5% in 2022.

_Evolution in Portugal



The Portuguese economy registered remarkable growth in 2022, despite the substantial challenges it faced in terms of high energy costs, rising inflation and tightening of monetary policy. GDP growth stood at 6.7%, exceeding pre-pandemic levels. The main drivers of growth were domestic demand components, particularly private consumption, which benefited from a very dynamic labour market and from savings accumulated during the lockdowns.

The year 2022 was also marked by the rise in inflation, which in October exceeded 10%, the highest level since 1992; and registered an annual average of 7.8%.

In 2023, a marked slowdown in GDP growth is likely, with a forecast of 1 % for the year, while inflation will ease to 5.5 %. Despite the drop in inflation expected throughout the year and the gradual stabilisation of interest rates in the eurozone, the cumulative effect of the rising prices, alongside the notable increase in financing costs, may cause a sharp slowdown in private consumption and investment.

_Regulatory context

CaixaBank takes a broad-based approach to influencing public policy, with the aim of **supporting the economic development and growth of the regions in which it operates.**

In particular, we should emphasise the support to regulatory initiatives that strive to strengthen financial stability and support the proper performance of the European banking sector. To this end, CaixaBank participates in the regulatory and legislative processes of the financial and banking sector at national, European and global levels in order to promote a solid, consistent and coherent regulatory framework. Likewise, as a socially responsible entity, CaixaBank supports the development of a regulatory framework for sustainable finance to meet the goals of the 2030 Agenda and the Paris Agreement on Climate Change. CaixaBank wants to ensure a fair transition to a sustainable economy, which is why it also engages in initiatives related to promoting the digital transformation, improving transparency and protecting consumers.

CaixaBank does not engage direct lobbying or interest representation services to influence public authorities. Instead, in general, it shares its views through various associations to try to come to an understanding on the industry's position, although in some specific cases it may communicate directly with regulators and public authorities.

The **CaixaBank Regulation Committee** is the body responsible for monitoring the regulatory environment and setting positions on developments of public policies that are relevant to the bank and the financial system. The Committee uses internal studies of proposed regulatory changes to identify potential unwanted effects or impacts that could be disproportionate in relation to the desired aim of the legislation. After analysing the proposals, the Committee decides on the regulatory strategy that will be channelled through associations or communicated directly to the authorities.

Relationships with political parties and public authorities are subject to CaixaBank's Code of Ethics and Action Principles and its Anti-Corruption Policy. These documents inform all of CaixaBank's interactions in regulatory processes.

CaixaBank's Code of Ethics and Anti-Corruption Policy are intended to ensure not only compliance with applicable legislation, but also to underscore its firm commitment to its ethical principles as signatories to the United Nations Global Compact. and our determination to combat corruption in all its forms.

Section 6 of the CaixaBank Anti-Corruption Policy prohibits donations to political parties and their associated foundations. CaixaBank has controls in place to ensure that donations are not made to political parties.

> CaixaBank shares **its opinions on regulatory processes** with public authorities through position papers and impact analysis documents, either at their request or on its own initiative.

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

Sustainable finance

- EC consultation on the proposal for a Directive on Corporate Sustainability Due Diligence.
- Consultation on the first set of Standards for Dissemination on Sustainability of the EFRAG (ESRS).
- ESAs call on greenwashing.
- EBA Public Consultation on the role of environmental risks in the Pillar 1 prudential framework.
- Proposed Regulation on a European green bond standard.
- The EBA's discussion paper on the role of ESG risks in the prudential framework;
- ITS (Implementing Technical Standards) for disclosing information on ESG risks under Pillar 3 of the EBA;
- Consultation of the Platform on Sustainable Finance relating to the draft report on minimum guarantees;
- Consultation on the principles for the effective management and supervision of climate-related financial risks
- European Commission Regulation on deforestation
- Consultation of the European Commission on the functioning of ESG ratings.

Markets

- CNMV consultation on the code of best practice for institutional investors, asset managers and proxy advisors.
- Draft Law on investment services and the securities market.
- Law on the creation and growth of companies
- Law on the promotion of the ecosystem of emerging companies.
- Monitoring of the European Commission's initiatives on the Retail Investor Strategy.
- Bank of Spain consultation on Covered Bonds.
- ESMA consultation on the Guidelines on MiFID II product governance guidelines.
- ESMA Guidelines on certain aspects of the MiFID II remuneration requirements.
- ESMA Guidelines on certain aspects of the MiFID II suitability and execution-only requirements.
- Capital Markets Union Package - European Commission.

Innovation and digitisation

- EC proposal to amend the eIDAS regulation.
- Proposal of EC Regulation on markets in crypto-assets (MiCA).
- Proposal for EC Regulation on the digital operational resilience for the financial sector.
- Proposal for Regulations on harmonised rules regarding artificial intelligence.
- EC consultations on the Digital Euro.
- EC consultation on the review of the Payment Services Directive (PSD2),
- EC Regulation proposal on harmonised rules on fair access to and use of data.
- EC consultation on an Open Finance Framework.
- EC proposal for a regulation on cyber resilience.
- EC proposal for a regulation on instant credit transfers in euros.
- Regulation (EU) 2022/1925 on Digital Markets.
- Regulation (EU) 2022/2065 on Digital Services.

Financial stability and strengthening of the financial sector

- Easing measures deriving from the Russia-Ukraine conflict, including:
  - Royal Decree-Law (RDL) 6/2022 and the amendment of the Code of Good Practice provided for in RDL 5/2021RDL.
  - Royal Decree-Law 19/2022, amending and extending the Code of Good Practice to alleviate the rise in interest rates on mortgages.
- EC legislative proposal for CRR III (Capital Requirements Regulation) and CRD-VI (Capital Requirements Directive).
- BCBS consultation on the prudential treatment of crypto-assets.
- European Commission Public Consultation on Enhancing the Macroprudential Framework.
- Package of EC legislative proposals on AML/CFT provisions, which includes, among others:
  - Regulation for the establishment of a new European AML/CFT Supervisory Authority (AMLA) Regulation on AML/CFT obligations (AMLR).
  - Regulations on information accompanying transfers of funds and certain crypto-assets (TFR).
- Legislative packages of sanctions against Russia.
- European Banking Authority (EBA) Guidelines on the role of the AML/CFT compliance officer and the management body of credit or financial institutions.

Consumer protection and transparency

- Review of Consumer Credit Directive.
- Review of Directive on distance marketing of consumer financial services.
- Draft Law on Customer services.
- Draft Law to protect whistleblowers and fight corruption.
- Draft Law creating the independent administrative authority for the defence of financial customers.
- Draft Law on the transposition of European Union Directives regarding accessibility of certain products and services.
- Code of Good Practice to alleviate the rise in interest rates on mortgages on primary homes.

_Social, technological and competitive context

_Profitability and solvency of business - banking sector

In 2022, the Spanish banking sector will consolidate its **recovery in profitability** thanks to the general economic recovery and the change in the course of monetary policy. In particular, the return on equity (ROE) of the Spanish banking sector reached 10.1% in the third quarter of 2022[1], (vs. 9% stripping out extraordinary expenses in 2021), representing an increase of 1.1 percentage point.

This improvement is mainly due to an increase in both net interest income and fee and commission income. The increase in net interest income is largely due to an increase in the loan portfolio, and a positive price effect due to higher interest rates.

In this respect, the 12-month Euribor, which has been in positive territory since April 2022, was on an upward path during 2022 and is now above 3%. In the coming quarters, we expect this interest rate environment to continue to contribute positively to net interest income, thanks to the repricing of variable rate loans, as well as new lending at higher rates, and lower remuneration on deposits. Nonetheless, high inflation, a complex current macroeconomic environment resulting from the protracted conflict in Ukraine, the energy crisis and continued supply chain problems could increase the risks of a deterioration in credit quality and lead to a tightening of financing conditions. Thus, banking activity could be affected by a fall in lending volumes and an increase in provisions in the medium term.

In this environment, the Government, in collaboration with Spanish banks, has approved a series of extraordinary best practice measures with the aim of alleviating the mortgage burden of the most vulnerable households, depending on their level of income and mortgage effort. These measures, which include reductions in the applicable interest rate, the possibility of restructuring, and grace periods, will help to minimise credit risks derived from the current macroeconomic environment.

However, in 2022, credit quality continued to improve the NPL rate to 3.68% in September, which represents a reduction of 113 basis points compared to the levels prior to the pandemic (February 2020) and the lowest level since 2008.

However, despite the aggregate reduction in non-performing loans, certain signs of impairment of credit quality and heterogeneous behaviour are observed by activity sectors, which could be aggravated by the current scenario. Specifically, the weight of special watch-list performing loans remains above pre-pandemic levels, although it levelled of to 6.6% in September 2022 after reaching a maximum of 8.1%[2]. As regards the NPL ratio of ICO loans, there is a slight deterioration, although at a slower pace than in previous half-year periods, standing at 5.9% in June. Meanwhile, the Spanish banking sector maintains comfortable capital levels despite, in the third term of 2022, according to EBA data, the CET1 capital ratio decreasing slightly compared to 2021 to 12.5 %. These capital levels are well above those recorded in the previous financial crisis, and give the banking sector a high capacity to absorb potential losses, even in the most adverse scenarios. This is demonstrated by the latest stress tests carried out by the Bank of Spain, in which it estimates that the CET1 ratio would remain above the requirements if there was a severe deterioration in the macroeconomic framework. However, it should be noted that the new tax on banking will have a significant impact on the statement of profit and loss of the Spanish banking sector and, consequently, on the ability to generate capital organically in the next two years.

> CaixaBank has signed up to a series of **extraordinary best practice measures** aimed at easing the mortgage burden on the most vulnerable households.

As for the liquidity levels of the financial sector, these remain high. The LCR ratio stood at 193% (compared to 203% in December 2021). However, the change in the conditions of the ECB's funding facilities for banks (the so-called TLTROs), which will promote early repayment, will have a negative impact on banks' liquidity ratios, although they are expected to remain comfortably above requirements.

↗ See the section on Shareholders and investors

[1] Supervisory Statistics of the Bank of Spain. Consolidated data. Annualised to the third quarter of 2022.
[2] EBA Risk Dashboard Data.

_Digital transformation

The prevailing digital habits and behaviours that emerged in the wake of the COVID-19 pandemic accelerated the process of **digitalising the environment** in which financial institutions operate.

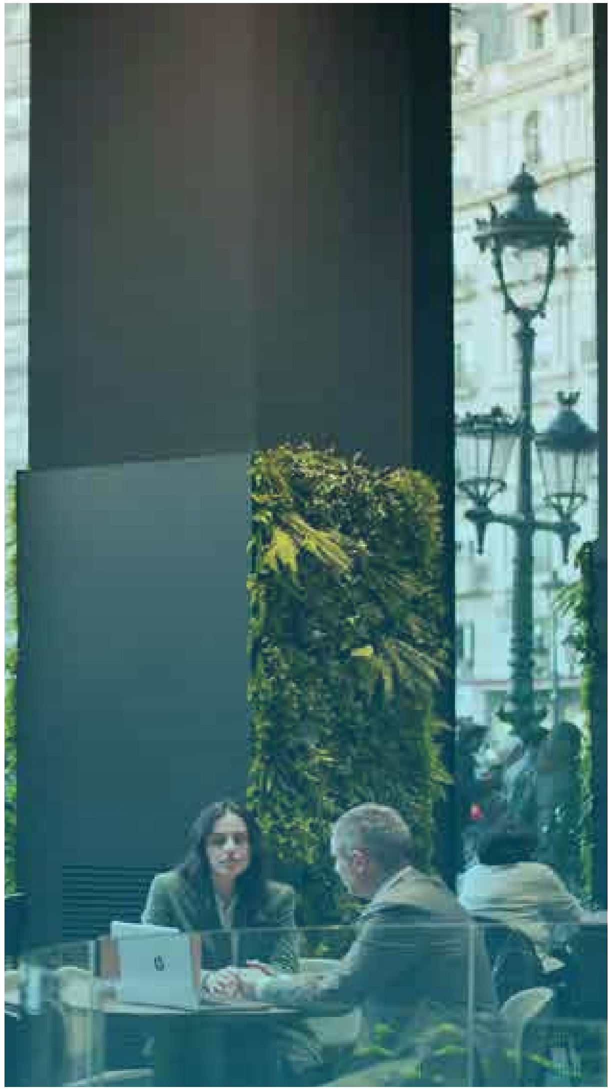
CaixaBank faces **the challenge of digitisation** with a strategy for focused on customer experience.

For the banking sector, the digital transformation is leading to a growing focus on customers and greater demands to keep them satisfied (in terms of convenience, immediacy, personalisation and cost). More specifically, customer satisfaction is becoming increasingly important at the same time that customer loyalty is diminishing, as it is easier to change bank in the digital environment. Furthermore, the digitisation of the banking sector has caused new non-traditional competitors to appear, such as Fintech and Bigtech digital platforms, with business models that leverage new technologies, raise service quality standards and increase pressure on the sector's margins.

Thus far, this non-traditional sector has been very small compared to the financial sector as a whole. However, these new entrants have grown quickly in an environment of low interest rates and abundant liquidity, and their presence can be seen throughout the value chain of the financial sector (specifically in the payments and consumer credit segments). Going forward, the ability of Fintech companies to adapt their business models to the new interest rate environment will be crucial in determining the sector's evolution. Specifically, the tightening of financial conditions has reduced investor appetite for this sector (in 3Q2022, global Fintech funding fell by 64% year-on-year)[1]. In consequence, these companies may be forced to transfer a portion of their increased funding costs to their customer base, which may pose a challenge for companies whose growth is based on the provision of low or zero-cost financial services.

Furthermore, access to data and the ability to generate value from data has become an important competitive advantage. In particular, the use, processing and storage of data results in information that serves to create products that generate greater value for the customer and are more tailored to their risk profile. Additionally, there has been an increase in the use and development of new technologies (such as Cloud, Artificial Intelligence and Blockchain) in the sector, although with different maturity levels. In any case, the use of new technologies in the sector generates the need to adapt business processes and strategies to the new environment.

The digitisation of the sector also brings with it numerous opportunities to generate more revenue. In particular, thanks to the use of digital technology, companies can expand their customer base and provide services more efficiently and at a lower cost, as they can reach a greater number of potential customers without having to expand their network of branches. In turn, digitisation also produces new business opportunities, for example, by offering its digital platforms for third parties to market their products, or by introducing new financial products that best suit the needs of each customer.



[1] Source: CB Insights, State of Fintech Report.

In turn, payment patterns are changing. Covid-19 accelerated the reduction in the use of cash as a means of payment in favour of electronic means of payment. Digital payment systems are also evolving away from a model dominated almost exclusively by card systems (linked to bank deposits) towards a more mixed model in which Fintech and Big Tech also participate, which offer alternative payment solutions, with the emergence of new types of money and payment methods, such as stablecoins. In this case, despite recent developments in the crypto-assets and stablecoins market, its rapid expansion in recent years has driven investment in technologies such as DLT or cryptography, which allow the development of new value-added features in payments (such as the ability to make almost instant payments anywhere in the world or to programme payments through Smart Contracts). Faced with such developments, central banks, particularly in advanced economies, are considering issuing their own digital currencies (CBDCs) as a way to ensure that citizens and businesses continue to have access to central bank money in the digital age. Specifically, 90% of central banks are actively exploring issuing CBDCs to complement cash and 26% are already conducting pilot tests[1].

In this regard, in Europe, the European Central Bank (ECB) has been at the research phase of the digital euro since October 2021. In this phase, the ECB is profiling basic elements of its design, and analysing how it could be distributed to businesses and the general public. The ECB is also investigating the possible impact of a digital euro on the banking sector, and how financial intermediaries could offer digital euro-based services. In this research phase, the ECB has also highlighted the **development of a digital euro prototype and five selected partners (including CaixaBank)**. Upon completion of the research phase, in the third quarter of 2023, the Governing Council of the ECB will make a decision regarding whether to start developing a digital euro, which would be launched in 2025-26.

↗ CaixaBank's participation in the development of the digital euro

CaixaBank's strategy for meeting the challenge of digitisation focuses on improving the customer experience. The digital transformation process brings new opportunities for CaixaBank to get to know its customers and offer them a value proposition through an omnichannel service model. In particular, CaixaBank has a distribution platform that combines immense physical capillarity with strong digital capabilities. In response to changing habits of customers, special emphasis is also being placed by the Bank on initiatives that allow for improved interaction with customers through non-face-to-face channels. The digital transformation is also helping the organisation to develop enhanced capabilities such as advanced analytics and the provision of native digital services. Regarding this last point, Imagin offers a digital ecosystem and lifestyle platform focused on the younger segment and offering financial and non-financial products and services, its own and of third parties. The Bank is also developing new, more transversal and collaborative ways of working, seeking active partnerships with new entrants that offer services that can be incorporated into the Group's value proposition.

[1] *BIS surveys on central bank digital currencies.*

_Sustainability

The medium-term goal of **decarbonisation of the European economy** is being accompanied by an increasingly strict regulation on how to address sustainability and growing pressure (from investors, authorities, and supervisors) for companies to adjust their strategies accordingly.

This is where EU's green taxonomy comes into play. It establishes a classification system for sustainable activities and the approval of the reporting requirements on the degree of alignment with the taxonomy for companies subject to the Non-Financial Reporting Directive (NFRD). The credit institutions (also subject to this directive) must disclose the proportion of exposures that are within the perimeter of the taxonomy, and report the proportion of exposures aligned with the taxonomy (Green Asset Ratio) as from the close of the 2023 fiscal year.

See more details in the Sustainable business section

Elsewhere, in the area of banking oversight, the ECB's action plan (with deliverables in 2024) explicitly incorporates climate change and energy transition into its framework of operations. In line with the plan, the ECB has announced the inclusion of climate criteria into its corporate sector purchase programme and collateral framework. These measures seek to curb climate risk on the ECB's balance sheet, foster increased transparency and disclosure of climate risks by companies and financial institutions, enhance climate risk management and support the economy's green transition. In addition, a climate stress test will be launched in 2022 to assess the banks' resilience to climate risks and their level of preparedness to deal with them —although this exercise should be considered as a joint learning activity and will not have an impact on banks' capital requirements for the time being. In this respect, the results of the exercise show that banks have made considerable progress in their ability to conduct climate stress tests, although there are still important gaps to be filled, for example in climate information. Finally, the ECB's thematic review exercise focused on a comprehensive review of banks' practices related to climate and environmental risk strategy, governance and management, and the setting of supervisory expectations in this area.

Furthermore, in 2021 the EU approved the European Climate Law (that set the block's goal of reducing its emissions by 55 % by 2030 and being carbon-neutral by 2050 as a legal commitment) and it has started to deploy measures and reforms in various economic sectors (from housing to energy and transport) to reduce Greenhouse Gas (GHG) emissions in line with the set goals and move towards a decarbonised economy. In addition, with the Russian invasion of Ukraine, the European Commission has presented the REPowerEU plan to dramatically accelerate the energy transition and make Europe independent of Russia's fossil fuels. In Spain, thanks to the Next Generation EU (NGEU) Recovery Plan, around €4,600 million[1] were earmarked in 2022 and an additional €7,800 million[2] in 2023 are expected to be destined to investments in renewable energies, sustainable mobility and the energy rehabilitation of buildings, thus driving the economy's green transition.

In this context, CaixaBank prioritises making progress in the transition to a low-carbon economy as an essential action to foster sustainable and socially inclusive development and uphold excellence in corporate governance. Thus, and to materialise the commitment, Sustainability (in its environmental, social and governance scope) is one of the three pillars of the Group's 2022-24 Strategic Plan. The actions in this strategic axis are outlined in the new 2022–24 Sustainability Management Plan.

See more details in the Environmental Strategy section

In this context, CaixaBank **prioritises making progress in the transition to a low-carbon economy** as an essential action to foster sustainable and socially inclusive development and uphold excellence in corporate governance.

[1] IGAE Budget execution General State Administration and Bodies.
[2] According to the General State Budgets for 2023.

_Cybersecurity

Digital transformation is **vital for the competitiveness and efficiency of banking**, but it also brings increased technological risks. In this regard, the increased digital operations of customers and employees make it necessary to increase the focus on cybersecurity and information protection.

CaixaBank is aware of the existing threat level. To that end, it has a **Strategic Plan for Information Security** that constantly measures the Group's cybersecurity capabilities and it seeks to keep the bank at the forefront of data protection, in accordance with the best market standards. To guarantee an independent view, the Group also has an international security consultant that reviews the strategy every six months, allowing the Group to more precisely focus its resources towards the main challenges and trends in information security. In an effort to continue proactively developing its prevention, detection and response strategies, it conducts recurring active defence cybersecurity exercises in which it collaborates with key companies in the sector and with official agencies. Lastly, the bank develops and distributes extensive cybersecurity awareness content and programs for all its employees, customers and society in general.

CaixaBank has a **Strategic Plan for Information Security** that continuously measures the Group's cybersecurity capabilities.

See section on Cybersecurity

_Risk and opportunity analysis

This analysis has been taken into account for the preparation of the **Materiality Analysis** and the **Strategic Plan 2022-2024**

CaixaBank has carried out an analysis of the environment with the aim of identifying the risks and opportunities that it will have to face in the short/medium term.

The current economic and competitive environment is not exempt from **risks** for entities that operate in it.

The Ukrainian crisis is a clear example of an **unexpected crisis** that impacts the macroeconomic environment and thus the business of financial institutions. The energy crisis has contributed to a rise in inflation, which has led the main central banks to increase interest rates to contain it. This has led to an economic slowdown that is not exempt from risks, and which could have an impact on the banking sector, for example, through lower demand for financing or an increase in non-performing loans if the economic slowdown is exacerbated.

A more uncertain environment is less prone to investment, so **delays in meeting the objectives of the Recovery, Transformation and Resilience Plan** could occur. This would pose a risk for banks through lower demand to finance projects linked to this plan.

New technologies have facilitated the entry into the market of **new competitors** with the ability to **disintermediate part of the business**, reduce sources of income and capture the talent needed to digitise the sector.

In addition, **new forms of digital money** are appearing, such as cryptocurrencies, which can pose a risk to financial stability, or the digital euro, a project being investigated by the European Central Bank (ECB), but that if it came to be implemented, it could jeopardise the traditional functioning of retail banking.

With the advance of new technologies, **data protection and cybersecurity** are gaining prominence in efforts to protect our customers' information, guarantee operational continuity, and maintain reputational standards in this area. **Loss of reputation** is another risk for Spanish banks.

Finally, the banking sector will continue to be heavily **pressured by regulation** and legal issues. For example, the new implementation of Basel IV, new capital requirements for holding "brown" loans with more carbon-intensive companies, interest rate caps, new rules on insurance distribution, etc.

Despite all these risks, **great opportunities for the sector** are also visible in the current environment:

The pandemic has contributed to **lowering barriers to entry to new technologies** for many people (e.g. online shopping, using digital tools to contact with family and friends). This represents an opportunity for the banking sector to promote new ways of interacting with customers and new service models.

The **greater life expectancy of the population** increases demand for advice and services linked to the Silver generation. New needs are arising, such as wealth protection, transmission and succession solutions, dependency services, home adaptability, mobility solutions, etc. CaixaBank has unique capabilities to meet the growing needs of the Senior segment thanks to a penetration of more than 45 % among the population over 60 years old.

New technologies also bring opportunities for the banking sector. On the one hand, they enable **cost efficiencies**, improved commercial efficiency and gains in agility and time to market, thanks to advanced analytics, the use of the cloud and greater digitisation of processes. At the same time, the use of digital technology also brings opportunities to generate higher revenues as it reduces the cost of entry into other markets by allowing the customer base to expand without having to increase the network of branches, and fosters the emergence of n**ew business models** such as Buy Now Pay Later, pay-as-you-go or ecosystems. Models in which banks can play a relevant role.

Finally, another opportunity for the sector is the push for **sustainability and energy transition on the European agenda.** The financial sector will play a key role in channelling investment towards the projects necessary to move towards a green economy.

_Materiality

Topics are considered to be material when there is a **high likelihood they could generate a significant impact** on the financial situation of the Company, stakeholders and planet.

CaixaBank carries out its Materiality Analysis annually with the aim of identifying the **environmental, social and governance, as well as economic and financial** aspects that are priorities for its business and its stakeholders. The conclusions derived are used as a guide for managing the Entity's sustainability strategy and Strategic Plan and determine the correct size of the information to be reported.

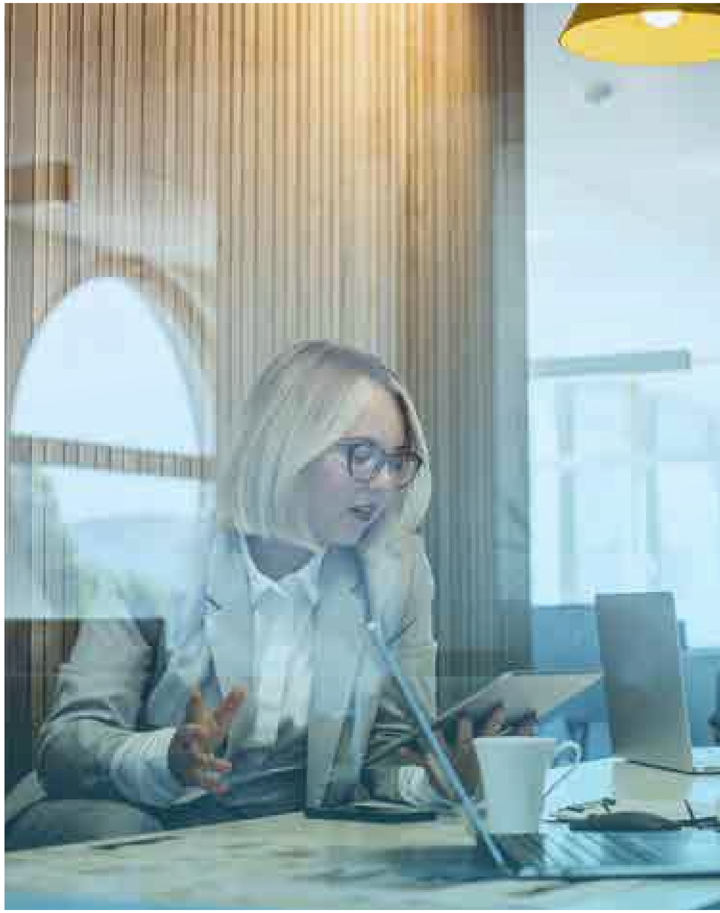
This Materiality Analysis is submitted for approval to the Management Committee and the Appointments and Sustainability Committee.

In this report, the Company details the material topics identified in 2022 Materiality Analysis, the aims of which are:

> **To identify and prioritise the company's internal and external impacts** for their strategic monitoring.

> **To integrate the Materiality Analysis as a strategic tool** for defining the Bank's strategy and the Sustainability Master Plan.

> **To reflect the vision of the main stakeholders.**



_Methodology and inputs

The Materiality Analysis is prepared by an independent expert, based on a participatory process of which the consists of the Company's main stakeholders, (customers, employees, shareholders and suppliers), as well as CaixaBank executives, representatives of key areas of the company and external experts.

The **analysis methodology** has evolved to from a relevant approach to an **impact approach,**

with the aim of moving towards the dual materiality perspective set out in the new European standards and international reporting standards.

In addition, CaixaBank is working on the **development of impact measures** a pilot exercise was carried out to measure the impact on stakeholders, following the Impact-Weighted Accounts Framework methodology and in collaboration with an independent expert.

In the context of the adoption of double materiality as a basis for the identification of material issues not only Outside-in but also Inside-out, the aforementioned financial year that CaixaBank is carrying out contributes to the progress in identifying these matters and in the future scope of effort to promote positive externalities and mitigate negative ones.

In 2022, the Company carried out a materiality assessment on sustainability risks (ESG).

This assessment has focused on the financial materiality (outside-in) and is the basis for a proportionate deployment of ESG risk management processes and for feeding into strategic risk processes and risk calibration.

_Analysis phases

01. Identification of material topics

⟶ **List with 20 topics** (of a total of 57 potential topics)

The identification of material issues is carried out from a **double impact view:**

- Impact of the issues on the financial situation (outside-in).
- Impact of the issues on stakeholders and the planet (inside-out).

The identification of **potential material issues** is carried out through:

Exhaustive documentary analysis of internal and external sources, including the company's strategic data and documents, such as the Strategic Plan 2022-2024, the Sustainability Master Plan 2022-2024, and the materiality assessment sustainability risk, as well as information on industry trends and reports, the media and other financial companies, among other sources.

- Interviews with representatives of stakeholders and experts.
- Analysis of focus groups of customers and employees.
- Creation of an internal transversal working group with representatives from the Company's key areas who are responsible for reviewing and assessing the materiality of the potential material issues identified.

02. Prioritisation of material topics

⟶ Prioritisation of **material topics in 2022**

The material issues identified have been prioritised through *ad hoc* internal and external consultations with different stakeholders and experts using random representative sampling with the aim of assessing the impact of the issues from two perspectives:

In 2022, for the first time, the different groups were also consulted on the evolution of the impact of the topics over the next 5 years.

Impact on the financial situation (outside-in).

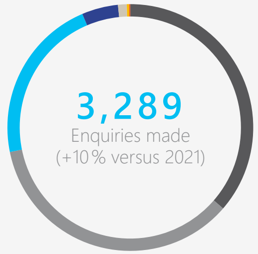
Specific quantitative and qualitative consultations were carried out with managers from different areas of the Entity, heads of businesses, subsidiaries, members of the Sustainability Committee, as well as additional interviews with people working the risk and sustainability risk areas and supervisors. This vision has been completed with the analysis of the 2022-2024 Strategic Plan, the 2022-2024 Sustainability Master Plan, the Company's risk map, the sustainability risk materiality assessment, and the relevant issues for analysts and companies in the sector.

Impact on stakeholders and the planet *(inside-out).*

External consultations have been carried out with the different stakeholders to find out how they assess CaixaBank's impact on the different issues identified. They have been completed with the analysis of internal studies on the Bank's impacts and trends.

In the calculation of impact, the weight of stakeholders is based on the reputational value given to each in the Global Reputation Index (GRI), where customers carry the most weight (29.2 %). A new feature this year included a specific weight for the suppliers group.

>ENQUIRIES MADE IN ORDER TO
>PRIORITISE MATERIAL TOPICS



Impact on the business

- 38 Group managers
- 10 External experts
- 5 Internal experts

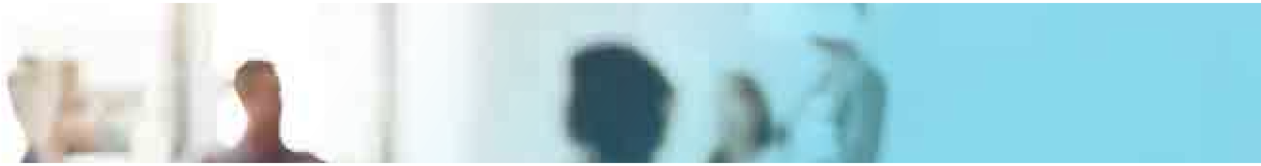
Impact on stakeholders

- 1,197 Retail shareholders
- 1,165 Employees
- 717 Customers
- 157 Suppliers

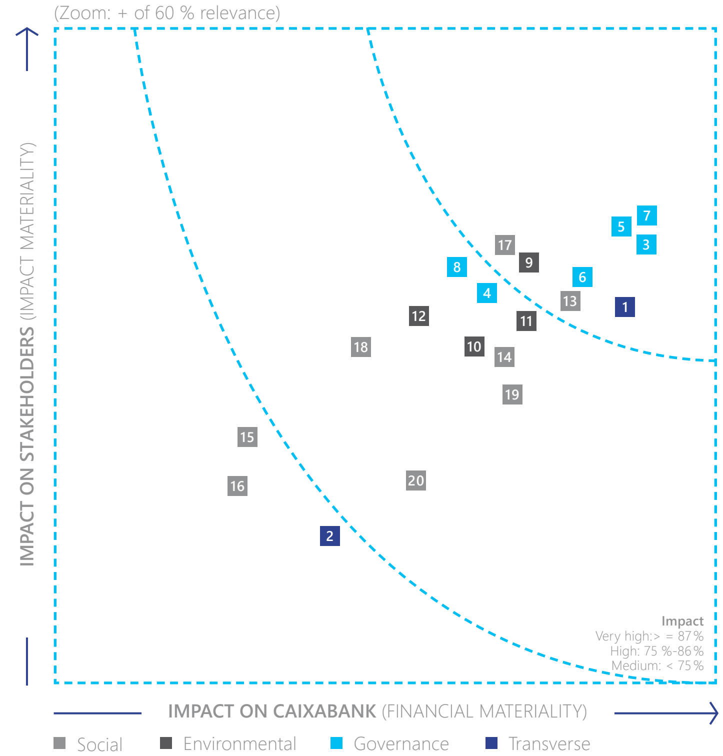
03. Materiality Matrix

⟶ CaixaBank's **2022 Materiality Matrix**

The **overall results are synthesised to determine priorities** for the business and for the stakeholders of CaixaBank and BPI.



_Materiality matrix by topic



	Material topics	Total
7	Cybersecurity and data protection	90.5 %
5	Clear and transparent communication	89.8 %
3	Corporate governance and responsible culture	89.7 %
6	Responsible marketing	87.8 %
1	Financial soundness and profitability	87.4 %
17	Diversity, equality and work-life balance	87.2 %
9	Environmental finance and investment solutions	87.1 %
13	Specialised attention and accessibility of commercial channels	86.9 %
4	Active management of financial and non-financial risks	85.8 %
8	Ethical technological innovation	85.6 %
11	Decarbonisation of investments	85.3 %
14	Microfinance and social impact solutions	83.9 %
10	Climate change risk management	83.4 %
12	Environmental management and operational carbon footprint	82.9 %
19	Managing talent and professional development	82.5 %
18	Occupational safety, health and welfare	80.9 %
20	Agile and collaborative working model	78.2 %
2	Partnerships to promote sustainability	74.5 %
15	Financial education	74.3 %
16	Social action and voluntary work	71.9 %

_ Main results and evolution with respect to 2021

> The three material issues with the highest impact assessment for CaixaBank and its stakeholders belong to the "Governance" category.

> All material issues obtain a high consolidated rating (greater than or equal to 72 %), which is divided into a very high, high and medium impact. Of these, only three issues have a medium level of impact (partnerships to promote sustainability, financial education, and social action and volunteering).

> With regard to the evolution of issues, a comparison was made between the vision of relevance 2021 and that of impact 2022, highlighting in particular an increase in the impact of issues linked to the environment:

	Material issues that increase their impact	↗
9	Environmental finance and investment solutions	10 %
12	Environmental management and operational carbon footprint	9.1 %
17	Diversity, equality and work-life balance	6.8 %
10	Climate change risk management	5.3 %
5	Clear and transparent communication	5.1 %

	Material issues that reduce their impact	↘
16	Social action and voluntary work	-7.8 %
1	Financial soundness and profitability	-2.1 %

Additionally, the Study identified areas not reflected in material topics, as emerging issues such as **biodiversity**, **occupation and entrepreneurship** and **sustainable mobility** are taken into account.

The Materiality Study has allowed us to identify and prioritise the **20 material issues on which CaixaBank should focus:**

> VERY HIGH IMPACT

Cybersecurity and data protection

→ Manage the risks derived from the collection, conservation and use of personal information, as well as IT security by implementing measures to prevent, detect and act to protect data privacy.

Clear and transparent communication

→ Encourage active listening and dialogue and clear and transparent communication with stakeholders to establish long-term relationships of trust.

Corporate governance and responsible culture

→ Ensure effective corporate governance that works to implement best practices in ethics, sustainability, human rights and compliance.

Responsible marketing

→ Ensure responsible and transparent marketing of products and services so that people can make informed decisions.

Financial soundness and profitability

→ Ensure business growth, developing the best value proposition for our customers with a solid capital position, comfortable liquidity, and adequate profitability.

Diversity, equality and work-life balance

→ Advance equality, equity, and work-life balance, promoting a people-centred culture by fostering diversity and inclusion and respect among employees.

Environmental finance and investment solutions

→ Design and market products that meet environmental criteria in order to promote and accompany our customers in their transition to a low-carbon economy, providing them with ESG solutions.

Specialised attention and accessibility of commercial channels

→ Offer a customer service model adapted to the preferences and needs of each group, through specialist advice, increased accessibility and inclusion to achieve the best experience and satisfaction.

■ Governance ■ Transverse ■ Social ■ Environmental

> HIGH IMPACT

Ethical technological innovation

→ Continuously develop technological capabilities and infrastructure to improve agility and efficiency, ensuring that these processes handle the data of different stakeholders ethically.

Decarbonisation of investments

→ Move towards carbon neutrality of investments by 2050 through credit portfolio management and the implementation of ESG investment protocols.

Microfinance and social impact solutions

→ Promote financial inclusion and the creation of opportunities and employment through microfinancing and solutions that provide access to financial services and financing for vulnerable groups, companies and entrepreneurs.

Managing climate change risk

→ Manage and monitor ESG risks, especially climate change risks, as physical and transitional climate risks are a challenge for the sector.

Environmental management and operational carbon footprint

→ Reduce the environmental impacts generated by the Entity's activity and maintain the neutrality of its own carbon footprint.

Active management of financial and non-financial risks

→ Managing all risks is essential for the financial sector with the aim of enhancing resilience and responding to the requirements of supervisors and regulators.

Managing talent and professional development

→ Attract and retain talent through education, training and development opportunities.

Agile and collaborative working model

→ Promote collaborative work methods with greater customer orientation by implementing collaborative tools that can consolidate an agile and transversal work model among the teams.

Occupational safety, health and welfare

→ Promote the safety, health and emotional well-being of all people working in the Entity through the implementation of prevention measures and pandemic protocols, the promotion of a healthy lifestyle and social benefits for employees.

Governance Transverse Social Environmental

>MEDIUM IMPACT

Partnerships to promote sustainability

→ Participate in partnerships and initiatives to promote the management and sustainable action of the Entity and the business and financial sector.

Financial education

→ Contribute to improving knowledge of economic and financial concepts relevant to day-to-day decision-making by customers, shareholders, vulnerable groups and society.

Social action and voluntary work

→ Develop own projects or in collaboration with the "la Caixa" Banking Foundation to offer solutions to social challenges, promote education and assist vulnerable groups.

Governance Transverse Social Environmental

_Strategy

_Starting point

This new Strategic Plan maintains CaixaBank's commitment to society with a unique banking model and with the aim of offering the best service for each and every customer profile as we provide solutions from end to end, promote financial inclusion and lead the way in generating positive social impacts. In this respect, the Plan aims to strengthen the bank's leadership position in order to **develop those opportunities** that can bring greater value to our customers, while **minimising the impact of the main risks** of the current economic and competitive environment.

CaixaBank is **very well poised** to continue to grow as Spain's leading bank, with greater scale, a more solid and streamlined structure, and with significant profitability potential as a result of abandoning the environment of negative interest rates.

The Group closed the previous 2019-2021 **Strategic Plan** achieving a **good assessment of results in a highly adverse environment**, marked by the COVID-19 crisis, which forced it to suspend some of its financial *goals*. Nevertheless, the Entity managed to achieve many of the goals set out in the 2019-2021 vision and conclude the plan with a significantly stronger balance sheet in terms of hedging, capital and liquidity.

In particular, these notably include above-target organic growth in long-term savings and growth in the share of lending to corporates between 2018 and 2021. Furthermore, the evolution of digital channels has enabled CaixaBank to absorb a major part of day-to-day interactions, meeting the target of 65 % of online customers. Additionally, CaixaBank, which already held a comfortable position of solvency at the onset of the pandemic, ended 2021 with a large capital buffer, with a CET1 ratio of 13.1 % —well above the 11 % target, the internal management target at that time (distance between 250 and 300 basic points above the SREP requirement).

In parallel, CaixaBank's **merger with Bankia** strengthened its leadership in retail banking in Spain. The Group has geared all its efforts towards integrating the upwards of 6 million customers from Bankia and the branch network, offering the best possible customer experience at all times. The combined Entity is now Spain's largest banking group, holding 20.2 million customers, and has successfully completed the largest technological and commercial integration ever conducted in Spain.

On 17 May, CaixaBank presented its 2022-2024 Strategic Plan under the slogan **"Close to our customers".**

_2022-2024 Strategic Plan

This new Strategic Plan is aligned with the **Materiality Analysis carried out by the bank**, in which those issues that represent a greater level of impact on CaixaBank's activity have been identified.

In this regard, governance issues, particularly cybersecurity, communication and corporate governance, as well as financial soundness and environmental financing and investment solutions, are those that are assessed to have a greater impact for CaixaBank and its stakeholders. Both the strategic lines defined and the transversal enablers aim to strengthen CaixaBank's position in these areas to guarantee the best service to our customers.

BPI

Banco BPI's 2022-2024 Strategic Plan **is fully aligned with CaixaBank's Strategic Plan.**

The **2022-2024 Strategic Plan** is based on the **three strategic lines and two cross-cutting enablers:**

Business growth

Developing **the best value proposition** for our customers.

Provide an efficient customer service model

Adapted to the customers' preferences as much as possible.

Sustainability

A benchmark in Europe.

Transversal skills

- Technology.
- People.

See section on Materiality of the Financial Year.

1ª The first strategic line is geared towards **driving business growth**, developing the best value proposition for our customers. CaixaBank has developed a leading financial supermarket in the Spanish market, featuring a commercial offer built around customer experiences. Throughout this new Plan, we will continue to expand the capabilities of this financial supermarket, with the aim of increasing the penetration of our products and services to customers, progressing the commercial offer and making a quantitative and qualitative leap in the construction of ecosystems. This line's core ambitions include:

- Strengthening leadership in retail banking through new housing and consumer banking products, such as solutions for new business models like Buy Now Pay Later.
- Achieving greater penetration in insurance and long-term savings products.
- Achieving leadership in the corporate, companies and SMEs segments, through specialised value propositions by business and sector, greater focus on financing working capital and transactional banking, and growth in international banking.
- Driving ecosystems as a new source of income in housing, mobility, health, entertainment, business and the Senior Citizen segment. The latter allows us to offer specific protection and savings solutions associated with the highest life expectancy of the population, taking advantage of the bank's unique position, with a penetration of 45 % for customers over 60 years old. In addition, we will scale Wivai as a lever in order to orchestrate them.

Share of new production home purchases (business Spain) (accumulated production in the year)	Starting point 2021	2022	Obj. 2024
	<15 %	24 %	~20 %

2 The second strategic line seeks to maintain **an efficient service model, adapting it to suit the customer's preferences.** The aim is to take advantage of the opportunity arising from the lowering of entry barriers to new technologies that will enable us to explore of new ways of interacting with customers. Thus, this line's core ambitions include:

> Ensuring a best-in-class customer experience, through the real-time measurement of the customer experience, offering the best service and experience to each profile.

> Achieving greater operational and commercial efficiency, boosting remote (inTouch) and digital (*Now*, *Imagin*) customer service, consolidating the store model in the urban network and upholding the rural network's presence through the use of more efficient formats.

> Increasing the capacity of digital sales, by optimising onboarding and contracting funnels, deploying new digital marketing capabilities, remote management and digitising the offering for legal entities.

3 This new Plan's third and final strategic line seeks to consolidate CaixaBank **as a benchmark in sustainability in Europe.** The prioritisation of the environmental, social and governance areas on the European agenda gives us a unique opportunity to take advantage of the competitive advantages inherent to our way of banking, highlighting social commitment as a foundational value and our status as European leaders in microfinance. The main initiatives are as follows:

> Driving the energy transition of companies and society, offering sustainable solutions in financing and ESG advisory investments, with a commitment to the decarbonisation of the Group's portfolio.

> Leading the positive social impact and driving financial inclusion, through MicroBank, volunteering and social action, and commitment to the rural world and our seniors.

> Being a benchmark in governance by way of effective communication in terms of ESG and best practices in sustainability, reporting and responsible marketing.

	Starting point 2021	2022	Obj. 2024
# Imagin users (m)	3.7	4.2	4.8
# InTouch Customers (m)	2.4	3.4	4.6

	Starting point 2021	2022	Obj. 2024 (accumulated)
Mobilising sustainable finance (22-24), €m	18,531	23,583	64,000
Number of active[1] volunteers[2]	4,997	5,263	10,000

[1] *Mobilisation for business in Spain.*
[2] *Does not include Social Week volunteers.*

The Plan also includes **two cross-cutting enablers** that will support the execution of these three strategic priorities: people and technology.

First of all, CaixaBank pays special attention **to people** and seeks to be the best bank to work for, promoting an exciting, committed, collaborative and streamlined team culture that fosters closer and more motivating leadership. The Company seeks to boost its employees' development programmes and career plans, featuring a more proactive people development model for training teams and focusing on critical skills. In parallel, CaixaBank will continue to foster new forms of collaborative work, encouraging remote work and helping its employees to develop their potential with equal opportunities through a meritocracy and diversity-based culture.

The second enabler is geared towards **technology**. CaixaBank has outstanding technological capabilities, in which it will continue to invest to continue to drive the business forward:

> Having an efficient, flexible and resilient IT infrastructure as a result of the drive for technological transformation from CaixaBank Tech, the adoption of cloud technology as a cornerstone, the development of data and advanced analytics capabilities, and ongoing improvement in cyberdefence to mitigate the growing risk within this scope.

> A move towards end-to-end process management by identifying and redesigning key processes and building modular, reusable parts to the functional architecture.

> Efficient allocation of resources.

	Starting point 2021	2022	Obj. 2024
Cloud absorption (%)	21	25	32
Women in managerial and leadership positions (%)	39.9	41.8	42.0

As a consequence of deploying and executing this new Strategic Plan, **CaixaBank seeks to achieve the financial targets set for 2024.**

Firstly, the Group seeks to keep profitability above the cost of capital and, to this end, it has set targets of ROTE of above 12%, an efficiency ratio[1] of under 48% and revenue growth of 7% (as regards CAGR). Furthermore, it commits to offering attractive shareholder remuneration with a pay-out ratio of over 50%. The Plan aims to have €9,000 million of capital to distribute (accumulated in the period 2022-2024)[2]. The foregoing comes while leveraging on a solid balance sheet position with an NPL ratio of under 3%, standardisation of the cost of risk below 0.35 % (2022-2025 average) and keeping a strong capital position, with a CET1 internal target of without transitional adjustments IFRS9 between 11% and 12%.

	Starting point 2021	2022	Obj. 2024
ROTE (%)	7.6	9.8	>12
Cost-to-income ratio (%)[1]	57.7	51.9	< 48
Non-performing loan ratio (%)	3.6	2.7	< 3

The Plan aims to have **€9,000 million of capital to distribute** (accumulated in the period 2022-2024)[2].

[1]Recurring cost-to-income ratio (excludes extraordinary expenses).
2 Includes the share buyback programme (SBB) for 2022, in addition to the excess capital generated in 2022-24 above 12% of the CET1 ratio (without IFRS9 TA).

_Materiality and strategy

The Bank's strategy is present both at the core of the Materiality Analysis and as a source of the topics, and it also gathers the results of this analysis to ensure the strategy reflects the sensitivities and concerns of stakeholders and society, and the trends in the environment in which CaixaBank is operating. **The following table shows the relationship of the material topics with the 2022-2024 Strategic Plan.**

Strategic line / Cross-cutting enabler	Material topics
L1 - Promote business growth	9 Environmental finance and investment solutions 13 Specialised attention and accessibility of commercial channels
L2 - Efficient customer service model, adapted as much as possible to customer preferences.	13 Specialised attention and accessibility of commercial channels
L3 - Sustainability - leaders in Europe	2 Partnerships to promote sustainability
Governance Axis	3 Corporate governance and responsible culture 4 Active management of financial and non-financial risks 5 Clear and transparent communication 6 Responsible marketing
Environmental Axis	9 Environmental finance and investment solutions 10 Climate change risk management 11 Decarbonisation of investments 12 Environmental management and operational carbon footprint
Social Axis	14 Microfinance and social impact solutions 15 Financial education 16 Social action and voluntary work
Cross-cutting enabler - People	17 Diversity, equality and work-life balance 18 Occupational safety, health and welfare 19 Managing talent and professional development 20 Agile and collaborative working model
Cross-cutting enabler - Technology	7 Cybersecurity and data protection 8 Ethical technological innovation
Financial objectives	1 Financial soundness and profitability

Governance Transverse Social Environmental

_Sustainability Strategy

One of CaixaBank's three strategic priorities within the framework of the 2022-2024 Strategic Plan is to be a **benchmark for sustainability** in Europe, by promoting the sustainable transition of companies and society, a positive social impact and financial inclusion, and a responsible culture.

In this context, transitioning to a neutral carbon economy that encourages sustainable development and is socially inclusive is essential, in CaixaBank's view. Considering that social and governance issues receive increasing attention from investors and society as a whole, CaixaBank aims to maintain its leadership in positive social impact through its microfinance and financial inclusion activities, promoting a responsible culture focused on people and best practices in good governance, in order to continue to be a benchmark in European banking. The Bank also channels and promotes hundreds of social initiatives through its branches, thanks to the CaixaBank volunteer network, close collaboration with the "la Caixa" Foundation, the Dualiza Foundation, MicroBank and other social action initiatives.

The **2022-2024 Strategic Plan** maintains CaixaBank's commitment

to society with a unique banking model and with the aim of offering the best service for each and every customer profile as we provide solutions from end to end, promote financial inclusion and lead the way in generating positive social impacts.

Sustainability

A benchmark in Europe.

_Sustainability Master Plan 2022-2024

The **Sustainability Master Plan** (also called Sustainable Banking Plan) forms part of the Company's Strategic Plan as one of its main lines of action.

The Plan constitutes CaixaBank's proposal during the 2022-2024 period to mitigate challenges such as inequality, climate change and the promotion of the real economy.

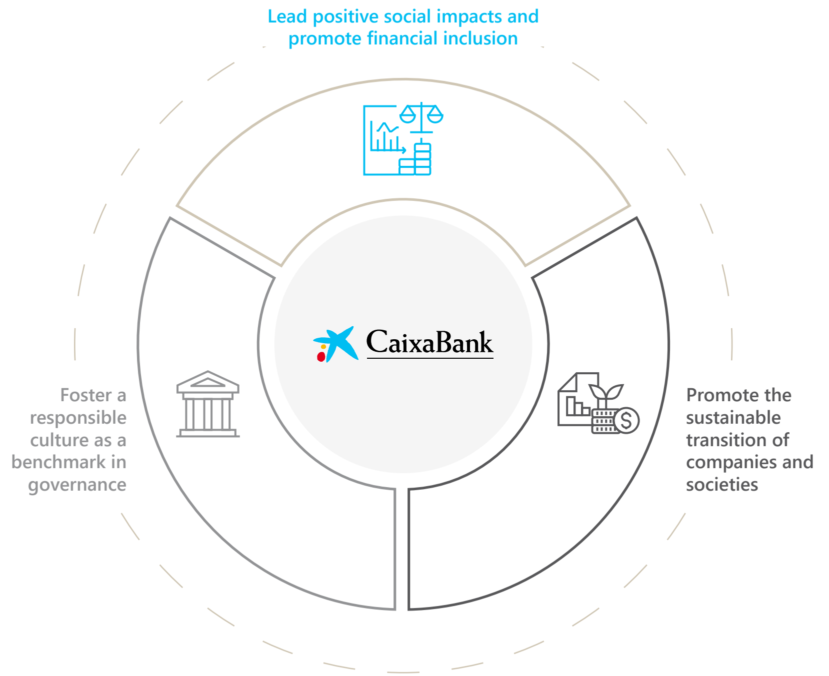
CaixaBank is committed to demonstrating the social value of banking through actions and thus becoming **a benchmark bank in Europe in terms of sustainability.** To do this, more than €64 billion will be allocated to sustainable activities, mainly energy transition initiatives and microloans. The aim of this sustainable financing and other programmes and alliances is to generate a positive social impact.

CaixaBank is developing its sustainable ambition through **active listening** and **dialogue**, rigorous methodologies for **measuring** and managing **data**, and an ESG **communication** strategy for external awareness. To achieve the bank's commitment to society, the 2022-2024 Sustainable Banking Plan is based on three ambitions and eleven strategic lines:

Promoting the sustainable transition of companies and society, offering sustainable solutions in financing and investment, with a focus on energy efficiency, mobility and sustainable housing; ESG advice with a commitment to decarbonise the Group's credit and investment portfolio.

Leading positive social impact and promoting financial inclusion thanks to MicroBank, volunteering and social action, promoting microfinance solutions and maintaining its commitment to the rural world, adapting the service channels to the needs of the different customer groups.

Promoting a responsible culture by being a benchmark in governance through best practices in culture, reporting and responsible marketing, accompanied by effective and transparent communication on ESG issues.



- **People-centred** culture
- **Integrating ESG** into the Company
- **Transparency** and accountability
- Benchmark in **Regulatory standards**
- Transition: **of companies and individuals**
- **Decarbonisation**
- Integration **of ESG risks**
- Social leadership and partnerships to **multiply people's opportunities**
- Leadership in **microfinance**
- Promoting **occupation and entrepreneurship**

> COMMITMENTS OF THE SUSTAINABILITY MASTER PLAN 2022-2024

Global

- €64 billion mobilised in **sustainable finance.**
- Maintain Category "A" in the synthetic sustainability indicator.

See Sustainable Business section.

Environmental

Advance the decarbonisation of the portfolio to reach **zero net emissions by 2050.**

See Environment and Climate section.

Social

413,300 beneficiaries of MicroBank, the CaixaBank Group's social bank.

See Society section.

Good governance

42 % of women in managerial and leadership positions.

See People section.

_Environmental strategy

Environmental protection is one of CaixaBank's priorities. To this end, it has developed an Environmental and Climate Strategy that aims to **contribute to the transition to a carbon neutral economy** by financing and investing in sustainable projects, managing environmental and climate risk, and reducing the direct impact of its operations.

Considering the complementarity of emissions reduction with economic growth, the transition to a carbon-neutral economy not only involves risks for companies, but also financial opportunities. To contribute to its materialisation, it is necessary to continue offering viable solutions that meet the expectations and needs of our customers and stakeholders. As part of these solutions, CaixaBank has been actively involved in financing renewable energy, infrastructure and sustainable agriculture projects for years, among other initiatives. Socially responsible investment is also promoted through the asset manager and pension plan manager.

As a founding member of the Net Zero Banking Alliance (NZBA), promoted by the United Nations, CaixaBank is **committed to becoming carbon neutral by 2050. CaixaBank is currently operationally carbon neutral and is working to attain a carbon neutral financing portfolio by 2050.**

The scope of climate change requires public-private collaboration and a multisectoral approach. CaixaBank regularly participates in working groups and associations dedicated to advancing environmental issues, including UNEP FI and the Spanish Group for Green Growth.

The Climate Change Statement[1], approved by the Board of Directors in January 2022, reflects the Entity's environmental and climate commitment through the following lines of action:

- Support viable projects that are compatible with a carbon-neutral economy and climate change solutions.
- Manage climate change risks and move towards emission neutrality in the lending and investment portfolio.
- Minimise and offset the operational carbon footprint.
- Promote dialogue on sustainable transition and collaborate with other organisations to move forward together.
- Report progress in a transparent manner.

More than half of the world's economic production depends to a large or moderate extent on nature[2]. In this regard, CaixaBank is the first Spanish financial institution to sign the Financial Sector Statement on Biodiversity, calling for an agreement to makk UN Conference on Biodiversity (COP15), held in Montreal, Canada.

To achieve the objectives, within the framework of COP15, the signing of a "call to action" has been proposed calling for the financial sector to contribute to protecting and restoring ecosystems through financing and investment with various lines of action. CaixaBank is working to effectively consider risks and opportunities related to nature in investment decisions and in dialogue with companies in the asset portfolio to promote transparency.

Similarly, the Company carries out reforestation projects in areas damaged by fires, corporate voluntary actions, and it carries out annual calls to support projects aimed at protecting and restoring natural heritage, through the protection of biodiversity, environmental innovation and the fight against depopulation.

The deployment of the **Environmental and Climate Strategy, incorporated into the 2022-2024 Sustainability Master Plan**, in order to actively manage environmental risks and those associated with climate change and move towards zero net emissions. CaixaBank has also established the **2022-2024 Environmental Management Plan** to reduce the direct operational impact of the Group's activities.

[1] https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Sostenibilidad/Declaracion_cambio_climatico.pdf
[2] *Task Force on Nature-related Financial Disclosures (TCFD).*

_2022-2024 Environmental Management Plan

CaixaBank's 2022-2024 Sustainable Banking Plan includes the 2022-2024 Environmental Management Plan, with eight lines of action that **aim to reduce the direct impact of the CaixaBank Group's activity**.

01. → **Governance** in environmental management.

02. → **Climate Change:** operational carbon footprint, renewable energy consumption and emissions compensation.

03. → Environmentalisation **of procurement and contracts.**

04. → **Environmentalisation** of the catalogue of non-financial products.

05. → Commitment to the **circular economy.**

06. → **Sustainable Mobility** Plan.

07. → Promotion of **efficiency.**

08. → Renewal of **voluntary certifications** and extension of scope.

The 2022-2024 Environmental Management Plan sets **quantitative targets for all the years of the plan,** which will allow measuring the degree of success of its implementation.

See Environment and Climate section.

03 Corporate Governance

Below is the **Annual Corporate Governance Report of CaixaBank, S.A.** (hereinafter CaixaBank or the Company) for the **2022 financial year,** prepared in free format,

and it comprises the chapter on "Corporate Governance" in the Group Management Report, alongside sections F (ICFR) and G (Extent of compliance with corporate governance recommendations), the Reconciliation table and the "Statistical appendix to the ACGR" presented below.

The ACGR, in its consolidated version, is available on the corporate website of CaixaBank (www.caixabank.com) and on the website of the CNMV. The information contained in the Annual Corporate Governance Report refers to the financial year ending on 31 December 2022. Abbreviations are used throughout the document to refer to the company names of various entities: FBLC ("La Caixa" Banking Foundation), CriteriaCaixa (CriteriaCaixa, S.A.U.); FROB (Fund for Orderly Bank Restructuring); BFA (BFA Tenedora de Acciones, S.A.); as well as CaixaBank governing bodies: the Board (Board of Directors) or the AGM (Annual General Meeting).

_Corporate Governance

Robust Corporate Governance enables companies **to maintain an efficient and methodical decision-making process**, as it incorporates clarity in the allocation of roles and responsibilities and, in turn, fosters proper management of risks and efficient internal control, which promotes transparency and limits the occurrence of potential conflicts of interest.

All of this drives excellence in management that results in greater value for the company and therefore for its stakeholders.

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

The information regarding the corporate governance of the Company is supplemented by the Annual Director Remuneration Report (ADRR), which is prepared and submitted to a non-binding vote at the Annual General Meeting.

Once approved by the Board of Directors and published on the CNMV website, the ADRR and this ACGR report are available on the CaixaBank corporate website (www.caixabank.com).

CaixaBank's Corporate Government Policy is based on the Company's corporate values and also on good practices for governance, particularly the recommendations in the Good Governance Code of Listed Companies approved by the CNMV in 2015 and revised in 2020. This policy establishes the action principles that will regulate the Company's corporate governance, and its text was reviewed in December 2021.

>CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

01. **Competencies and efficient** self-organisation of the Board of Directors Administration

02. **Diversity and balance** in the composition of Board of Directors

03. **Professionalism for proper compliance** with the performance of the duties of members of the Board of Directors

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

05. **Commitment** to ethical and sustainable action

06. **Protection and promotion** of shareholder rights

07. **Prevention, identification and proper handling of conflicts of interest** in particular with regard to operations with related parties, considering intragroup relations.

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

09. **Achievement of the social interest** through the acceptance and updating of good governance practices

10. **Transparent information** covering both financial and non-financial activity

_Best Corporate Governance practices (G)

Of the 64 Recommendations in the Good Governance Code (excluding 1 non-applicable recommendation), CaixaBank is fully compliant with 59 and partially compliant with 4. The following list contains the recommendations with which CaixaBank is partially compliant, and the reason:

>CAIXABANK IS PARTIALLY COMPLIANT WITH THE FOLLOWING RECOMMENDATIONS:

Recommendation 5

Because the Annual General Meeting of 22 May 2020 and of 14 May 2021 approved each agreement included in a motion which allows the Board to issue bonds and other instruments convertible into shares with the exclusion of pre-emptive subscription rights by making any capital increases that the Board of Directors may approve under this authorisation subject to the legal limitation of 50% of the capital and not 20%. The foregoing not withstanding that since 3 May 2021, the Law 5/2021 includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions, such as in the case of CaixaBank, the possibility of not applying this 20% limit to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013. Pursuant to the delegation of authority granted to it by the Annual General Meeting of Shareholders held on 14 May 2021, the Board of Directors approved, on 29 July 2021, the issue of preference shares convertible into shares for a total nominal amount of 750,000,000 euros and excluding pre-emptive subscription rights, the definitive terms being fixed on 2 September 2021, as published in a privileged information communication of the same date.

Recommendation 10

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

Recommendation 27

Because the proxies for voting at the headquarters of the Board, when applicable, in cases when attendance is not possible, may be carried out with or without specific instructions at the discretion of each Director. The freedom to appoint proxies with or without specific instructions is considered a good Corporate Governance practice by the Company and, specifically, the absence of instructions is seen to facilitate the proxy's ability to adapt to the content of the debate.

Recommendation 2 is not deemed to be applicable as CaixaBank is not a company controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code.

Recommendation 64

Payments for termination or expiry of the Chairman's and CEO's contracts, including severance pay in the event of termination or expiry of the relationship in certain cases and the post-contractual non-competition agreement, do not exceed the amount equivalent to two years of the total annual remuneration for each of them. In addition, the Bank has recognised a social security supplement for the CEO to cover retirement, death and permanent total, absolute or severe disability, and for the Chairman to cover death and permanent total, absolute or severe disability.

In the case of the commitment to cover the retirement contingency, this is a system established under a defined contribution plan, for which the annual contributions to be made are fixed in advance. By virtue of this commitment, the CEO is entitled to receive a retirement benefit when he/she reaches the legally established retirement age. This benefit will be the result of the sum of the contributions made by the Bank and their corresponding returns up to that date, provided that he/she is not terminated for just cause, and without prejudice to the applicable treatment of discretionary pension benefits in accordance with the remuneration regulations applicable to credit institutions. With the termination of the CEO's contract, the contributions would be consolidated (except in the event of termination for just cause attributable to the CEO) but in no case is there any provision for the possibility of receiving an early retirement benefit, since its accrual and payment would occur only on the occasion and at the time of retirement (or the occurrence of the other contingencies covered) and not on the occasion of the termination of the contract. The nature of these savings systems is not to indemnify or compensate for the loss of rights to the assumption of non-competition obligations, as they are configured as a savings system that is endowed over time with periodic contributions and which form part of the fixed components of the usual remuneration package of the Executive Directors; unlike indemnities or compensations for not competing, it grows over time and is not set in absolute terms.

Therefore, the institution would only be in breach of recommendation 64 if the mere consolidation of savings scheme entitlements, without actual accrual or payment at the time of termination, were to be included in the concept of termination payments or termination of contract payments as defined therein.

_Changes in the composition of the Board and its committees in the 2022 financial year

On 17 February 2022, the Board of Directors agreed to appoint María Amparo Moraleda as a member of the Appointments and Sustainability Committee, expanding the number of members by one and providing the Committee with a female presence.

The 2022 General Shareholders' Meeting, held on 8 April, approved the re-election of Tomás Muniesa as a proprietary director and Eduardo Javier Sanchiz as an independent director. Following the General Shareholders' Meeting and at a session held on the same day, the Board of Directors agreed to the re-election of Tomás Muniesa as a member of the Executive Committee.

Tomás Muniesa maintained his position as Deputy Chairman of the Board of Directors and member of the Risk Committee, and Eduardo Javier Sanchiz maintained his position as Chairman of the Risk Committee, member of the Audit and Control Committee and member of the Appointments and Sustainability Committee.

On 22 December, the Board of Directors agreed, following a favourable report from the Appointments and Sustainability Committee, to appoint independent director Eduardo Javier Sanchiz as the new Coordinating Director.

The appointment will take effect at the next General Shareholders' Meeting, on the occasion of the expiry of the term of office of John S. Reed, the current Coordinating Director, who shall not be reappointed as he will soon complete 12 years as an independent director.

In 2022, the **strengths of transparent governance were consolidated.**

_Corporate Governance Progress in 2022

In addition to what is explained in the previous section on the re-election of two Directors at the end of their terms of office, the incorporation of a female Director on the Appointments and Sustainability Committee and the appointment of a new Coordinating Director (in any case, this appointment takes effect after the 2023 AGM), it should be noted that the Board of Directors had established an improvement plan for the 2022 financial year, which was the result of the internal evaluation exercise performed in the 2021 financial year covering both its operations and that of its Committees, as well as aspects related to its composition. In this regard, and in relation to these opportunities for improvement, during the 2022 financial year, the established objectives were met once again and solid progress was made on the path to excellence in Corporate Governance, consolidating the strengths of transparent, efficient and coherent governance aligned with the objectives of the Company's Strategic Plan.

Firstly, as regards the functioning of the Board of Directors and the Board Committees, in view of the favourable progress achieved in recent years, the company considers it important to maintain and consolidate the excellent standard achieved not only with regard to the anticipation and quality of the information provided but also with regard to the dynamics of the meetings, in terms of their duration and organisation of time according to the subject matter of the various items on the agenda.

In this regard, efforts have been made to increase and consolidate the levels of technical rigour and anticipation of the information and documentation provided to the Board members, in addition to introducing improvements in IT tools at the service of the Board members. On the other hand, and with regard to the frequency, duration, distribution of time and dynamics followed in Board meetings, the company has consolidated the practices of promoting debate, frequency and dynamics of programming and attendance at Board meetings and its Committees. The company has also taken into consideration the recommendation to discuss more frequently and follow up regularly on the Strategic Plan 2022-2024 at Council meetings.

Secondly, as regards aspects related to the composition of the Board and its Committees, the company has followed the recommendation to maintain the current number of Board Committees, and as indicated above, the Board agreed to incorporate a female director to the Appointments and Sustainability Committee, bringing female representation to this Committee and increasing the number of members of this Committee. Likewise, the company has updated the succession plan for the Board of Directors and, as a best practice, has upheld the practice of establishing, at the beginning of the financial year, the calendar and planning of the meetings of the different governing bodies and the practice of monitoring the annual planning, mandates and requests for information, as well as the agreements and decisions adopted by the Governing Bodies. Furthermore, in order to strengthen and enhance the knowledge of the Board of Directors as a whole, a training plan has been developed throughout the year dedicated to the analysis of various topics related to business areas, corporate governance, relevant aspects of regulation, innovation, and cybersecurity, as well as a special emphasis on the area of Sustainability, as recommended in the previous year.

On the other hand, at the CaixaBank General Shareholders' Meeting held in April 2022, the proposed amendments to the By-laws and the General Shareholders' Meeting Regulations were agreed in order to systematise and develop the regulation of attendance at the General Shareholders' Meeting by telematic means, an option already contemplated in the Articles of Association, all in the interests of greater legal certainty following the approval of Law 5/2021, of 12 April, as well as incorporating technical and drafting improvements. It was also agreed to amend the By-laws to adapt the name of the Sustainability/Corporate Social Responsibility Policy to the Good Governance Code for listed companies and to introduce, as a non-delegable power of the Board, the supervision of the process of preparation and presentation of the mandatory non-financial information, following a report by the Audit and Control Committee, as well as to remove the casting vote of the Chairman of the Board of Directors in the event of a tie at board meetings in line with the most recent trends in corporate governance.

At the same General Shareholders' Meeting, the changes approved by the Board of Directors at its meetings in October 2021 and February 2022 to the Regulations of the Board of Directors were noted, with the aim of: a) eliminating the casting vote of the Chairman of the Board of Directors, b) adapting the powers of the Coordinating Director and limiting the possibility of re-election to one time in accordance with best practices of good governance, c) completing the functions of the Risk Committee, and d) finally, including the new regime applicable to related-party transactions introduced in Law 5/2021 of 12 April.

Lastly, in line with best corporate governance practices, meetings were held between the Independent Coordinating Director and the non-executive directors (who make up the vast majority of the Board) and, at the end of the year, in accordance with the commitment undertaken, an external advisor was involved in the process of evaluating the Company, in compliance with the corresponding recommendation of the Code of Good Governance.

_Challenges for 2023

In 2022, the self-assessment exercise was carried out with the assistance and collaboration of Korn Ferry's external advisor, appointed after a competitive process of analysis and study of the proposed advice.

Having carried out the self-assessment exercise and examined the results obtained, the Board has concluded that, in general terms, its functioning and composition have been adequate for the exercise and performance of the functions corresponding to it, in particular for the correct management of the Bank carried out by the administrative body.

Likewise, with the aim of continuing to improve the quality and efficiency of the functioning of the Board and its Committees, it has been agreed the implementation of a series of specific recommendations that pursue different objectives during 2023.

With regard to the functioning of the Board, improvements will continue to be made in the anticipation of documentation and the presentation of issues at Board meetings in order to be able to allocate as much time as possible to discussion and decision-making. Likewise, it was agreed to increase attention on the monitoring of significant investments and on the governance of the CaixaBank Group's most important subsidiaries. In order to keep the board permanently updated, it was agreed to carry out various training activities.

Finally, with regard to Board committees, the aim is to continue to improve performance of their important functions of assisting the Board, improving the knowledge of members, especially in those committees of a more technical nature.

_The property

_Share capital (A.1 + A.11 + A.14)

At the close of the financial year, the share capital of CaixaBank was 8,060,647,033 euros, represented by 8,060,647,033 shares each with a face value of 1 euro, belonging to a single class and series, with identical political and economic rights, and represented through book entries. The shares into which the Company's share capital is divided are listed for trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through the Automated Trading System (Continuous Market).

Notwithstanding the above, on 22 December 2022 the Board of Directors agreed to engage a reduction in the Company's share capital via amortisation of all its treasury shares acquired under the Buyback Programme. CaixaBank's share capital is reduced by the amount of 558,515,414 euros, through the redemption of 558,515,414 treasury shares with a par value of 1 euro each, leaving the share capital resulting from the capital reduction at 7,502,131,619 euros, represented by 7,502,131,619 shares with a par value of 1 euro each, all belonging to the same class and series.

The capital reduction was made with a charge to unrestricted reserves (specifically, with a charge to the share premium reserve), through the allocation of a reserve for amortised capital for an amount equal to the total nominal value of the shares being amortised (558,515,414 euros), which can only be drawn down under the same conditions as those required for the reduction of share capital, in application of the provisions of article 335 c) of the Corporate Enterprises Act.

CaixaBank's new share capital was registered in the Commercial Registry of Valencia on 13 January 2023. Therefore, for the purposes of all the information contained in the Annual Corporate Governance Report, the capital stock taken into account at year-end is the capital stock registered as of 31 December 2022: 8,060,647,033 shares of 1 euro par value each, belonging to a single class and series, with identical voting and dividend rights, and represented by book entries. Notwithstanding the foregoing, and as the capital reduction (resolved by the Board on 22 December and registered on 13 January 2023) has taken place prior to the preparation of the Company's annual accounts, in accordance with the provisions of article 36 of the Resolution of 5 May 2019 of the Spanish Accounting and Audit Institute, the capital reduction is effective for accounting purposes for the year-end 2022. The Company's By-laws do not contain the provision of shares with double loyalty voting.

As regards the issuance of securities not traded in a regulated EU market, thus, referring to non-participating or non-convertible securities, in 2021, CaixaBank performed a non-preference ordinary bond issue for 200 million Swiss francs (ISIN CH1112011593), which has been admitted to trading in the SIX Swiss market. Furthermore, as a result of the takeover merger of Bankia, the issues of securities traded outside a regulated EU market have been incorporated into CaixaBank. The details of these issuances in force at 31 December 2022 are as follows:

> Preference share issues made amounting to 500 million euros (ISIN XS1880365975): listed on the unregulated market of Ireland (Global Exchange Market or GEM).

> Ordinary bonds issues amounting to 7.9 million euros (ISIN XS0147547177): listed on the unregulated market of Luxembourg.

_Shareholder structure

Share tranches	Shareholders[1]	Shares	%Share Capital
from 1 to 499	289,140	54,323,204	0.67
from 500 to 999	112,976	81,169,136	1.01
from 1,000 to 4,999	171,358	372,015,004	4.62
from 5,000 to 49,999	42,873	480,201,008	5.96
from 50,000 to 100,000	827	55,915,957	0.69
more than 100,000[2]	632	7,017,022,724	87.05
Total	617,806	8,060,647,033	100

[1]For shares held by investors trading through a custodian entity located outside of Spain, the custodian is considered to be the shareholder and appears as such in the corresponding book entry register.

[2]Includes treasury shares.

_Significant shareholders (A.2)

In accordance with the CNMV definition, significant shareholders are those who hold voting rights representing at least 3 % of the total voting rights of the issuer (or 1 % if the shareholder is a resident of a tax haven). At 31 December 2022, in accordance with the public information available on the CNMV website, the significant shareholders were as follows:

	% of voting rights attributed to the shares		% of voting rights attributed through financial instruments		
Name or company name of the holder	Direct	Indirect	Direct	Indirect	% total voting rights
Blackrock, Inc.	0.00	3.00	0.00	0.21	3.21
"la Caixa" Banking Foundation	0.00	30.01	0.00	0.00	30.01
Criteria Caixa, S.A.U.	30.01	0.00	0.00	0.00	30.01
FROB	0.00	16.11	0.00	0.00	16.11
BFA Tenedora de Acciones, S.A.	16.11	0.00	0.00	0.00	16.11

_Details of indirect holding

Details of direct and indirect owners of significant holdings at the end of the financial year, excluding directors with a significant shareholding:

Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% rights voting rights attributed to shares	% of voting rights through financial Instruments	% total voting rights
Blackrock, Inc	Other controlled entities belonging to the Blackrock, Inc Group.	3.00	0.21	3.21
"la Caixa" Banking Foundation	CriteriaCaixa, S.A.U.	30.01	0.00	30.01
FROB	BFA Tenedora de Acciones, S.A.	16.11	0.00	16.11

The most relevant changes with regard to significant shareholdings in the last financial year are detailed below:

		Status of significant shareholding	
Date	Shareholder name	% previous share	% subsequent share
02/03/2022	Capital Research and Management Company	0.000	3.109
08/07/2022	Capital Research and Management Company	3.109	2.993

_Shareholders' agreements (A.7 + A.4)

The Company is not aware of any concerted actions among its shareholders or shareholders' agreements, now any other type of relationship, whether of a family, commercial, contractual or corporate nature, among the significant shareholders.

_Treasury shares (A.9 + A.10)

As at 31 December 2022, the Board has the 5-year authorisation granted at the AGM of 22 May 2020 to proceed with the derivative acquisition of treasury shares, directly and indirectly through its subsidiaries, under the following terms:

> The acquisition may be in the form of a trade, swap, dation in payment or any other form allowed by law, in one or more instalments, provided that the nominal amount of the shares acquired does not amount to more than 10% of the subscribed share capital when added to those already owned by the Company.

> When the acquisition is burdensome, the price shall be the price of Company shares on the Continuous Market at the close of the day prior to the acquisition, +/-15%.

Furthermore, the shares acquired by virtue of this authorisation may be subsequently disposed of or redeemed, or else extended to employees and directors of the Company or its group as part of the remuneration systems. In accordance with the provisions of the Internal Code of Conduct in matters relating to the securities market, CaixaBank share transactions must always be for legitimate purposes, such as contributing to the liquidity and regularising the trading of CaixaBank shares. Under no circumstances may the transactions aim to hinder the free process of formation of market prices or favour certain shareholders of CaixaBank. In this regard, the Board of Directors set the criteria for intervention in treasury shares on the basis of a new alerts system to define the margin of discretion of the inside area when managing treasury shares.

Number of shares held indirectly (*) through:

VidaCaixa S.A. de Seguros y Reaseguros	8,221
Nuevo MicroBank	13,381
Banco BPI, S.A.	337,191
CaixaBank Payments & Consumer	3,565
CaixaBank Wealth Management, Luxembourg	271,151
Total	389,509

565,809,696 → Number of shares held directly

7.02% → % of total share capital

389,509 → Number of shares held indirectly (*)

Treasury share transactions are carried out in isolation in an area separate from other activities and protected by the appropriate firewalls so that no inside information is made available.

_Share Buyback Programme

Notwithstanding the foregoing and during the financial year 2022, CaixaBank approved and implemented a treasury share buyback programme (the "Buyback Programme" or the "Programme") in accordance with the milestones set out below:

On 28 January 2022, CaixaBank made public its intent, subject to the appropriate regulatory approval, to implement an open-market share buy-back programme during the 2022 Fiscal Year, in order to bring down the CET1 ratio closer to our target level.

On 8 April 2022, under point 9 of the agenda, the General Shareholders' Meeting resolved to approve the reduction of share capital up to a maximum amount corresponding to 10% of the share capital at the date of the resolution, after obtaining the corresponding regulatory authorisations, through the redemption of treasury shares acquired by CaixaBank under the authorisation granted by the Company's General Shareholders' Meeting held on 22 May 2020, with the objective or purpose of being redeemed, all in accordance with the provisions of the applicable legislation and regulations, as well as within any limitations established by any competent authorities. For this purpose, the Company planned to establish a share buy-back programme in 2022. The period for executing the agreement was until the date of the next Ordinary General Shareholders' Meeting.

On 17 May 2022, following the relevant regulatory authorisation, CaixaBank reported that the Board of Directors had agreed to approve and initiate the "Buyback Programme" for a maximum amount of €1,800 million. The Buyback Programme was set to take place in accordance with Article 5 of Regulation (EU) No. 596/2014 and Delegated Regulation (EU) 2016/1052 and under the resolutions adopted by the General Shareholders' Meeting of 22 May 2020 and 8 April 2022.

On 14 December 2022, the Company reported that, after completing the programme, the maximum investment foreseen in the Buyback Programme had been reached, i.e. €1,800 million, which implied the acquisition of a total of 558,515,414 treasury shares, representing 6.93% of the share capital. And, as communicated in the announcement of the commencement of the Buyback Programme, the purpose of said program was to reduce CaixaBank's share capital by redeeming the treasury shares acquired under the Buyback Programme in a capital reduction approved by the 2022 General Shareholders' Meeting.

On 22 December 2022, CaixaBank made public that its Board of Directors agreed to engage a reduction in the Company's share capital via amortisation of all its treasury shares acquired under the Buyback Programme. In view of the above, CaixaBank's share capital is reduced by the amount of 558,515,414 euros, through the redemption of 558,515,414 treasury shares with a par value of 1 euro each, leaving the share capital resulting from the capital reduction at 7,502,131,619 euros, represented by 7,502,131,619 shares with a par value of 1 euro each, all belonging to the same class and series. The capital reduction and the amendment of articles 5 and 6 of the Articles of Association relating to share capital and shares have been registered with the Commercial Registry of Valencia on 13 January 2023, implementing the reduction and delisting the redeemed shares.

Information on the acquisition and disposal of treasury shares held in treasury during the period is included in Note 24 "Equity" to the Consolidated Financial Statements.

_Regulatory working capital (A.11)

The CNMV defines "estimated working capital" as the part of share capital that is not in the possession of significant shareholders (according to information in previous section) or members of the board of directors or that the company does not hold in treasury shares.

49.34% Significant shareholders (Total)

43.61% Regulatory Working Capital (CNMV Criteria)

0.02% Board

7.02% Treasury shares

_Available working capital

In order to specify the number of shares available for the public, a definition of "available working capital" is used and takes into account the issued shares minus the shares held in the treasury, shares owned by members of the Board of Directors and shares held by "la Caixa" Bankia Foundation and the FROB, and it differs from the regulatory calculation.

16.1% FROB[2]

30.0% "la Caixa" Banking Foundation[1]

7.0% Treasury and Board of Directors

46.9% Free Float

28.0% Retail

1.5% Employees

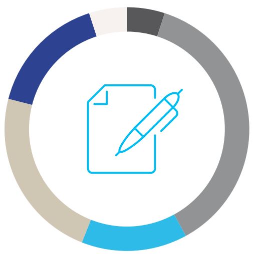
60.6% Institutional presence

9.90% Institutional National

[1] Fundación Bancaria Caja de Ahorros y Pensiones de Barcelona, "la Caixa" ("la Caixa" Banking Foundation). In accordance with the last notification submitted to the Spanish securities market regulator (CNMV) on 29 March 2021, via Criteria Caixa, S.A.U.

[2] In accordance with the last notification submitted to the CNMV on 30 March 2021, via BFA Tenedora de Acciones, S.A.

_Geographical distribution of institutional investors



5% Asia and rest of the world

23% United Kingdom

37% USA and Canada

16% Rest of Europe

14% Spain

5% Unidentified / foreign

70.5 %

Institutional

_Authorisation to increase capital (A.1)

At 31 December 2022, the Board holds the authorisation granted by the AGM of 22 May 2020 until May 2025 to increase capital on one or more occasions up to the maximum nominal amount of 2,991 million euros (50% of the share capital at the date of the proposal on 22 May 2020), under such terms as it deems appropriate. This authorisation may be used for the issue of new shares, with or without premium and with or without voting rights, for cash payments.

The Board is authorised to waive, in full or in part, the pre-emptive rights, in which case the capital increases will be limited, in general, to a total maximum amount of 1,196 million euros (20% of the share capital at the date of the proposal on 16 April 2020). As an exception, this limit does not apply to capital increases for the conversion of convertible bonds, which will be subject to the general limit of 50% of share capital. As a result of the authorisation granted by the AGM in May 2021, the Board is authorised to waive the pre-emptive rights without being subject to the aforementioned limit of 1,196 million euros if it decides to issue convertible securities for the purpose of meeting certain regulatory requirements. Along these lines, as of 3 May 2021, the Corporate Enterprises Act includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions the possibility of not applying this 20% (and only the general limit of 50%) to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

At the last General Meeting held on 8 April 2022, the reports of the Board of Directors and BDO Auditores S.L.P. (independent expert appointed by the Commercial Registry of Valencia) were communicated and made available to the shareholders for the purposes of the provisions of article 511 of Royal Legislative Decree 1/2010, of 2 July, regarding the issue of preference shares convertible into shares for a total nominal amount of 750,000,000 euros and excluding the pre-emptive subscription right. This issue was approved by the Board of Directors on 29 July 2021 under the delegation of powers granted in its favour by the Ordinary General Shareholders' Meeting of 14 May 2021, the final terms being set on 2 September 2021, as published in a privileged information communication of the same date. CaixaBank holds the following bonds, as preference shares *(Additional Tier 1)* that may be convertible into new issue shares under certain terms and conditions without pre-emptive rights:

>BREAKDOWN OF PREFERENCE SHARE ISSUES[1] (MILLIONS OF EUROS)

Issue date	Maturities	Nominal amount	Type of nominal interest	Amount pending redemption 31-12-2022	Amount pending redemption 31-12-2021
June 2017	Perpetual	1,000	6.750%	1,000	1,000
July 2017[2]	Perpetual	750	6.000%		750
March 2018	Perpetual	1,250	5.250%	1,250	1,250
September 2018[2]	Perpetual	500	6.375%	500	500
October 2020	Perpetual	750	5.875%	750	750
September 2021	Perpetual	750	3.675%	750	750
PREFERENCE SHARES				4,250	5,000
Own securities purchased				0	0
Total				4,250	5,000

[1] The preference shares that may be convertible into shares are admitted to trading on the AIAF (Spanish Association of Financial Intermediaries).

[2] Perpetual issuance placed for institutional investors on organised markets, with a discretionary coupon, which may be redeemed under specific circumstances at the discretion of the Company.

_Performance of stocks (A.1)

CaixaBank's share price closed 2022 at EUR 3.672 per share, an increase of +52.1% over the year, outperforming both the general aggregates (IBEX 35 -5.6% and Eurostoxx 50 -11.7%) and the benchmark banks: IBEX 35 banks +13.1% and Eurostoxx Banks SX7E -4.6%.

In general, **2022 leaves a negative balance sheet for stock markets, with volatility and uncertainty prevailing in financial markets** throughout the year. The year was undoubtedly marked by the war in Ukraine, the energy (and other commodities) crisis, the accelerating inflation and the rapid tightening of monetary policy on both sides of the Atlantic, against the backdrop of evident economic slowdown and growing fears of recession. While the fourth quarter started with the main stock indexes in a fragile recovery, this was cut short again in December, following the hawkish pivot of the Fed and the ECB towards a tighter monetary policy than the market was anticipating, despite the risks to growth. All in all, Spanish banking stocks have generally performed better than other sectors or other European comparables, encouraged by their lower exposure to Russia and by the change in the interest rate scenario, after more than five years of operating with negative interest rates.

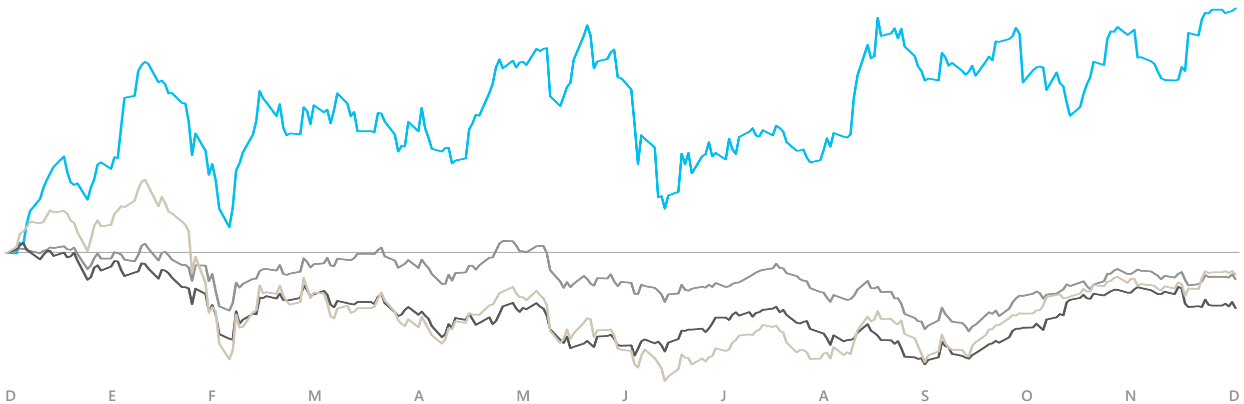
> PERFORMANCE OF THE MAIN INDICES IN 2022
(YEAR-END 2021, BASE 100 AND ANNUAL VARIATIONS IN %)

+52.1% CaixaBank

-11.7% Eurostoxx 50

-5.6% Ibex35

-4.6% Eurostoxx Eurozone Banks



Action	December 2022	December 2021	Change
Share price (€/share)	3.672	2.414	1.258
Market capitalisation	25,870	19,441	6,429
Book value per share (€/share)	4.57	4.39	0.18
Tangible book value per share (€/share)	3.82	3.73	0.09
Net profit attrib. per share excl. merger impacts (€/share) (12 months)	0.37	0.28	0.09
PER (Price/Profit; multiple)	9.95	8.65	1.30
P/TBV tangible (Share price divided by tangible book value)	0.96	0.65	0.31

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

_Shareholder rights

There are no legal or statutory restrictions on the **exercise of shareholders' voting rights**, which may be exercised either through physical or telematic attendance at the AGM, if certain conditions[1] are met, or prior to the AGM by remote means of communication.

During the 2022 financial year, the Articles of Association have been amended mainly to incorporate some clarifications in the regime for the operation of the General Shareholders' Meeting in hybrid form or through exclusively telematic means, which was already expressly included in the previous text of the Articles of Association. The revision of the Articles of Association derives from the approval and entry into force of Law 5/2021 of 21 April on the promotion of the long-term involvement of shareholders in listed companies, which amended the Capital Companies Act, and from the experience acquired in holding meetings with the possibility of telematic attendance, and the only meeting held exclusively by telematic means during the state of alarm for the management of the health crisis caused by COVID-19, in accordance with the regulations and recommendations in force at that time. In addition, a reference to the possibility of granting proxies or voting by remote means of communication prior to the General Shareholders' Meeting has been included, in accordance with the Company's usual practice, as well as some technical details. In response to the above, the General Shareholders' Meeting also approved amendments to the Regulations of the Meeting to incorporate and develop these amendments, improving and systematising the text of the Regulations. (A.12 and B.6)

The Company's By-laws do not contain the provision of shares with double loyalty voting. In addition, there are no statutory restrictions on the transfer of shares, other than those established by law. (A.1 and A.12)

CaixaBank has not adopted any neutralisation measures (according to the definitions in the Securities Market Law) in the event of a takeover bid. (A.13)

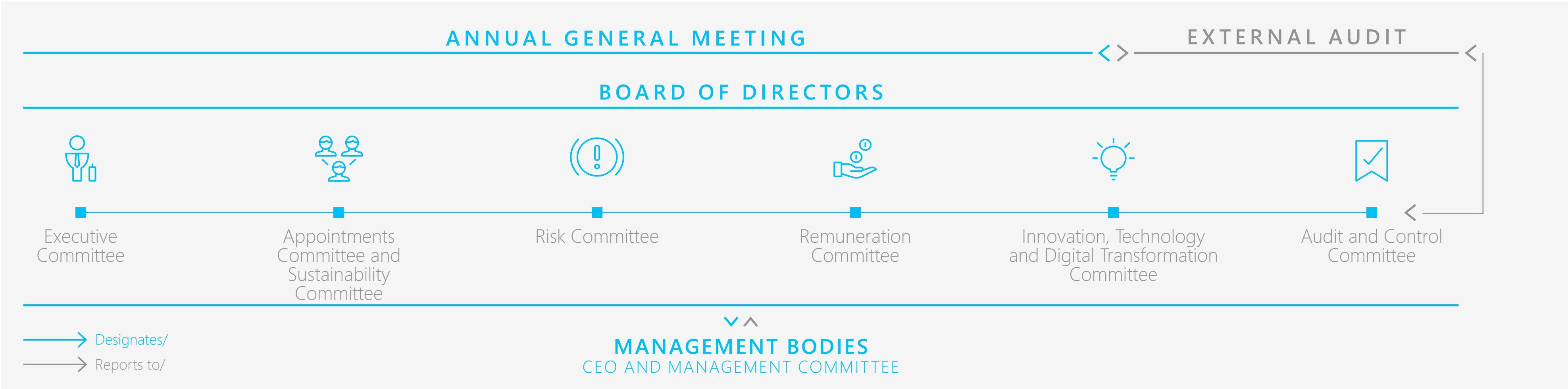
On the other hand, there are legal provisions[2] that regulate the acquisition of significant shareholdings in credit institutions as banking is a regulated sector (the acquisition of shareholdings or significant influence is subject to regulatory approval or non-objection) without prejudice to those related to the obligation to formulate a public takeover bid for the shares to acquire control and for other similar operations.

Regarding the rules applicable to amendments to the By-laws, as well as the rules for shareholders' rights to amend them, CaixaBank's rules and regulations largely include the provisions of the Corporate Enterprises Act. Likewise, as a credit institution, the amendment of the Articles of Association is subject to the authorisation and registration procedure established in Royal Decree 84/2015, of 13 February, which implements Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions. It should be mentioned that, in accordance with the regime envisaged in this rule, certain modifications (the change of registered office within the national territory, the increase of share capital or the textual incorporation of mandatory or prohibitive legal or regulatory precepts, or to comply with judicial or administrative resolutions, as well as those that the Banco de España has considered of little relevance in response to prior consultation) are not subject to the authorisation procedure, although they must in any case be notified to the Banco de España for registration in the Register of Credit Institutions. (B.3). In relation to the right to information, the Company acts under the general principles of transparency and non-discrimination contained in current legislation and set out in internal regulations, especially in the Policy on communication and contact with shareholders, institutional investors and proxy shareholders, which is available on the corporate website. With regard to inside information, in general, this is made public immediately through the CNMV website and the corporate website, as well as any other channel deemed appropriate. Notwithstanding the foregoing, the Company's Investor Relations area carries out information and liaison activities with different stakeholders, always in accordance with the principles of the aforementioned Policy.

[1]Registration of ownership of shares in the relevant book-entry ledger, at least 5 days in advance of the date on which the General Meeting is to be held and ownership of at least 1,000 shares, individually or in a group with other shareholders.
[2]Regulation (EU) 1024/2013 of the Council, of 15 October 2013, conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions; Securities Market Law; and Act 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions (art. 16 to 23) and Royal Decree 84/2015, of 13 February, which implements it.

_Management and Administration of the Company

At CaixaBank, the management and control functions in the Company are distributed among the Annual General Meeting, the Board of Directors, and its committees:



_Annual General Meeting

The Annual General Meeting of CaixaBank is the ultimate representative and participatory body of the Company shareholders.

Accordingly, in order to facilitate the participation of shareholders in the General Shareholders' Meeting and the exercise of their rights, the Board will adopt such measures as appropriate so that the AGM may effectively perform its duties.

>ATTENDANCE AT GENERAL MEETINGS (B.4)

			Distance voting		
Date of general meeting	Physically present	Present by proxy	Electronic means	Other	Total
22/05/2020[2]	**40.94 %**	**24.92 %**	**0.11 %**	**0.30 %**	**66.27 %**
Of which: Working capital[1]	0.28 %	16.90 %	0.11 %	0.30 %	17.59 %
03/12/2020[3]	**43.05 %**	**25.85 %**	**1.17 %**	**0.27 %**	**70.34 %**
Of which: Working capital[1]	2.36 %	15.90 %	1.17 %	0.27 %	19.70 %
14/05/2021[4]	**46.18 %**	**26.94 %**	**1.24 %**	**1.07 %**	**75.43 %**
Of which: Free float[1]	0.01 %	23.96 %	1.24 %	1.07 %	26.28 %
08/04/2022[5]	**46.87 %**	**28.62 %**	**0.25 %**	**0.40 %**	**76.14 %**
Of which: Free float[1]	0.70 %	22.51%	0.25 %	0.40 %	23.86 %

[1]Approximate information given that significant foreign shareholders hold their stakes through nominees.

[2]The General Shareholders' Meeting of May 2020 was held exclusively via electronic means (in application of the extraordinary measures in relation to COVID-19) and therefore the figure for physical attendance corresponds to remote participation by shareholders.

[3]The General Shareholders' Meeting of December 2020 was held in hybrid format (in person and electronically) and therefore figure for physical attendance corresponds to both in-person and remote participation by shareholders.

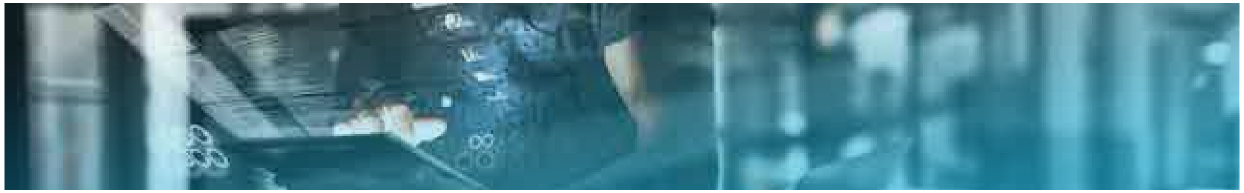
[4]The General Shareholders' Meeting of May 2021 was held in hybrid format (in person and electronically) and therefore figure for physical attendance corresponds to both in-person and remote participation by shareholders.

[5] The General Shareholders' Meeting of April 2022 was held in hybrid format (in person and electronically) and therefore figure for physical attendance corresponds to both in-person and remote participation by shareholders.

All points on the agenda were approved at the General Meeting in April 2022 (B.5):

76.14% quorum of share capital

94.78% average approval



>GENERAL SHAREHOLDERS' MEETING OF 8 APRIL 2022

	Resolutions of the General Shareholders' Meeting 08/04/2022	% of votes issued in favour	% votes in favour out of
1	Individual and consolidated annual financial statements for 2021 and the respective management reports	99.00%	75.37%
2	Status of the consolidated non-financial statement for 2021	98.94%	75.33%
3	Management of the Board of Directors in 2021	98.70%	75.14%
4	Approval for the application of the 2021 financial results	99.05%	75.41%
5	Re-election of CaixaBank and consolidated group auditors for 2023	98.91%	75.31%
6.1	Re-election of Mr Tomás Muniesa Arantegui	98.37%	74.90%
6.2	Re-election of Mr Eduardo Javier Sanchiz Irazu	98.55%	75.03%
7.1	Amendment of article 7 ("Shareholder status")	98.99%	75.37%
7.2	Amendment of Articles 19 ("Calling of the General Shareholders' Meeting"), 22 ("Right to attend"), 22 bis ("General Shareholders' Meeting exclusively by electronic means"), 24 ("Granting of proxy and voting by remote means of communication prior to the General Shareholders' Meeting") and 29 ("Minutes of the Meeting and certifications").	95.89%	73.01%
7.3	Amendment of Articles 31 ("Functions of the Board of Directors") and 35 ("Designation of roles on the Board of Directors")	98.98%	75.36%
7.4	Modification of Article 40 ("Audit and Control Committee, Risk Committee, Appointments and Sustainability Committee and Remuneration Committee").	98.99%	75.37%
8	Amendment of articles 5 ("Notice"), 7 ("Right to information prior to the General Shareholders' Meeting"), 8 ("Right to attend"), 10 ("Right to representation"), 13 ("Chairmanship, Secretary and Presiding Officers"), 14 ("List of attendees"), 15 ("Constitution and commencement of the session"), 16 ("Interventions"), 17 ("Right to information during the course of the General Shareholders' Meeting"), 19 ("Voting on resolutions") and 21 ("Minutes of the Meeting") and deletion of the additional provision ("Attendance at the General Shareholders' Meeting by remote connection in real time") of the Regulations of the General Shareholders' Meeting of the Company.	95.69%	72.86%
9	Capital reduction through redemption of treasury shares acquired for this purpose	98.97%	75.36%
10	Remuneration policy of the Board of Directors	75.86%	57.76%
11	Issue of shares to executive directors as payment of the variable components of their remuneration	77.34%	58.88%
12	Maximum level of variable remuneration for employees whose professional activities have a significant impact on the risk profile	77.53%	59.00%
13	Authorisation and delegation of powers to interpret, rectify, supplement, execute, implement, convert to public instruments and register the resolutions	99.01%	75.38%
14	Advisory vote on the Annual Report on Remuneration of the members of the Board for the 2021 financial year	97.27%	74.06%
	Average	94.78%	

Details GSM 8 April 2022. For further information about the results of the votes, go to:
https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Gobierno_Corporativo/JGA/2022/Quorum_CAST.pdf

At CaixaBank **there are no differences with respect to the minimum** quorum for the constitution of the general meeting.

Nor with respect to the manner of adopting corporate resolutions established by the Corporate Enterprises Act. (B.1, B.2).

It has not been established that the decisions that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions (other than those established by law) must be subject to the approval of the AGM. However, the Regulations of the General Meeting establishes that the AGM shall have the remit prescribed by applicable law and regulations at the Company. (B.7).

The corporate governance information is available on the corporate website of CaixaBank (www.caixabank.com) under "Shareholders and Investors – Corporate governance and remuneration policy"[1], including specific information on the general shareholders' meetings[2]. Also, when an AGM is announced, a banner appears on the CaixaBank homepage with a direct link to the information regarding the meeting (B.8).

[1]https://www.caixabank.com/es/accionistas-inversores/gobierno-corporativo/consejo-administracion.html
[2]https://www.caixabank.com/es/accionistas-inversores/gobierno-corporativo/junta-general-accionistas.html

_Board of Directors

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

The maximum and minimum number of directors established in the By-laws is 22 and 12, respectively. (C.1.1)

The General Shareholders' Meeting of 22 May 2020 adopted the agreement to set the number of Board members at 15.

At CaixaBank, the Chairman and CEO have different yet complementary roles. There is a clear division of responsibilities between each position. The Chairman is the Company's senior representative, performs the functions assigned by the By-laws and current regulations, and coordinates together with the Board of Directors, the functioning of the Committees for a better performance of the supervisory function. Furthermore, since 2021, the Chairman carries out these functions together with certain executive functions within the scope of the Board's Secretariat, External Communications, Institutional Relations and Internal Audit (notwithstanding this area reporting to the Audit and Control Committee). The Board has appointed a CEO, the main executive director of the Company who is responsible for the day-to-day management under the supervision of the Board. There is also a delegated committee, the Executive Committee, which has executive functions (excluding those that cannot be delegated). It reports to the Board of Directors and meets on a more regular basis.

There is also an Independent Coordinating Director appointed from among the independent directors who, in addition to leading the periodic assessment of the Chairman, also chairs the Board in the absence of the Chairman and the Deputy Chairman, in addition to other assigned duties.

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

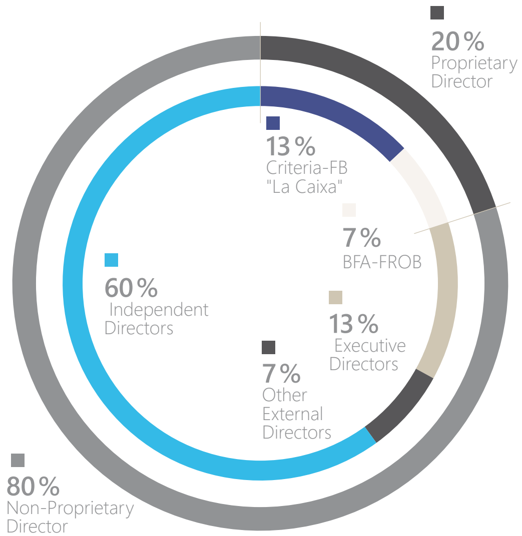
As at 31 December 2022, the Board of Directors was composed of 15 members (without taking into account the vacancy), with two executive directors and 13 external directors (nine independent, three proprietary and one other external).

In terms of independent directors, these make up 60% of the CaixaBank Board of Directors, which is well in line with the current provisions of Recommendation 17 of the Code of Good Governance for Listed Companies in companies that have one shareholder who controls more than 30% of the share capital.

The Board also has two executive directors (the Chairman of the Board and the CEO), an external director, as well as three proprietary directors, two of which are proposed by the FBLC and CriteriaCaixa and one by the FROB Executive Resolution Authority and BFA Tenedora de Acciones, S.A.U.

For illustrative purposes, the following chart shows the distribution of directors in the different categories and the significant shareholder they represent, if proprietary directors.

> BOARD AT THE END OF 2022 - CATEGORIES OF MEMBERS OF THE CAIXABANK BOARD OF DIRECTORS



60% → Independent Directors (C.1.3)

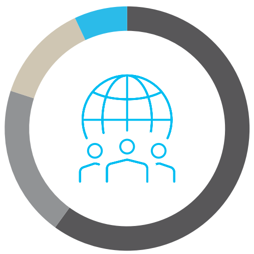
20% → Proprietary Directors (C.1.3)

13% → Executive Directors (C.1.3)

7% → Other External Director (C.1.3)

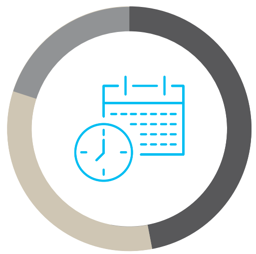
5 years → Term of office of 5.4 years in the case of independent directors

> DIRECTORS BY CATEGORY, AT 31 DECEMBER

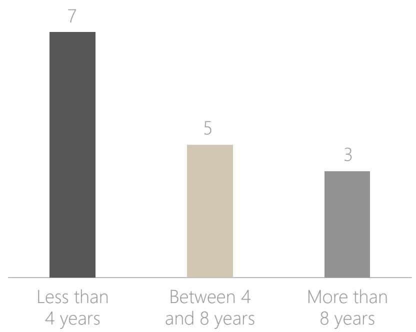


- 60% Independent Directors
- 20% Proprietary Directors
- 13% Executive Directors
- 7% Director other external

> TIME IN ROLE AS AT 31 DECEMBER



- 47% Less than 4 years
- 33% Between 4 and 8 years
- 20% More than 8 years



02	09	03	01
Executive	Independent	Proprietary	Other external

As a consequence of the gradual reduction in the size of the Board in recent years and the appointments made as a result of the takeover merger of Bankia registered in March 2021, 7 directors (practically half of the Board members) have been in their roles for less than 4 years, 5 directors between 4 and 8 years and 3 directors have been more than 8 years on the Board.

Details of the Company's directors at year-end 2022 are set out below: (C.1.2)

	José Ignacio Goirigolzarri	Tomás Muniesa	Gonzalo Gortazar[1]	John S. Reed	Joaquín Ayuso	Francisco Javier Campo	Eva Castillo	Fernando María Ulrich	M. Verónica Fisas	Cristina Garmendia	M. Amparo Moraleda	Eduardo Javier Sanchiz	Teresa Santero	José Serna	Koro Usarraga
Director category	Executive	Proprietary	Executive	Independent	Independent	Independent	Independent	Other external[2]	Independent	Independent	Independent	Independent	Proprietary	Proprietary	Independent
Position on the Board	Chairman	Deputy Chairman	CEO	Independent Coordinating Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director
Date of first appointment	03/12/2020	01/01/2018	30/06/2014	03/11/2011	03/12/2020	03/12/2020	03/12/2020	03/12/2020	25/02/2016	05/04/2019	24/04/2014	21/09/2017	03/12/2020	30/06/2016	30/06/2016
Date of last appointment	03/12/2020	08/04/2022	05/04/2019	05/04/2019	03/12/2020	03/12/2020	03/12/2020	03/12/2020	22/05/2020	05/04/2019	05/04/2019	08/04/2022	03/12/2020	14/05/2021	14/05/2021
Election procedure	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting
Year of birth	1954	1952	1965	1939	1955	1955	1962	1952	1964	1962	1964	1956	1959	1942	1957
Mandate end date	03/12/2024	08/04/2026	05/04/2023	05/04/2023	03/12/2024	03/12/2024	03/12/2024	03/12/2024	22/05/2024	05/04/2023	05/04/2023	08/04/2026	03/12/2024	14/05/2025	14/05/2025
Nationality	Spanish	Spanish	Spanish	American	Spanish	Spanish	Spanish	Portuguese	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish

[1] *It has been delegated all powers delegable by law and the By-laws, without prejudice to the limitations established in the Regulations of the Board, which apply at all times for internal purposes. (C.1.9)*

[2] *Fernando Maria Ulrich was classified as another external director, neither proprietary nor independent, in accordance with the provisions of section 2 of article 529 duodecies of the Corporate Enterprises Act and article 19.5 of the Regulations of the Board of Directors. He has been the Non-Executive Chairman of Banco BPI, S.A. since 2017.*

List any independent Directors who receive from the company or group any amount or payment other than standard Director remuneration or who maintain or have maintained during the last year a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained the said relationship. (C.1.3)

The Company has not appointed any Proprietary Directors upon the request of shareholders who hold less than 3% of the share capital. (C.1.8)

The General Secretary and Secretary to the Board of Directors, Óscar Calderón, is not a director. (C.1.29)

There were no resignations from the Board of Directors during the year: (C.1.2)

> SHARES HELD BY BOARD (A.3)

Name	Number of voting rights attached to the shares		% of voting rights attributed to the shares		Number of voting rights through financial instruments		% of voting rights through financial instruments		Total number of voting rights	% total voting rights	Of the total number of voting rights attributed to the shares, specify, where applicable, the additional votes corresponding to the shares with a loyalty vote	
	Directs	Indirects	Direct	Indirect	Directs	Indirects	Direct	Indirect			Direct	Indirect
José Ignacio Goirigolzarri	224,005	0	0.003 %	0.000 %	173,043	0	0.002 %	0.000 %	397,048	0.005 %	0	0
Tomás Muniesa	292,643	0	0.004 %	0.000 %	16,494	0	0.000 %	0.000 %	309,137	0.004 %	0	0
Gonzalo Gortazar	738,172	0	0.009 %	0.000 %	340,754	0	0.004 %	0.000 %	1,078,926	0.013 %	0	0
John S. Reed	12,564	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	12,564	0.000 %	0	0
Joaquín Ayuso	37,657	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	37,657	0.000 %	0	0
Francisco Javier Campo	34,440	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	34,440	0.000 %	0	0
Eva Castillo	19,673	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	19,673	0.000 %	0	0
Fernando María Ulrich	0	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	0	0.000 %	0	0
María Verónica Fisas	0	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	0	0.000 %	0	0
Cristina Garmendia	0	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	0	0.000 %	0	0
María Amparo Moraleda	0	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	0	0.000 %	0	0
Eduardo Javier Sanchiz	8,700	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	8,700	0.000 %	0	0
Teresa Santero	0	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	0	0.000 %	0	0
José Serna	6,609	10,463*	0.000 %	0.000 %	0	0	0.000 %	0.000 %	17,072	0.000 %	0	0
Koro Usarraga	7,175	0	0.000 %	0.000 %	0	0	0.000 %	0.000 %	7,175	0.000 %	0	0
Total	1,381,638	10,463	0.017 %	0.000 %	530,291	0	0.007 %	0.000 %	1,922,392	0.024 %	0	0

(*) Shares owned by María Soledad García Conde Angoso.

Actual calculated % without adding previous %

↗ See director CVs

0.02 % ↗

⟶ total voting rights held by the Board.

46.12 % ↗

⟶ total voting rights of significant shareholders represented on the Board.

Significant shareholders represented on the Board:

> "la Caixa" Banking Foundation (criteria Caixa) 30.01%

> FROB (BFA Tenedora de acciones) 16.11%

46.14 % ↗

⟶ total voting rights represented on the board. *(Directors + significant shareholders represented on the Board).*

Note: The information on the number of voting rights through financial instruments provided in this section refers to the maximum number of shares pending receipt as a result of long-term incentive plans and bonuses from previous years whose settlement is deferred in compliance with applicable regulations. Therefore, the information provided in this column of the table does not refer specifically to financial instruments that give the right to acquire shares, but to shares held by CaixaBank that are intended for settlement of these plans with the relevant adjustments at the time of delivery. to the corresponding Board members. It is at the time of liquidation of these plans that each beneficiary will notify the market of the acquisition of the shares whose voting rights become their own.

>CVS OF THE DIRECTORS (C.1.3)

José Ignacio Goirigolzarri

⟶ Executive Chairman

_Education

He holds a degree in Economics and Business Science from the University of Deusto (Bilbao). He holds a diploma in Finance and Strategic Planning from the University of Leeds (UK).

_Professional Career

He is also currently the Vice-Chairman of the Spanish Confederation of Savings Banks (CECA). Before assuming the Chairmanship, he was Executive Chairman of the Board of Directors of Bankia, Chairman of its Committee on Technology and Innovation and Chairman of the Board of Directors of BFA, Tenedora de Acciones, S.A.U. He began his professional career at Banco de Bilbao. He was head of Retail Banking. He was also a Director of BBVA-Bancomer (Mexico), Citic Bank (China) and CIFH (Hong Kong). He was also the Vice Chairman of Telefónica and Repsol and the Spanish Chairman of the Fundación Consejo España-Estados Unidos.

_Other positions currently held

Furthermore, he is a Trustee of CEDE, Fundación Pro Real Academia Española, Honorary Board Member of the Fundación Consejo España-Estados Unidos, Chairman of Deusto Business School, Chairman[1] of the Advisory Board of the Benjamin Franklin American Institute of Research, and Chairman of the Garum Foundation. He is also Chairman of the CaixaBank Dualiza Foundation.

Tomás Muniesa

⟶ Proprietary deputy chairman

_Education

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

_Professional Career

He joined "la Caixa" in 1976, and was appointed Deputy General Manager in 1992. In 2011, he was appointed General Manager of CaixaBank's Insurance and Asset Management Group, where he remained until November 2018. He was Executive Vice-chairman and CEO of VidaCaixa (1997-2018). Previously, he served as the Chairman of MEFF, Deputy Chairman of BME, Second Deputy Chairman of UNESPA, Director and Chairman of the Audit Commission of the Insurance Compensation Consortium, Director of Vithas Sanidad and Substitute Board Member of Inbursa.

_Other positions currently held

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

Gonzalo Gotázar

⟶ CEO

_Education

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

_Professional Career

Prior to his appointment as CEO in 2014, he was the Chief Financial Officer at CaixaBank and CEO of Criteria CaixaCorp (2009-2011). He previously held various positions in the investment banking division of Morgan Stanley, as well as a number roles in corporate and investment banking in Bank of America. He was also Chairman of VidaCaixa, First Vice-Chairman at Repsol, Board Member of Inbursa, Erste Bank, SegurCaixa Adeslas, Abertis, Port Aventura and Saba.

_Other positions currently held

Director of Banco BPI.

John S. Reed

⟶ Lead Independent Director

_Education

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

_Professional Career

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

_Other positions currently held

He was appointed Chairman of the Board of American Cash Exchange in 2016 and he is a Fellow of the Boston Athenaeum and Trustee of NBER. He is a Fellow of the American Academy of Arts and Sciences and of the American Philosophical Society.

[1] *On 24 January 2023, he left the post of Chairman and remains a Member.*

Joaquín Ayuso

→ Independent Director

_Education

A graduate in Civil Engineering from the Polytechnic University of Madrid.

_Professional Career

He is currently Chairman of Adriano Care Socimi, S.A.

He was previously a member of the Board of Directors of Bankia.

He has pursued his professional career in Ferrovial, S.A., where he was CEO and Vice-Chairman of its Board of Directors. He has been a Director of National Express Group, PLC. and of Hispania Activos Inmobiliarios and Chairman of Autopista del Sol Concesionaria Española.

_Other positions currently held

He is a member of the Advisory Board of the Benjamin Franklin Institute of the University of Alcalá de Henares and the Advisory Board of Kearney. He is also Chairman of the Board of Directors of the Real Sociedad Hípica Española Club de Campo.

Francisco Javier Campo

→ Independent Director

_Education

He has a degree in Industrial Engineering from the Polytechnic University of Madrid.

_Professional Career

He is currently a member of the Board of Directors of Meliá Hotels International, S.A., and Deputy Chairman of AECOC.

He began his career at Arthur Andersen and served as global chairman of the Dia Group, member of the Global Executive Committee of the Carrefour Group, and Chairman of the Zena Group and the Cortefiel Group. He was previously a member of the Board of Directors of Bankia.

_Other positions currently held

He is Vice-Chairman of the Spanish Commercial Coding Association (AECOC), a member of the Advisory Board (senior advisor) of AT Kearney, the Palacios Food Group and IPA Capital, S.L. (Pastas Gallo).

He is a Director of the Spanish Association for the Advancement of Leadership (APD) and Trustee of the CaixaBank Dualiza Foundation, the F. Campo Foundation and the Iter Foundation.

He was awarded the National Order of Merit of the French Republic in 2007.

Eva Castillo

→ Independent Director

_Education

Se holds a degree in Law and Business from Comillas Pontifical University (ICADE) in Madrid.

_Professional Career

She is currently an independent director of International Consolidated Airlines Group, S.A. (IAG), and a member of the Audit and Compliance Committee and of the Remuneration Committee.

She was previously a member of the Board of Directors of Bankia, S.A.

She is currently an independent Director of Zardoya Otis, S.A., Chairwoman of the Audit Committee and a member of the Appointments and Remuneration Committee. She formerly served as a Director of Telefónica, S.A. and Chairwoman of the Supervisory Board of Telefónica Deutschland, AG, as well as a member of the Supervisory Board of the Telefónica Foundation. Previously, she was an Independent Director of Visa Europe Limited and Director of old Mutual, PLC.

She was the Chairwoman and CEO of Telefónica Europe and of Merrill Lynch Capital Markets España, Chairwoman and CEO of Merrill Lynch Wealth Management for EMEA, and a member of the Executive Committee of Merrill Lynch International for EMEA.

_Other positions currently held

She is also a member of the Board of Trustees of the Comillas-ICAI Foundation and the Board of Trustees of the Entreculturas Fe y Alegría Foundation. Recently, she has become a member of the Council for the Economy of the Holy See and a member of the A.I.E Advantere School of Management.

Fernando María Ulrich

→ Other External Director

_Education

He studied Economics and Business at the School of Economics and Management of the University of Lisbon.

_Professional Career

He has been the Non-Executive Chairman of Banco BPI, S.A. since 2017.

He has also been the Non-Executive Chairman of BFA (Angola) (2005-2017); a Member of the APB (Portuguese Association of Banks) Board of Directors (2004-2019); Chairman of the General and Supervisory Board of the University of Algarve, Faro (Portugal) (2009-2013); Non-Executive Director of SEMAPA, (2006-2008); Non-Executive Director of Portugal Telecom (1998-2005); Non-Executive Director of Allianz Portugal (1999-2004); Non-Executive Director of PT Multimedia (2002-2004); Member of the Advisory Board of CIP, Portuguese industrial confederation (2002-2004); Non-Executive Director of IMPRESA, and of SIC, a Portuguese media conglomerate (2000-2003); Vice-Chairman of the Board of Directors of BPI SGPS, S.A. (1995-1999); Vice-Chairman of Banco de Fomento & Exterior, S.A. and Banco Borges & Irmão (1996-1998); a Member of the Advisory Board for the Treasury Reform (1990/1992); a Member of the National Board of the Portuguese Securities Market Committee (1992-1995); Executive Director of Banco Fonsecas & Burnay (1991-1996); Vice-Chairman of the Banco Português de Investimento (1989-2007); Executive Director of the Banco Português de Investimento (1985-1989); Assistant Manager of the Sociedade Portuguesa de Investimentos (SPI) (1983-1985); Chief of Cabinet of the Ministry of Finance of the Government of Portugal (1981-1983); Member of the Secretariat for Economic Cooperation of the Portuguese Ministry of Foreign Affairs (1979-1980), and Member of the Portuguese delegation to the OECD (1975-1979). Responsible for the financial markets section of the newspaper Expresso (1973-1974).

María Verónica Fisas

→ Independent Director

_Education

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

_Professional Career

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

_Other positions currently held

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

Cristina Garmendia

→ Independent Director

_Education

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

_Professional Career

She has been Executive Deputy Chair and Financial Director of the Amasua Group. Member of the governing bodies of Genetrix, S.L. (Executive Chairwoman), Sygnis AG (Chairwoman of the Supervisory Board), Satlantis Microsats (Chairwoman), Science & Innovation Link Office, S.L. (Director), and Independent Director of Naturgy Energy Group, S.A., Corporación Financiera Alba, Pelayo Mutua de Seguros.

She was Minister of Science and Innovation of the Spanish Government during the IX Legislature from April 2008 to December 2011 and Chairwoman of the Association of Biotechnology Companies (ASEBIO) and member of the Board of Directors of the Spanish Confederation of Business Organisations (CEOE).

_Other positions currently held

She is a director of the board of Ysios Capital and an independent director of Compañía de Distribución Integral Logista Holdings, S.A. and Mediaset.

She is Chairwoman of the COTEC Foundation and as such is a member of the Board of Trustees of the Pelayo, España Constitucional, SEPI Foundations and a member of the Advisory Board of the Spanish Association Against Cancer, Women for Africa Foundation, UNICEF, Spanish Committee, as well as a member of the Advisory Board of Integrated Service Solutions, S.L. and S2 Grupo de Innovación en Procesos Organizativos, S.L.U., among others.

María Amparo Moraleda

→ Independent Director

_Education

Industrial Engineering from the ICAI and MBA from the IESE Business School.

_Professional Career

Between 2012 and 2017, she was a member of the Board of Directors of Faurecia, S.A. and member of the Advisory Board of KPMG España (since 2012), and between 2013 and 2021, she was on the Board of Directors of Solvay, S.A.

Between January 2009 and February 2012, she was Chief Operating Officer of Iberdrola SA's International Division with responsibility for the United Kingdom and the United States. She also headed Iberdrola Engineering and Construction from January 2009 to January 2011.

She was Executive Chairman of IBM Spain and Portugal between July 2001 and January 2009, responsible for Greece, Israel and Turkey from July 2005 to January 2009. Between June 2000 and 2001, she was assistant executive to the President of IBM Corporation. From 1998 to 2000, she was General Manager at INSA (a subsidiary of IBM Global Services). From 1995 to 1997, she was Head of HR for EMEA at IBM Global Services and from 1988 to 1995 she held various offices and management positions at IBM España.

_Other positions currently held

She is an independent director at several companies: Airbus Group, S.E. (since 2015) Vodafone Group (since 2017) and A.P. Møller-Mærsk A/S A.P. (since 2021).

She is also a member of the Advisory Board of the following companies: SAP Ibérica (since 2013), Spencer Stuart (since 2017), Kearney (since 2022) and ISS España.

She is also a member of various boards and trusts of different institutions and bodies, including the Academy of Social Sciences and the Environment of Andalusia, the Board of Trustees of the MD Anderson International España, the Vodafone Foundation, the Airbus Foundation and the Curarte Foundation.

Eduardo Javier Sanchiz

→ Independent Director

_Education

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

_Professional Career

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

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

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

_Other positions currently held

He is a member of the Board of Directors of the French pharmaceutical company Pierre Fabre, S.A. and a member of its Strategy Committee and its Audit Committee.

He is also a member of the Board of Directors of the venture capital company Sabadell Asabys Health Innovation Investments 2B S.C.R., S.A.

Teresa Santero

⟶ Proprietary Director

_Education

She holds a degree in Business Administration from the University of Zaragoza and a doctorate in Economics from the University of Illinois Chicago (USA).

_Professional Career

Previously, she held positions of responsibility in both the central government administration and the autonomous government. She previously worked for 10 years as an economist at the Economics Department of the OECD in Paris. She has been a visiting lecturer at the Economics Department of the Complutense University in Madrid and associate professor and research aide at the University of Illinois Chicago (USA).

She has been on various Boards of Directors, was an independent member of the General Board of the Spanish Official Credit Institute, ICO (2018-2020), a director of the Spanish Industrial Holding Company, SEPI (2008-2011) and Navantia (2010-2011).

_Other positions currently held

She is a lecturer at the IE Business School in Madrid.

José Serna

⟶ Proprietary Director

_Education

He holds a degree in Law from Complutense University of Madrid.

State Lawyer (on leave) and Notary (until 2013).

_Professional Career

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

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

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

Notary Public in Barcelona (2002-2013). He was also a member of the Board of Endesa (2000-2007) and its Group companies.

Koro Usarraga

⟶ Independent Director

_Education

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

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

_Professional Career

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

In 2001, she assumed responsibility for the General Corporate Management of Occidental Hotels & Resorts.

She was Managing Director of Renta Corporación and member of the Board of Directors of NH Hotel Group (2015-2017).

_Other positions currently held

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

The positions held by directors in group companies and other (listed or unlisted) companies are as follows:

>POSITIONS OF DIRECTORS IN OTHER COMPANIES IN THE GROUP (C.1.10)

Name of Director	Corporate name of the company	Position
Tomás Muniesa	VidaCaixa, S.A. de Seguros y Reaseguros	Deputy Chairman
Gonzalo Gortazar	Banco BPI, S.A.	Director
Fernando María Ulrich	Banco BPI, S.A.	Chairman

Information on **directors and positions** held on the boards of other companies refers to the end of the year of the financial year.

The Company is not aware of any relationships between significant shareholders (or shareholders represented on the Board) and Board members that are relevant to either party. (A.6)

The Company has imposed rules on the maximum number of company boards on which its own directors may sit. In accordance with article 32.4 of the Regulations of the Board of Directors, CaixaBank directors must observe the limitations on membership of boards of directors set out in the current regulations on the organisation, supervision and solvency of credit institutions. (C.1.12)

> POSITIONS OF DIRECTORS IN OTHER LISTED OR UNLISTED COMPANIES (C.1.11)

Name of Director	Corporate name of the company	Position	Paid or not
José Ignacio Goirigolzarri	A.I.E. Advantere School of Management	Director	No
	Asociación Madrid Futuro	Member (CaixaBank Representative)	No
	Asociación Valenciana de Empresarios	Member (CaixaBank Representative)	No
	Spanish Chamber of Commerce	Member (CaixaBank Representative)	No
	Spanish Businessmen's Association	Member (CaixaBank Representative)	No
	Basque Businessmen's Association	Member	No
	Confederación Española de Cajas de Ahorro (CECA)	Vice-Chairman (CaixaBank Representative)	Yes
	Confederación Española de Directivos y Ejecutivos (CEDE)	Trustee (CaixaBank Representative)	No
	Confederación Española de Organizaciones Empresariales (CEOE)	Member of the Advisory Board (CaixaBank Representative)	No
	Consejo Empresarial Español para el Desarrollo Sostenible	Director (CaixaBank Representative)	No
	Deusto Business School	Chairman	No
	Foment del Treball Nacional	Member (CaixaBank Representative)	No
	Fundación Aspen Institute	Trustee (CaixaBank Representative)	No
	Fundación CaixaBank Dualiza	Chairman (CaixaBank Representative)	No
	Fundación Consejo España-EEUU	Honorary Trustee (CaixaBank Representative)	No
	Fundación COTEC para la Innovación	Vice-Chairman (CaixaBank Representative)	No
	Fundación de Ayuda contra la Drogadicción (FAD)	Trustee	No
	Fundación de Estudios de Economía Aplicada (FEDEA)	Chairman (CaixaBank Representative)	No
	Fundación Instituto Hermes	Member of the Advisory Board (CaixaBank Representative)	No
	Fundación LAB Mediterráneo	Trustee (CaixaBank Representative)	No
	Fundación Mobile World Capital Barcelona	Trustee (CaixaBank Representative)	No
	Fundación Pro Real Academia Española	Trustee	No
	Fundación Real Instituto Elcano	Trustee (CaixaBank Representative)	No
	Garum Fundatio Fundazioa	Chairman	No
	Institute of International Finance	Member (CaixaBank Representative)	No
	Instituto Benjamin Franklin - UAH	Chairman[1]	No

[1] *On 24 January 2023, he left the post of Chairman and remains a Member.*

> POSITIONS OF DIRECTORS IN OTHER LISTED OR UNLISTED COMPANIES (C.1.11)

Name of Director	Corporate name of the company	Position	Paid or not
Tomás Muniesa	Companhia de Seguros Allianz Portugal S.A.	Director (CaixaBank Representative)	No
	Fundación ESADE	Trustee (CaixaBank Representative)	No
	SegurCaixa Adeslas, S.A. de Seguros y Reaseguros	Vice-Chairman (CaixaBank Representative)	Yes
Gonzalo Gortazar	Spanish Businessmen's Association	Member (CaixaBank Representative)	No
	Eurofi	Member (CaixaBank Representative)	No
	Fundación Consejo España-China	Trustee (CaixaBank Representative)	No
	Institute of International Finance	Member (CaixaBank Representative)	No
John S. Reed	American Cash Exchange Inc. (ACE)	Chairman	No
	Boston Athenaeum	Board Member	No
	National Bureau of Economic Research	Trust beneficiary	No
	American Academy of Arts and Sciences	Member	No
	American Philosophical Society	Member	No
Joaquín Ayuso	Adriano Care Socimi, S.A.	Chairman	Yes
	Club de Campo Villa de Madrid	Director	No
	Instituto Benjamin Franklin - UHA	Member of the Advisory Board	No
	Real Sociedad Hípica Española Club de Campo	Chairman	No
Francisco Javier Campo	Asociación Española de Codificación Comercial (AECOC)	Vice-chair and member of the Board of Directors (representative of CaixaBank)	No
	Asociación para el Progreso de la Dirección (APD)	Director	No
	Fundación CaixaBank Dualiza	Trustee (CaixaBank Representative)	No
	Fundación F. Campo	Trustee	No
	Fundación Iter	Trustee	No
	Meliá Hotels Internationals, S.A.	Director	Yes
Eva Castillo	A.I.E Advantere School of Management	Director	No
	Consejo para la Economía de la Santa Sede	Director	No
	Fundación Entreculturas Fe y Alegría	Trustee	No

>POSITIONS OF DIRECTORS IN OTHER LISTED OR UNLISTED COMPANIES (C.1.11)

Name of Director	Corporate name of the company	Position	Paid or not
Eva Castillo	Fundación Universitaria Comillas- ICAI.	Trustee	No
	International Consolidated Airlines Group, S.A. (IAG)	Director	Yes
María Verónica Fisas	National Association of Perfumery and Cosmetics (STANPA)	Chair of the Board of Directors	No
	Fundación Ricardo Fisas Natura Bissé	Trustee	No
	Fundación STANPA	Trustee (Representative of Asociación Nacional de Perfumería y Cosmética - STANPA)	No
	Natura Bissé Int. Dallas (USA)	Chairwoman (Representative of Natura Bissé International S.A.)	No
	Natura Bissé Int. LTD (UK)	Director (Representative of Natura Bissé International S.A.)	No
	Natura Bissé Int. S.A. de CV (México)	Chairwoman (Representative of Natura Bissé International S.A.)	No
	Natura Bissé International S.A.	CEO (Representative of Natura Bissé International S.A.)	Yes
	NB Selective Distribution S.L.	Joint Managing Director (Representative of Natura Bissé International S.A.)	No
	Natura Bissé International Trading (Shangai), CO., LTD	Joint Managing Director (Representative of Natura Bissé International S.A.)	No
Cristina Garmendia	Compañía de Distribución Integral Logista Holdings, S.A.	Director	Yes
	Fundación COTEC para la Innovación	Chairwoman (Representative of Ysios Capital Partners SGEIC, S.A.)	No
	Fundación España Constitucional	Trustee	No
	Fundación Pelayo	Trustee	No
	Fundación SEPI FSP	Trustee	No
	Jaizkibel 2007, S.L. (holding company)	Sole administrator	Yes
	Mediaset España Comunicación, S.A.	Director	Yes
	Ysios Asset Management, S.L.	Director	No
	Ysios Capital Partners CIV I, S.L.	Director	No
	Ysios Capital Partners CIV II, S.L.	Director	No
	Ysios Capital Partners CIV III, S.L.	Director	No
	Ysios Capital Partners SGEIC, S.A.	Director	Yes
	Asociación Española contra el Cáncer (AECC)	Member of the Advisory Board	No
	Fundación Mujeres por África	Member of the Advisory Board	No
	UNICEF, Comité español	Member of the Advisory Board	No

>POSITIONS OF DIRECTORS IN OTHER LISTED OR UNLISTED COMPANIES (C.1.11)

Name of Director	Corporate name of the company	Position	Paid or not
María Amparo Moraleda	Airbus Group. S.E.	Director	Yes
	Airbus Foundation	Trustee	No
	Fundación Curarte	Trustee	No
	Fundación MD Anderson International España	Trustee	No
	IESE	Board Member	No
	A.P. Møller-Mærsk A/S A.P.	Director	Yes
	Vodafone Foundation	Trustee	No
	Vodafone Group PLC	Director	Yes
Eduardo Javier Sanchiz	Pierre Fabre, S.A.	Director	Yes
	Sabadell - Asabys Health Innovation Investments 2B, S.C.R, S.A.	Director	Yes
José Serna	Asociación Española de Seniors de Golf	Deputy Chairman	No
Koro Usarraga	2005 KP Inversiones, S.L.	Solidarity Administrator	No
	Vehicle Testing Equipment, S.L. (wholly owned subsidiary of 2005 KP Inversiones, S.L.)	Solidarity Administrator	No
	Vocento, S.A.	Director	Yes

>OTHER PAID ACTIVITIES OTHER THAN THOSE LISTED ABOVE (C.1.11)

Name of Director	Corporate name of the company	Position
Joaquín Ayuso	AT Kearney S.A.	Member of the Advisory Board
Francisco Javier Campo	AT Kearney S.A.	Member of the Advisory Board
	Grupo Empresarial Palacios Alimentación. S.A.	Partner and Member of the Advisory Board
	IPA Capital S.L. (Pastas Gallo)	Partner and Member of the Advisory Board
Cristina Garmendia	Integrated Service Solutions, S.L.	Member of the Advisory Board (Representative of Jaizkibel 2007, S.L.- Equity Company)
	Mckinsey & Company	Member of the Advisory Board
	S2 Grupo de Innovación en Procesos Organizativos, S.L.U.	Member of the Advisory Board
	Universidad Europea de Madrid, S.A.	Member of the Advisory Board
María Amparo Moraleda	Kearney, S.A.	Member of the Advisory Board
	ISS España	Member of the Advisory Board
	SAP Ibérica	Member of the Advisory Board
	Spencer Stuart	Member of the Advisory Board
Teresa Santero	Instituto de Empresa Madrid	Teacher

_Diversity of Board of Directors (C.1.5 + C.1.6 + C.1.7)

In order to ensure an appropriate balance in the composition of the Board at all times, promoting diversity in gender, age and background, as well as in education, knowledge and professional experience that contributes to diverse and independent opinions and a sound and mature decision-making process, CaixaBank has a Selection, Diversity and Suitability Assessment Policy in place for directors, members of Senior Management and other people in key roles at CaixaBank and its Group, which is updated regularly.

The Policy is part of the Company's corporate governance system, and it includes the main aspects and commitments of the Company and its Group regarding the selection and evaluation of the suitability of directors and members of senior management and holders of key functions. The company agreed to review and update certain aspects of it in 2022.

As provided for in article 15 of the Regulations of the Board of Directors, the Appointments and Sustainability Committee is responsible for supervising compliance with this Policy. This Committee must, among other duties, analyse and propose the profiles of candidates to fill Board positions, considering diversity as an essential factor in the selection process and suitability, with a particular focus on gender diversity.

Within the framework of the Policy, and with a view to diversity, the following measures are established:

> Weighting, during the director selection and re-election procedures, of the goal of ensuring a governing body composition that is suitable and diverse, particularly in terms of diversity of gender, knowledge, training and professional experience, age and geographical origin in the composition of the Board, ensuring a suitable balance and facilitating the selection of candidates from the gender with the least representation. For this purpose, the candidate's suitability assessment reports shall include an assessment of how the candidate contributes to ensuring a diverse and appropriate composition of the Board of Directors.

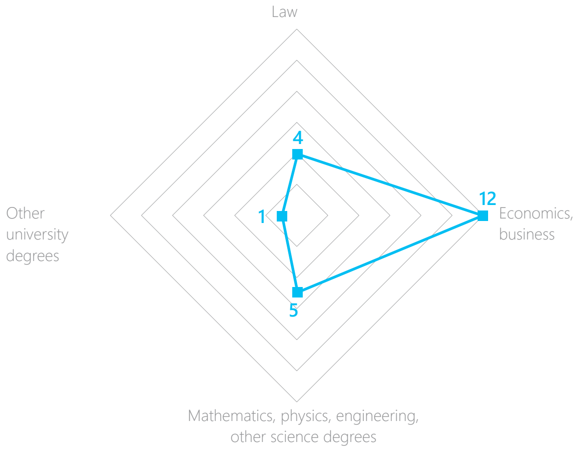
> Annual assessment of the composition and competencies of the Board, considering the diversity aspects discussed previously and, in particular, the percentage of Board members of the less represented gender, taking action when there is a discrepancy.

> Preparation and update of a competency matrix, the results of which may serve to detect future needs relating to training or areas to improve in future appointments.

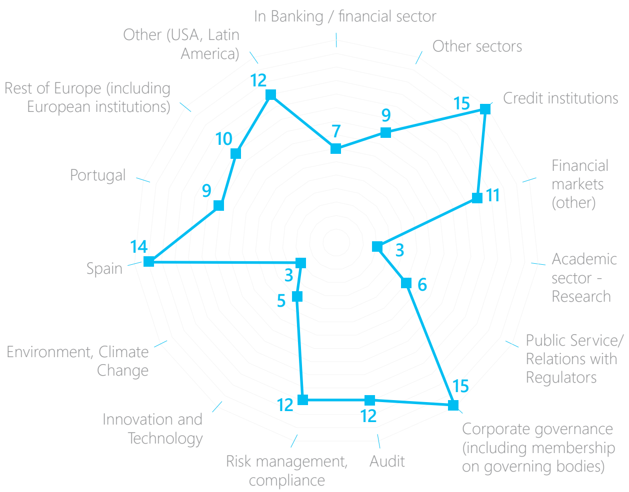
The CaixaBank Selection Policy and, in particular, section 6.1 of the policy regarding the fundamental elements of the diversity policy in the Board of Directors and the Protocol on Procedures for assessing suitability and appointing directors and senior management, along with other key positions in CaixaBank and its group establish the obligation of the Appointments and Sustainability Committee to assess the collective suitability of the Board of Directors each year. Adequate diversity in the composition of the Board is taken into account throughout the entire process of selection and suitability assessment at CaixaBank, considering, in particular, diversity of gender, training, professional experience, age, and geographic origin.

Recommendation 15 of the Good Governance Code currently establishes that the percentage of female directors should never be less than 30% of the total number of members of the Board of Directors and that by the end of 2022, the number of female directors should be at least 40% of the members of the Board of Directors. The percentage of women on the Board of Directors after the Ordinary General Shareholders' Meeting in May 2020, was 40%, above the target of 30% set by the Appointments Committee in 2019 to achieve in 2020. Following the extraordinary General Shareholders' Meeting of December 2020, the presence of female directors in CaixaBank's management body accounted for and continues to account for 40% of its members. This shows the Company's concern and firm commitment to meeting the target of 40% female representation on the Board of Directors. In the annual evaluation of compliance with the above-mentioned Policy, the structure, size and composition are also deemed to be suitable, particularly with respect to gender diversity and diversity in training and professional experience, age and geographical origin, and also taking into account the individual suitability re-assessment of each director carried out by the Appointments and Sustainability Committee, which leads to the conclusion that the overall composition of the Board of Directors is suitable. And, it is noted that the operation, as well as the composition of the Board of Directors, have been suitable for the exercise and performance of its functions, in particular for the proper management of the company, especially taking into account the exceptional circumstances that have characterised the 2022 financial year.

>DISTRIBUTION OF THE EDUCATION OF MEMBERS OF THE BOARD OF DIRECTORS



>DISTRIBUTION OF THE EXPERIENCE OF MEMBERS OF THE BOARD OF DIRECTORS



_Training of Board of Directors (C.1.5 + C.1.6 + C.1.7)

In terms of **training for the members of the company's Board of Directors**, in 2022, a training plan was conducted with 9 sessions that analysed different topics, such as different business areas, sustainability, corporate governance, relevant aspects of regulation, innovation or cybersecurity, among others. In addition, Directors receive up-to-date information on economic and financial developments on a recurring basis.

On the agenda of its ordinary meetings, the Risk Committee also included 15 monographic presentations on significant risks, such as interest rate risk, market risk, ESG risks, conduct and compliance risk, business continuity risk, credit and equity risk, outsourcing risk, business profitability risk, technology risk, legal risk, reputational risk, model risk, business return risk, IT risk, operational risk and information security risk, among others.

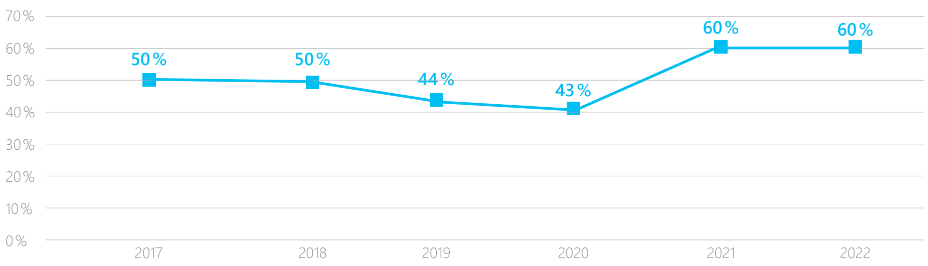
The Audit and Control Committee also included a total of 6 single-topic presentations in the agenda of its meetings, covering matters relating to audit, internal control and cybersecurity. Similarly, 2 training sessions were held for Committee members on the audit approach with regard to remuneration and non-financial information.

>MATRIX OF THE CAIXABANK BOARD OF DIRECTORS 2022

		José Ignacio Goirigolzarri	Tomás Muniesa	Gonzalo Gortazar	John S. Reed	Joaquín Ayuso	Francisco Javier Campo	Eva Castillo	Fernando María Ulrich	María Verónica Fisas	Cristina Garmendia	Mª Amparo Moraleda	Eduardo Javier Sanchiz	Teresa Santero	José Serna	Koro Usarraga
Position and category		Executive Chairman	Deputy Chairman Proprietary	CEO	Lead Independent Director	Independent	Independent	Independent	Other external	Independent	Independent	Independent	Independent	Proprietary	Proprietary	Independent
Training	Law			■				■		■					■	
	Economics, business	■	■	■				■	■	■	■	■	■	■	■	■
	Mathematics, physics, engineering, other science degrees				■	■	■				■	■				
	Other university degrees				■											
Senior management experience (Senior management board or senior management)	In Banking/Financial Sector	■	■	■	■			■	■						■	
	Other sectors					■	■	■	■	■	■	■	■			■
Experience in the financial sector	Credit institutions	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Financial markets (other)	■	■	■	■	■	■	■	■		■		■		■	
Other experience	Academic sector - Research	■									■			■		
	Public Service/ Relations with Regulators		■		■				■		■			■	■	
	Corporate governance (including membership of governing bodies)	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Audit	■	■	■	■	■	■	■	■		■		■		■	■
	Risk management/ compliance	■	■	■	■	■	■	■	■	■		■	■			■
	Innovation and Technology	■		■				■			■	■				
	Environment, Climate Change						■				■	■				
International experience	Spain	■	■	■	■	■	■	■		■	■	■	■	■	■	■
	Portugal	■	■	■		■	■	■	■			■	■			
	Rest of Europe (including European institutions)	■		■		■	■	■	■		■	■	■	■		
	Other (USA, Latin America)	■		■	■	■	■	■	■	■	■	■	■	■		
Diversity of gender, geographical origin, age	Gender diversity							■		■	■	■		■		■
	Nationality	SP	SP	SP	USA	SP	SP	SP	PT	SP	SP	SP	SP	SP	SP	SP
	Age	68	70	57	83	67	67	60	70	58	60	58	66	63	80	65

In the last few years, the presence of independent directors and the gender diversity of the Board has progressively increased, and the target set in Recommendation 15 of the GCBG of having at least 40% female directors on the Board has been reached ahead of schedule as of the AGM in May 2020. (C.1.4):

> EVOLUTION OF INDEPENDENCE ↗



(C.1.4)	Number of female directors Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2019	% of total Directors of each category Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2019
Executive	-	-	-	-	0.00	0.00	0.00	0.00
Proprietary	1	1	2	2	33.33	33.33	28.57	25.00
Independent	5	5	4	4	55.55	55.55	66.67	57.14
Other external	-	-	-	-	0.00	0.00	0.00	0.00
Total	6	6	6	6	40.00	40.00	42.86	37.50

40% women → on the Board

50% women → on the Remuneration Committee.

57% women → on the Executive Committee.

60% women → on the Innovation, and Digital Transformation Committee.

33% women → on the Risk Committee.

50% women → on the Audit and Control Committee.

20% women → on the Appointments and Sustainability Committee.

As a result, the CaixaBank Board can be said to be within the upper band of IBEX 35 companies in terms of the presence of women, according to the public information available on the composition of Boards of Directors of IBEX 35 companies at year-end 2022 (the average of which is 37.38%)[1].

[1] *Average number of women sitting on the Board of Ibex 35 companies, calculated according to the public information available on the websites of the companies.*

_Selection, appointment, re-election, evaluation and removal of members of the Board

_Principles of proportionality among categories of members of the Board of Directors (C.1.16)

01.
External directors (non-executive)
should constitute a majority over executive directors, and the number of the latter should be the minimum necessary.

02.
The external directors
will include holders of stable significant shareholdings in the company (or their representatives) or those shareholders that have been proposed as directors even though their holding is not significant (proprietary directors), and persons of recognised experience who can perform their functions without being influenced by the Company or its Group, its executive team or significant shareholders (independent directors).

03.
The external directors
the ratio of proprietary and independent directors should reflect the existing proportion of the Company's share capital represented by proprietary directors and the remainder of its capital. At least one-third of the Company's directors will be independent directors (provided that there is one shareholder, or several acting in concert, controlling more than 30% of the share capital).

04.
No shareholder
may be represented on the Board by a number of proprietary directors representing more than 40% of the total number of Board members, without affecting the right to proportional representation provided for by law.

_Selection and appointment (C.1.16)

The Selection, Diversity and Suitability Assessment Policy for directors and members of Senior Management and other people in key roles includes the main aspects and undertakings of the Company in relation to the appointment and selection of directors. The purpose is to provide candidates that ensure the effective capability of the Board to take decisions independently in the interest of the Company.

In this context, director appointment proposals put forward by the Board for the consideration of the General Shareholders' Meeting, and the appointment agreements adopted by the Board by virtue of the powers legally attributed to it, must be preceded by the corresponding proposal of the Appointments and Sustainability Committee, when dealing with independent directors, and by a report, in the case of all other directors. Proposals for the appointment and re-election of directors are accompanied by a report from the Board setting out the competencies, experience and merits of the candidate.

In accordance with the legal provisions, the candidates must meet the suitability requirements for the position and, in particular, they must have recognised business and professional repute, suitable knowledge and experience to understand the Company's activities and main risks, and be in a position to exercise good governance. Furthermore, the conditions established by regulations in force will be taken into account, regarding the overall composition of the Board of Directors.

In particular, the overall composition of the Board of Directors must incorporate sufficient knowledge, abilities and experience regarding the governance of credit institutions, to sufficiently understand the Company's activities, including the primary risks, and to ensure the effective capacity of the Board of Directors to take independent and autonomous decisions in the Company's interests.

The Appointments and Sustainability Committee, with the assistance of the General Secretary and the Secretary of the Board, taking into account the balance of knowledge, experience, capacity and diversity required and in place on the Board of Directors, elaborates and constantly updates a competency matrix, which is approved by the Board of Directors.

Where applicable, the results of applying the matrix may be used to identify future training needs or areas to strengthen in future appointments.

The Selection Policy is complemented by a Suitability Assessment Procedure Protocol (hereinafter, Suitability Protocol) that establishes the procedure for making the selection and the continuous assessment of the suitability of Board members, among other groups, including any unforeseeable circumstances which may affect their suitability for the position.

The Protocol establishes the Company's units and internal procedures involved in the selection and ongoing assessment of members of the Board of Directors, general managers and other senior executives, the heads of the internal control function and other key posts in CaixaBank, as defined under applicable legislation. Under the "Protocol", the Board of Directors, in plenary session, assesses the suitability of proposed candidates, based on a report from the Appointments and Sustainability Committee.

This entire process is subject to the provisions of the internal regulations on the appointment of directors and the applicable regulations of corporate enterprises and credit institutions, which is subject to the suitability assessment of the European Central Bank and culminates in the acceptance of the position after the approval by the banking authority of the proposed appointment, which will be approved by the General Shareholders' Meeting.

> The Selection Policy is supplemented **by a Protocol of Suitability Assessment Procedures.**

_Re-election and duration of the post (C.1.16 + C.1.23)

Directors shall hold their posts for the term stipulated in the By-Laws (4 years) —for as long as the Annual General Meeting does not resolve to remove them and they do not stand down from office— and may be re-elected one or more times for periods of equal length. However, independent directors will not remain as such for a continuous period of more than 12 years.

Directors designated by co-option shall hold their post until the date of the next AGM or until the legal deadline for holding the AGM that is to decide whether to approve the financial statements for the previous financial year has passed. If the vacancy arises after the AGM is called but before it is held, the appointment of the director by co-option to cover the vacancy will take effect until the next AGM is held.

_Removal or resignation from post (C.1.19+ C.1.36)

Directors shall step down when the period for which they were appointed has elapsed, when so decided by the AGM and when they resign. When a director leaves office prior to the end of their term, they must explain the reasons in a letter sent to all members of the Board of Directors.

In the following circumstances, if the Board of Directors deems it appropriate, directors must tender their resignation from the Board, formalising their intention to resign (article 21.2 of the Regulations of the Board of Directors):

> When they leave the positions, posts or functions with which their appointment as director was associated;

> When they are subject to any of the cases of incompatibility or prohibition provided by law or no longer meet the suitability requirements;

> When they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;

> When their remaining on the Board, they may place at risk the Company's interest, or when the reasons for which they were appointed cease to exist;[1]

> When significant changes occur in their professional situation or in the conditions in which they were appointed Director;

> When due to facts attributable to the Director, his remaining on the Board causes serious damage to the corporate net worth or reputation in the judgement of the Board.

If an individual representing a legal entity director becomes involved in any of the situations described above, that representative must relinquish their position to the legal entity that appointed them. If the latter decides that the representative should remain in their post as a director, the legal entity director must tender its resignation from the Board.

All of the above, notwithstanding the provisions of Royal Decree 84/2015, of 13 February, which implements Act 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions, on the requirements of repute that must be met by directors and the consequences of losses derived therefrom, along with other regulations or guides applicable to the nature of the company.

During fiscal year 2022, the Board of Directors was not informed or did not become aware of any situation involving a director, whether or not related to his or her performance in the company itself, that may be detrimental to the credit and reputation of CaixaBank.(C.1.37)

_Other limitations on the position of director

There are no specific requirements, other than those relating to the directors, to be appointed as Chairman of the Board. (C.1.21)

Neither the By-laws nor the Regulations of the Board of Directors establish any age limit for serving as a director. (C.1.22)

Neither the By-laws nor the Regulations of the Board of Directors establish any limited mandate or additional stricter requirements for independent directors beyond those required by law. (C.1.23)

[1] In the case of proprietary directors, when the shareholder they represent transfers its stake in its entirety or lowers it to a level that requires a reduction in the number of proprietary directors.

> OPERATION AND WORKINGS OF THE BOARD OF DIRECTORS (C.1.25 Y C.1.26)

14 number of meetings
of the Board.

0 number of meetings
of the Board without the Chairman's attendance.

2 number of meetings
of the coordinating director without the attendance of executive directors.

13 number of meetings
of the Audit and Control Committee.

5 number of meetings
of the Innovation, Technology and Digital Transformation Committee

11 number of meetings
of the Appointments and Sustainability Committee.
N.B.: In addition, the Committee adopted resolutions in April, in writing and without a session.

9 number of meetings
of the Remuneration Committee.

13 number of meetings
of the Risk Committee.

22 number of meetings
of the Executive Committee.

14 number of meetings
attended in person by at least 80% of directors.

97.62%
% of in-person attendance in terms of the total votes during the year.

9 number of meetings
with in-person attendance, or proxies with specific instructions, of all the directors.

97.62%
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year

_Individual attendance of directors at Board meetings during 2022 (*)

	Attendance / No. of meetings	Proxy (without voting instructions in all cases in 2022)	Attendance by remote means
José Ignacio Goirigolzarri	14/14	0	0
Tomás Muniesa	14/14	0	0
Gonzalo Gortazar	14/14	0	0
John S. Reed	13/14	1	8
Joaquín Ayuso	14/14	0	2
Francisco Javier Campo	14/14	0	0
Eva Castillo	14/14	0	1
Fernando María Ulrich	13/14	1	2
María Verónica Fisas	14/14	0	2
Cristina Garmendia	14/14	0	1
María Amparo Moraleda	12/14	2	1
Eduardo Javier Sanchiz	13/14	1	2
Teresa Santero	14/14	0	1
José Serna	14/14	0	2
Koro Usarraga	14/14	0	1

** Proxies during 2022 made without voting instructions.*

_Rules of the board (C.1.15)

At the 2021 General Shareholders' Meeting, in view of the imminent approval of Law 5/2021, certain amendments to the Company's By-laws were approved (among them, the provision to hold general meetings with the attendance of shareholders and their representatives exclusively by telematic means when permitted by the applicable regulations). Once Law 5/2021 was approved and in force, the 2022 General Shareholders' Meeting approved the review of its corporate texts and, among them, the By-laws for their adaptation to Law 5/2021. In this regard, certain articles of the Company's By-laws have been amended to incorporate certain clarifications in the rules of operation of the General Shareholders' Meeting derived from the experience acquired over the last two years with respect to the holding of such meetings, without prejudice to the introduction of certain technical or systematic clarifications.

All of the above has also had an impact on other corporate documents, including the Board Regulations, and therefore the Board of Directors of CaixaBank agreed to amend the Board Regulations on two occasions since the 2021 General Shareholders' Meeting (October 2021 and February 2022), for the purpose of: a) eliminating the casting vote of the Chairman of the Board of Directors, b) adapting the powers of the Coordinating Director and limiting the possibility of re-election to one time in accordance with best practices of good governance, c) completing the functions of the Risks Committee, and d) finally, including the new regime applicable to related-party transactions introduced in Law 5/2021 of 12 April.

The following are the amendments made to the Regulations of the Board of Directors by resolution of the Board of Directors adopted on 28 October 2021:

> Article 4 ("Functions of the Board of Directors"), paragraph 4, clause (xxiv), was amended for the purpose of adapting it to the provisions of Article 529 ter.1.h), as amended by Law 5/2021, establishing that the Board is responsible for "The approval of transactions that in accordance with the Law are considered Related-Party Transactions, in accordance with the provisions of Article 38 of these Regulations, except in those cases in which such authority is legally attributed to the General Shareholders' Meeting".

> A new article 38 was added to the Regulations under the heading "Regime on related-party transactions", which included the bases of the new legal regime applicable to listed companies' transactions in accordance with the provisions of the new Chapter VII BIS of Title XIV of the LSC.

> Likewise, Article 14 ("The Audit and Control Committee and the Risk Committee"), section 1.b), clause (xviii), was amended in order to adapt the competence of the Audit and Control Committee provided for in the Regulations in relation to related-party transactions to the new regime established in the Corporate Enterprises Act, specifying that the Committee shall supervise compliance with the regulations regarding Related-Party Transactions and report in advance in the cases provided by law, either to the Board of Directors "or, as the case may be, to the General Shareholders' Meeting" on such transactions. In turn, the report issued by the Audit and Control Committee on related-party transactions "shall be published with the content and under the terms established by the legislation in force".

> Article 30 ("Duty to avoid conflicts of interest"), section 1.a), was supplemented in order to articulate the rules on directors' conflicts of interest and intra-group transactions under the regime for related-party transactions in Chapter VII bis of Title XIV of the Corporate Enterprises Act.

> Furthermore, on 17 February 2022, the Board of Directors again incorporated certain amendments to the text of the Board Regulations, which are as follows:

> Section 2.v) of article 7 ("The Chairman of the Board") and section 4 of article 17 ("Conduct of the sessions"), provision concerning the casting vote of the Chairman of the Board in the event of a tied vote, were deleted, in line with the most recent corporate governance trends in this area.

> With respect to article 9 ("The Coordinating Director"), on the one hand, one of this profile's competencies contained in section 2.c) of article 9 ("Coordinating, gathering and reflecting the concerns of independent directors") was adapted, replacing the reference to "independent" directors with "non-executive" directors, in accordance with the wording of Recommendation 34 of the Good Governance Code for listed companies, with which the Company has been complying in full in recent years. On the other hand, it was expressly determined that the Coordinating Director can only be re-elected once. This measure will reinforce the independence of the position itself while encouraging rotation in the same, thus promoting greater participation of independent directors from different positions on the Board, which responds to the guidelines of good governance in this respect.

> The functions of the Risk Committee, provided for in section 2.b) of article 14 ("The Audit and Control Committee and the Risk Committee"), developing the supervisory function of the aforementioned Risk Committee with respect to the effectiveness, on the one hand, of the risk control and management function and, on the other, of the regulatory compliance function, were completed. This contributes to greater transparency as regards the scope and content of the exercise of the supervisory functions corresponding to the Risk Committee with respect to both the risk control and management function and the regulatory compliance function, in accordance with best practices of good governance.

On the other hand, section 2.b).(ix) of article 14 was introduced as a new section, regulating the competence of the Risk Committee to "supervise the effectiveness of the risk control and management function", and the Committee will carry out the activities necessary to perform this competence. In addition, an express reference was included to the coordination of this function, as necessary, between the Risk Committee and the Audit and Control Committee.

The amendments to the Regulations of the Board of Directors are reported to the CNMV and executed in a public document and filed at the Companies' Register, after which the revised text is published on the CNMV website.

_Information (C.1.35)

There is a procedure in place whereby directors may obtain the information needed to prepare for the meetings with the governing bodies with sufficient time. In general, documents for approval by the Board, especially those which cannot be fully analysed and discussed during the meeting due to their length, are sent to Board members prior to the meetings.

Furthermore, pursuant to article 22 of the Regulations of the Board, the board may request information on any aspect of the Company and its Group and examine its books, records, documents and further documentation. Requests must be sent to the executive Chairman who will forward the matters to the appropriate parties and must notify the director, when applicable, of their duty of confidentiality.

_Proxy voting (C.1.24)

The Regulations of the Board establish that directors must attend Board meetings in person. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein.

Non-executive directors may only delegate a proxy to a fellow non-executive director. Independent directors may only delegate a proxy to a fellow independent director.

Notwithstanding the above, and so that the proxyholder can vote accordingly based on the outcome of the debate by the Board, proxies are not granted with specific instructions and must always be given in strict accordance with legal requirements. This is in keeping with the law on the powers of the Chairman of Board, who is given, among others, power to stimulate debate and the active involvement of all directors, safeguarding their rights to adopt positions.

_Decision-making

No qualified majorities other than those prescribed by law are required for any type of decision. (C.1.20)

In 2022, the provision for the Chairman's casting vote in the event of a tie in the Board's decision-making process was removed from the By-laws and the Rules of the Board. Therefore, at CaixaBank, the Chairman of the Board of Directors does not have the casting vote.

There is broad participation and debate at Board meetings and the main resolutions are adopted with the favourable vote of a large majority of the directors. The Company has not entered into any material agreements that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects. (C.1.38)

The figure of the Coordinating Director, appointed from among the independent directors, was introduced in 2017. The current Coordinating Director was appointed by the Board on 20 February 2020, with effect from 22 May 2020. In 2022, the Independent Coordinating Director met with non-executive directors twice, once on 23 March and again on 26 October. In addition, on 22 December, the Board of Directors of CaixaBank agreed, following a favourable report from the Appointments and Sustainability Committee, to appoint independent director Eduardo Javier Sanchiz as the new Coordinating Director. The appointment will take effect at the next General Shareholders' Meeting, on the occasion of the expiry of the term of office of John S. Reed, the current Coordinating Director, who shall not be reappointed as he will soon complete 12 years as an independent director. (C.1.25)

_Relations with the market (C.1.30)

With regard to its relationship with market agents, the Company acts on the principles of transparency and non-discrimination and according to the provisions of the Regulations of the Board of Directors which stipulate that the Board, through communications of material facts to the CNMV and the corporate website, shall inform the public immediately with regard to any relevant information. With regard to the Company's relationship with market agents, the Investor Relations department shall coordinate the Company's relationship with analysts, shareholders and institutional investors, among others, and manage their requests for information in order to ensure they are treated fairly and objectively.

In this regard, and pursuant to Recommendation 4 of the Good Governance Code of Listed Companies, CaixaBank has a Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Shareholders which is available on the Company's website.

As part of this Policy, and pursuant to the authority vested in the Coordinating Director, he/she is required to stay in contact, as appropriate, with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance.

Also, the powers legally delegated to the Board of Directors specifically include the duty of supervising the dissemination of information and communications relating to the Company. Therefore, the Board of Directors is responsible for managing and supervising at the highest level the information distributed to shareholders, institutional investors and the markets in general. Consequently, the Board of Directors, through the corresponding bodies and departments, works to ensure, protect and facilitate the exercising of the rights of the shareholders, institutional investors and the markets in general in the defence of the corporate interest, in compliance with the following principles:

01. Transparency

02. Equal treatment and non-discrimination

03. Immediate access and ongoing communication

04. At the cutting-edge of new technologies

05. In terms of rules and recommendations

These principles are **applicable to all information disclosed and the Company's communications with shareholders, institutional investors and relations with markets** and other stakeholders such as, inter alia, intermediary financial institutions, management companies and depositories of the Company's shares, financial analysts, regulatory and supervisory bodies, proxy advisors, information agencies, credit rating agencies, etc.

The Company pays particular heed to the rules governing the processing of inside information and other potentially relevant information contained in the applicable legislation and the Company's regulations on shareholder relations and communications with securities markets, as contained in CaixaBank's Code of Business Conduct and Ethics, and the Internal Code of Conduct on Matters Relating to the Stock Market of CaixaBank, S.A. and the Regulations of the Board of Directors (also available on the Company's website).

_Assessment of the Board (C.1.17 + C.1.18)

The Board evaluates its performance and that of its Committees annually, pursuant to article 16 of the Regulations of the Board of Directors.

In 2022, and in accordance with the commitment undertaken in the previous year, the Board of Directors held an evaluation of its functioning with the advice and assistance of the external expert hired for these purposes Korn Ferry, in compliance with Recommendation 36 of the Code of Good Governance.

The evaluation was conducted in accordance with the provisions of article 529h of the Consolidated Text of the Corporate Enterprises Act and in accordance with the regulations and good corporate governance practices applicable to CaixaBank as a credit institution and listed company. It is a fundamental corporate governance practice to ensure the effectiveness of the governing body and to promote the success of the company in achieving its long-term objectives. At the same time, the assessment allows the company to corroborate compliance with the main standards of good corporate governance.

In line with the Code of Good Governance, the assessment pays special attention to the aspects of diversity and suitability of the members of the Board and of the Board as a whole. Compliance with the Policy on Selection of Directors is also verified, complying with all the aspects that must be assessed annually.

The assessment of the Board produced the necessary data and the required feedback from its members in order to design an efficient improvement plan adapted to the needs of the Company. These data and feedback can be found in the section on "Challenges for the 2023 financial year".

Pursuant to the above, the Appointments and Sustainability Committee submitted, and the Board of Directors of CaixaBank approved, the assessment report of the Board of Directors for the financial year 2022.

The members of the Board were assessed using the following methodology: online questionnaire addressed to board members, personal interviews and analysis of the results with a mechanism for rating and defining positive results in the short term and recommendations in the long term. The above-mentioned questionnaires assess:

> The operation of the Board (preparation, dynamic and culture; evaluation of working tools; and evaluation of the Board's self-assessment process).

> The composition and operation of the committees; – The performance of the Chairman, CEO, Independent Coordinating Director and the Secretary; and

> The individual assessment of each director.

Members of each committee were also sent a detailed self-assessment form on the functioning and operation of their respective committee.

The results and conclusions reached, including the recommendations, are contained in the document analysing the performance assessment of the CaixaBank Board and its committees for 2022, which was revised and approved by the Board of Directors. Broadly speaking, and on the basis of the responses received from directors following questionnaires and personal interviews as well as the activity reports drawn up by each of the commissions, the Board holds a positive view of the quality and efficiency of its operation and that of its committees for 2022, as well as of the performance of the functions of the Chairman, CEO, Independent Coordinating Director and Secretary of the Board in the year. The structure, size and composition are also deemed to be suitable, particularly with respect to gender diversity and diversity in training and professional experience, age and geographical origin, in accordance with the verification of compliance with the selection policy, and also taking into account the individual suitability re-assessment of each director carried out by the Appointments and Sustainability Committee, which leads to the conclusion that the overall composition of the Board of Directors is suitable.

During the year, the Appointments and Sustainability Committee monitored the improvement actions identified in the previous year. Once again, the objectives were met and solid progress was made on the path to excellence in Corporate Governance, consolidating the strengths of transparent, efficient and coherent governance aligned with the objectives of the Company's Strategic Plan. This is explained in more detail in the section "Advances in Corporate Governance in 2022."

During the financial year 2022, the total amount invoiced and paid by the Group to Korn Ferry, who has assisted in the Board evaluation process of the financial year 2022, amounts to approximately €352,000 (including VAT). €169,000 corresponded to services of various types (including its stake in the Board's assessment) provided directly to CaixaBank, and €183,000 to CaixaBank Operational Services for specific services provided to this CaixaBank Group company.

_Committees of the Board (C.2.1)

Within the scope of its powers of self-organisation, the Board has a number of specialised committees, with supervisory and advisory powers, as well as an Executive Committee. There are no specific regulations for Board committees, and they are governed in accordance with the law, the By-laws and the Regulations of the Board, amendments to which during the year are noted in the section "The Administration – The Board of Directors – Operation of the Board of Directors – Regulations of the Board". In aspects not specifically laid out for the Executive Committee, the operational rules governing the Board itself will be applied, by virtue of the Regulation of the Board.

The Board committees, in accordance with the provisions of the Regulations of the Board and applicable legislation, draw up an annual report on its activities, which includes the assessment of its performance during the year. The annual reports on the activity of the Appointments and Sustainability Committee, the Remuneration Committee and the Audit and Control Committee are available on the Company's corporate website. (C.2.3)

> NUMBER OF FEMALE DIRECTORS WHO WERE MEMBERS OF BOARD COMMITTEES AT THE CLOSE OF THE LAST FOUR YEARS (C.2.2)

	Financial year 2022		Financial year 2021		Financial year 2020		Financial year 2019	
	Number	%	Number	%	Number	%	Number	%
Audit and Control Committee	3	50.00	3	50.00	2	50.00	1	33.33
Innovation, Technology and Digital Transformation Committee	3	60.00	3	60.00	2	50.00	2	40.00
Appointments and Sustainability Committee	1	20.00	0	0.00	1	33.33	1	33.33
Remuneration Committee	2	50.00	2	50.00	2	66.67	2	66.67
Risk Committee	2	33.33	2	33.33	3	60.00	2	66.67
Executive Committee	4	57.14	4	57.14	3	50.00	2	33.33

> PRESENCE OF BOARD MEMBERS IN THE DIFFERENT COMMITTEES

Member	Executive Committee	Appointments and Sustainability Committee	Audit and Control Committee	Remuneration Committee	Risk Committee	Tech. Innovation and Digital Trans. Committee
José Ignacio Goirigolzarri	Chairman					Chairman
Tomás Muniesa	Member				Member	
Gonzalo Gortazar	Member					Member
John S. Reed		Chairman				
Joaquín Ayuso				Member	Member	
Francisco Javier Campo		Member	Member			
Eva Castillo	Member					Member
Fernando María Ulrich		Member			Member	
María Verónica Fisas	Member				Member	
Cristina Garmendia			Member	Member		Member
María Amparo Moraleda	Member	Member		Chairwoman		Member
Eduardo Javier Sanchiz		Member	Member		Chairman	
Teresa Santero			Member			
José Serna			Member	Member		
Koro Usarraga	Member		Chairwoman		Member	

> EXECUTIVE COMMITTEE ↗

Article 39 of the By-laws and article 13 of the Regulations of the Board describe the organisation and operation of the Executive Committee.

_Number of members

The Committee comprises six members: two executive directors (José Ignacio Goirigolzarri and Gonzalo Gortazar), one proprietary director (Tomás Muniesa) and four independent directors (Eva Castillo, María Verónica Fisas, María Amparo Moraleda and Koro Usarraga). In accordance with article 13 of the Regulations of the Board, the Chairman and Secretary of the Executive Committee will also be the Chairman and Secretary of the Board of Directors.

_Composition

Member	Position	Category
José Ignacio Goirigolzarri	Chairman	Executive
Tomás Muniesa	Member	Proprietary
Gonzalo Gortazar	Member	Executive
Eva Castillo	Member	Independent
María Verónica Fisas	Member	Independent
María Amparo Moraleda	Member	Independent
Koro Usarraga	Member	Independent

The composition of this committee, which is made up of the Chairman and CEO, must have at least two non-executive directors, at least one of whom is independent.

The appointments of its members requires a vote in favour from at least two-thirds of the Board members.

_Distribution of committee members by category

% of total committee members

% of executive Directors	28.57
% of proprietary Directors	14.29
% of independent Directors	57.14

_Number of sessions (C.1.25)

In 2022 the Committee held twenty-two sessions, none of which were held exclusively by telematic means.

_Average attendance at sessions

Attendance of members, in person or by proxy, at the Committee's meetings during 2022 was as follows:

No. of meetings in 2022[1]	22
José Ignacio Goirigolzarri	22/22
Tomás Muniesa	22/22
Gonzalo Gortazar	22/22
Eva Castillo	21/22
María Verónica Fisas	22/22
María Amparo Moraleda	20/22
Koro Usarraga	22/22

[1] *The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2022.*

01 Our identity
02 Corporate strategy and materiality
03 Corporate governance
04 Risk management
05 Value creation model
06 Customers
07 People and culture
08 Shareholders and investors
09 Society
10 Environment and climate
11 SNFI
12 Glossary and Group structure
13 Annexes

_Operation

The Executive Committee has been delegated all the responsibilities and powers available to it both legally and under the Company's By-laws. For internal purposes, the Executive Committee is subject to the limitations set out in article 4 of the Regulations of the Board of Directors. The Board's permanent delegation of powers to this Committee will require a vote in favour from at least two-thirds of the Board members. (C.1.9)

The Committee will meet as often as it is convened by its Chairman or the person who is to replace him in his absence, and it is validly constituted when the majority of its members are in attendance. Its resolutions are carried by the majority of the members attending the meeting, and they are valid and binding with no need for subsequent ratification by the Board sitting in plenary, without prejudice to article 4.5 of the Regulations of the Board.

The Executive Committee reports to the Board on the main matters it addresses and the decisions it makes.

There is no express mention in the Company's By-laws that the Committee must prepare an activities report. However, the Executive Committee approved its annual activity report and the assessment of its operation for the year in December 2022.

_Activities during the year

In 2022, the Committee addressed a number of recurring matters and other one-off matters, either with a view to adopting relevant decisions or hearing and taking note of the information received. Below is a summary of the main matters addressed:

01. Monitoring of earnings and other financial aspects.

02. Monitoring of aspects related to products and services and other business matters.

03. Monitoring of foreclosed assets and non-performing loans.

04. Credit and guarantee activity.

05. Activity related to subsidiaries, investees and branches.

06. Miscellaneous matters, including: Market situation and financial environment, fixed income and hedging, treasury shares and others.

>APPOINTMENTS AND SUSTAINABILITY COMMITTEE

Article 40 of the By-laws and article 15 of the Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Appointments and Sustainability Committee.

_Number of members

The Committee is made up of five non-executive directors. Four of its members (John S. Reed, Francisco Javier Campo, Eduardo Javier Sanchiz and María Amparo Moraleda) are considered independent directors and one (Fernando María Ulrich) is considered an Other External Director. At its session held on 17 February 2022, the Board of Directors agreed, at the proposal of the Appointments and Sustainability Committee, to appoint María Amparo Moraleda as a member of said Committee.

Member	Position	Category
John S. Reed	Chairman	Independent
Francisco Javier Campo	Member	Independent
Eduardo Javier Sanchiz	Member	Independent
Fernando María Ulrich	Member	Other external
María Amparo Moraleda	Member	Independent

_Composition

The Appointments and Sustainability Committee comprises a number of non-executive directors determined by the Board, with a minimum of 3 and a maximum of 5 members. A majority of its members must be independent directors. Members of the Appointments and Sustainability Committee are appointed by the Board at the proposal of the same, and the chair of the Committee will be appointed from among the independent directors who sit on the Committee.

_Distribution of committee members by category
(% of total committee members)

% of independent Directors	80.00
% of other external Directors	20.00

_Number of sessions (C.1.25)

In 2022, the Committee met in 11 sessions held exclusively by telematic means. In addition, a meeting of the Committee took place in writing and without a session.

_Average attendance at sessions

Attendance of members, in person or by proxy, at the Committee's meetings during 2022 was as follows:

No. of meetings in 2022[1]	11
John S. Reed	11/11
Francisco Javier Campo	10/11
Fernando María Ulrich	11/11
María Amparo Moraleda[2]	9/11
Eduardo Javier Sanchiz	10/11

[1] The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2022.
[2] Appointed on 17 February 2022.

_Operation

The Appointments and Sustainability Committee is self-governing and it may appoint a Chair and a Secretary. If no Secretary is appointed, the Secretary of the Board or any of the Deputy Secretaries of the Board shall act as Committee Secretary.

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

Its duties include:

> Evaluating and proposing to the Board the assessment of skills, knowledge and experience required of Board members and key personnel.

> Submitting to the Board the proposals for the nomination of the independent directors to be appointed by co-option or for submission to the decision of the AGM, as well as the proposals for the reappointment or removal of such directors.

> Reporting on the appointment and, as the case may be, dismissal of the Coordinating Director, the Secretary and the Deputy Secretaries for approval by the Board.

> Reporting on proposals for the appointment or removal of senior executives, with the capacity to carry out such proposals directly when the Committee deems this necessary in the case of senior executives as a result of to their control or support duties concerning the Board or its committees. Propose the basic terms of the contracts of senior executives other than their pay and remuneration, and reporting those terms once they have been established.

> Examining and organising, under the supervision of the coordinating director and with the support of the Chairman of the Board, the succession of the latter and of the Company's CEO and, as the case may be, sending proposals to the Board so that the succession process is suitably planned and takes place in an orderly fashion.

> Reporting to the Board on gender diversity issues, ensuring that the procedures for selecting its members favour a diversity of experience and knowledge, and facilitate the selection of female directors, while establishing a representation target for the less represented sex on the Board, as well as preparing guidelines on how this should be achieved.

> Periodically evaluate, at least once a year, the structure, size, composition and actions of the Board and of its committees, its Chairman, CEO and Secretary, making recommendations regarding possible changes to these. Here, the committee shall act under the direction of the coordinating Director when assessing the performance of the Chairman. Evaluating the composition of the Management Committee, as well as its replacement lists, to ensure coverage as members come and go.

> Periodically reviewing the Board Selection and Appointment Policy in relation to senior executives and making recommendations.

> Overseeing the compliance with the Company's rules and policies in environmental and social matters, regularly evaluating and reviewing them, with the aim of confirming that it is fulfilling its mission to promote the corporate interest and catering, where appropriate, to the legitimate interests of remaining stakeholders, as well as submitting the proposals it considers appropriate on this matter to the Board and, particularly, submitting the sustainability/corporate responsibility policy for approval. In addition, the Committee will ensure the Company's environmental and social practices are in accordance with the established strategy and policy.

> Reporting on the sustainability reports made public by the Company, prior to being submitted to the Board of Directors, including the review of the non-financial information contained in the annual management report and the master plan for socially responsible banking, ensuring the integrity of its content and compliance with applicable legislation and international benchmarks.

> Supervising the Company's activities with regards to responsibility, and submit to the Board the corporate responsibility/sustainability policy for approval.

The Committee draws up an annual report on its operation, highlighting the main incidents occurring, if any, in relation to its duties. This report will serve as a basis, among others, and if applicable, for the evaluation of the Board. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

_Activities during the year

As part of its ordinary remit, the Committee discussed, scrutinised and took decisions or issued reports on the following matters: suitability assessments, appointments of Board and committee members and key personnel in the Company, verification of the character of directors, gender diversity, the policy for selecting directors, senior management and other key posts, policies on Sustainability/Corporate Social Responsibility, diversity and sustainability matters and corporate governance documentation to be submitted for 2022.

During the year, the Succession Plans for the Chairman, CEO, Independent Coordinating Director and other key positions on the Board, as well as for the members of the Management Committee, were reviewed and updated. The Committee monitored and reported on climatic and environmental risks.

Likewise, the Committee supervised and controlled the sound operation of the Company's corporate governance system. To round off its activities for the year, the Committee focused its attention on the (individual and collective) self-assessment of the Board; the evaluation of the Board's structure, size and composition; the evaluation of the functioning of the Board and its Committees; the evaluation of the issue of gender diversity, as well as on analysing the monitoring of the recommendations in the Good Governance Code of Listed Companies and analysing a director training plan proposal.

>RISK COMMITTEE ↗

Articles 40 and 14 of the Bylaws and Regulations of the Board of Directors describe the organisation and operation of the Risks Committee.

_Number of members

The Committee is made up of six directors, all of whom are non-executive directors: Eduardo Javier Sanchiz, Joaquin Ayuso, María Verónica Fisas and Koro Usarraga are independent directors, Tomás Muniesa is a proprietary director and Fernando María Ulrich is another external director.

_Composition

Member	Position	Category
Eduardo Javier Sanchiz	Chairman	Independent
Joaquín Ayuso	Member	Independent
Fernando María Ulrich	Member	Other external
María Verónica Fisas	Member	Independent
Tomás Muniesa	Member	Proprietary
Koro Usarraga	Member	Independent

The Risk Committee comprises exclusively non-executive directors, all possessing the relevant knowledge, expertise and experience to fully understand and control the Company's risk strategy and appetite, in the number determined by the Board, between a minimum of 3 and a maximum of 6 members and with a majority of independent directors.

_Distribution of committee members by category
(% of total committee members)

% of proprietary Directors	16.67
% of independent Directors	66.67
% of other external Directors	16.67

_Number of sessions (C.1.25)

In 2022, the Committee met in 13 sessions, one of which was held exclusively by telematic means.

_Average attendance at sessions

Attendance of members, in person or by proxy, at the Committee's meetings during 2022 was as follows:

No. of meetings in 2022[1]	13
Eduardo Javier Sanchiz	12/13
Joaquín Ayuso	12/13
Fernando María Ulrich	13/13
María Verónica Fisas	13/13
Tomás Muniesa	13/13
Koro Usarraga	13/13

[1] *The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2022.*

_Operation

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

The Company shall ensure that the Risk Committee is able to fully discharge its functions by having unhindered access to the information concerning the Company's risk position and, if necessary, specialist outside expertise, including external auditors and regulators. The Risk Committee may request the attendance of persons from within the organisation whose work is related to its functions, and it may obtain all necessary advice for it to form an opinion on the matters that fall within its remit.

The committee's Chairman reports to the Board on the activities and work performed by the committee, doing so at meetings specifically arranged for that purpose or at the immediately following meeting when the Chairman deems this necessary.

Its duties include:

> Advising the Board of Directors on the overall susceptibility to risk, current and future, of the Company and its strategy in this area, reporting on the risk appetite framework, assisting in the monitoring of the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously decided and implementing the monitoring of the appropriateness of the risks assumed and the profile established.

> Proposing the Group's risk policy to the Board.

> Ensuring that the pricing policy of the assets and liabilities offered to the clients fully consider the Company's business model and risk strategy.

> Working with the Board of Directors to determine the nature, quantity, format and frequency of the information concerning risks that the Board should receive and establishing the information that the Committee should receive.

> Regularly reviewing exposures with its main customers and business sectors, as well as broken down by geographic area and type of risk.

> Examining risk reporting and control processes, as well as its information systems and indicators.

> Overseeing the effectiveness of the risk control and management function.

> Appraising and making decisions in relation to regulatory compliance risk within the scope of its remit, broadly meaning the risk management of legal or regulatory sanctions, financial loss, material or reputational damage that the Company could sustain as a result of non-compliance with laws, rules, regulations, standards and codes of conduct, detecting and monitoring any risk of non-compliance and examining possible deficiencies.

> Overseeing the effectiveness of the regulatory compliance function.

> Report on new products and services or significant changes to existing ones.

> Cooperating with the Remuneration Committee to establish sound remuneration policies and practices. Examining if the incentive policy anticipated in the remuneration systems take into account the risk, capital, liquidity and the probability and timing of the benefits, among other things.

> Assisting the Board of Directors in setting up effective reporting channels, ensuring the allocation of suitable resources for the risk management and for the approval and periodic review of the strategies and policies with regard to risk assumption, management, supervision and reduction.

> Any others attributed to it by the law, the By-laws, the Regulations of the Board and other regulations applicable to the Company.

There is no express mention in the Company's By-laws that the Committee must prepare an activities report. However, the Committee approved its annual activity report and the assessment of its operation for the year in December 2022.

_Activities during the year

Furthermore, in 2022, the Committee discussed, scrutinised and took decisions or issued reports on the matters within its remit in relation to the Strategic Risk Processes (Risk Assessment and Risk Catalogue), as well as the Risk Appetite Framework (RAF), the Recovery Plan, the Group's Risk Policy, the Risk Scorecard, the Internal Capital and Liquidity Adequacy Assessment Processes (ICAAP – ILAAP), Environmental and Climate Risks, Monitoring of Regulatory Compliance and the Global Risk Committee, among others.

> REMUNERATION COMMITTEE

Articles 40 and 15 of the By-laws and Regulations of the Board and applicable legislation describe the organisation and operation of the Remuneration Committee.

_Number of members

The Committee comprises four members, of which three (María Amparo Moraleda, Joaquín Ayuso and Cristina Garmendia) are independent directors and one (José Serna) is a proprietary director.

_Composition

Member	Position	Category
María Amparo Moraleda	Chairwoman	Independent
Joaquín Ayuso	Member	Independent
Cristina Garmendia	Member	Independent
José Serna	Member	Proprietary

The Remuneration Committee comprises a number of non-executive directors determined by the Board, with a minimum of 3 and a maximum of 5 members. A majority of its members must be independent directors. The Chair of the Committee is appointed from among the independent directors who sit on the Committee.

_Distribution of committee members by category
(% of total committee members)

% of proprietary Directors	25.00
% of independent Directors	75.00

_Number of sessions (C.1.25)

In 2022, the Committee met in 9 sessions, all of which were held exclusively by telematic means except for one in-person session.

_Average attendance at sessions

Member attendance in 2022 was as follows:

No. of meetings in 2022[1]	9
María Amparo Moraleda	9/9
Joaquín Ayuso	9/9
Cristina Garmendia	9/9
José Serna	8/9

[1] *The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2022.*

_Operation

The Remuneration Committee is self-governing and it may appoint a Chair and a Secretary. If no Secretary is appointed, the Secretary of the Board or any of the Deputy Secretaries of the Board shall act as Committee Secretary.

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

Its duties include:

- Drafting the resolutions related to remuneration and, particularly, reporting and proposing to the Board the remuneration policy for the directors and senior management, the system and amount of annual remuneration for directors and Senior Managers, as well as the individual remuneration of the Executive Directors and Senior Managers, and the conditions of their contracts, without prejudice to the competences of the Appointments and Sustainability Committee in relation to any conditions not related to remuneration.
- Ensuring compliance with the remuneration policy for directors and senior managers, and reporting on the basic terms set out in the contracts of those individuals and the compliance thereof.
- Reporting and preparing the general remuneration policy of the Company and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of the Company and those that are intended to prevent or manage conflicts of interest with the customers.
- Analysing, formulating and periodically reviewing remuneration programmes, weighing their adequacy and performance and ensuring compliance.
- Proposing to the Board the approval of the remuneration reports or policies that it is required to submit to the Annual General Meeting, as well as reporting to the Board on any remuneration-related proposals the Board may intend to lay before the General Shareholders' Meeting.
- Ensuring that any conflicts of interest do not impair the independence of the external advice given to the Committee related to the exercise of its functions.
- Considering the suggestions it receives from the Company's Chairman, Board members, executives, and shareholders.

The Committee draws up an annual report on its operation, highlighting the main incidents occurring, if any, in relation to its duties. This report will serve as a basis, among others, and if applicable, for the evaluation of the Board. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

_Activities during the year

The Committee analyses recurring issues such as annual remuneration, salary policy and remuneration systems and corporate governance. The Committee also discussed, scrutinised and took decisions or issued reports on the following matters, which fall within its core remit:

01. Remuneration of directors, senior management and key function holders. System and amount of annual remuneration.

02. General Remuneration Policy and the Remuneration Policy for the Identified Staff.

03. Analysing, drawing up and reviewing the remuneration programmes.

04. Advising the Board on remuneration reports and policies to be submitted to the GSM. Reporting to the Board on proposals to the General Shareholders' Meeting.

>INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

Article 15 bis of the Regulations of the Board and the applicable regulations describe the organisation and operation of the Innovation, Technology and Digital Transformation Committee.

_Number of members

The Committee comprises five members, of which three (Cristina Garmendia, María Amparo Moraleda and Eva Castillo) are independent directors and two (José Ignacio Goirigolzarri and Gonzalo Gortazar) are executive directors.

_Composition

Member	Position	Category
José Ignacio Goirigolzarri	Chairman	Executive
Gonzalo Gortazar	Member	Executive
Eva Castillo	Member	Independent
Cristina Garmendia	Member	Independent
María Amparo Moraleda	Member	Independent

The Innovation, Technology and Digital Transformation Committee will be formed of a minimum of 3 and a maximum of 6 members. The Chairman of the Board and the CEO will always sit on the Committee. The other members are appointed by the Board, on the recommendation of the Appointments and Sustainability Committee, paying close attention to the knowledge and experience of candidates on the subjects that fall within the Committee's remit.

The Chairman of the Board also chairs the Innovation, Technology and Digital Transformation Committee.

_Distribution of committee members by category
(% of total committee members)

% of executive Directors	40.00
% of independent Directors	60.00

_Number of sessions (C.1.25)

In 2022, the Committee held a total of 5 sessions.

_Average attendance at sessions

Attendance of members, in person or by proxy, at the Committee's meetings during the year was as follows:

No. of meetings in 2022[1]	5
José Ignacio Goirigolzarri	5/5
Gonzalo Gortazar	5/5
Eva Castillo	5/5
Cristina Garmendia	5/5
María Amparo Moraleda	5/5

[1] The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2022.

_Operation

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

Its duties include:

> Advising the Board on the implementation of the strategic plan in aspects relating to digital transformation and technological innovation and, in particular, reporting on plans and projects designed by CaixaBank in this field, as well as any new business models, products, customer relationships, etc. that may be developed.

> Fostering a climate of debate and reflection to allow the Board to spot new business opportunities emerging from technological developments, as well as possible threats.

> Supporting the Board of Directors in identifying, monitoring and analysing new competitors, new business models and the advances and main trends and initiatives relating to technological innovation while studying the factors that make certain innovations more likely to succeed and increase their transformation capacity.

> Supporting the Board of Directors in analysing the impact of technological innovations on market structure, the provision of financial services and customer habits. Among other aspects, the Committee will analyse the potential disruption of new technologies, the possible regulatory implications of their development, the impact in terms of cybersecurity and matters relating to the protection of privacy and data usage.

> Stimulating discussion and debating on the ethical and social implications deriving from the use of new technologies in the banking and insurance businesses.

> Supporting, in the exercise of their advisory functions, the Risk Committee and the Board of Directors in relation to the supervision of technological risks and aspects relating to cybersecurity, when they deem it appropriate.

_Activities during the year

In 2022, the Committee fulfilled its duties through the following activities, among others:

> Monitoring and studying the evolution of the company's technological strategy.

> Reviewing the impact of new technologies and new competitors in the financial sector.

> Monitoring and evolution of artificial intelligence and analytics in the company.

> Monitoring the degree of implementation of different project plans and studies.

>AUDIT AND CONTROL COMMITTEE

Articles 40 and 14 of the By-laws and Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Audit and Control Committee.

_Number of members

The Committee comprises six members, elected and appointed with regard to their knowledge, aptitude and experience in finance, accounting and/or auditing and risk management.

_Composition

Member	Position	Category
Koro Usarraga[1]	Chairwoman	Independent
Francisco Javier Campo	Member	Independent
Cristina Garmendia	Member	Independent
Eduardo Javier Sanchiz	Member	Independent
Teresa Santero	Member	Proprietary
José Serna	Member	Proprietary

[1] *Her appointment as Chairwoman took place on 5 April 2019.*

The Audit and Control Committee comprises exclusively non-executive directors, in the number determined by the Board, between a minimum of 3 and a maximum of 7 members. The majority of the members of the Audit and Control Committee are independent directors.

The Committee will appoint a Chairman from among the independent directors. The Chairman must be replaced every 4 years and may be re-elected once a period of 1 year from his/her departure has transpired. The Chairman of the Committee acts as a spokesperson at meetings of the Board, and, as the case may be, at the Company's AGM. It may also appoint a Secretary and may appoint a Deputy Secretary. If no such appointments are made, the Secretary to the Board will assume these roles.

The Board will ensure that members of the Committee, particularly its Chairperson, have sufficient knowledge and experience in accounting, auditing or risk management, and in any other areas required for the Committee to fulfil all its duties.

_Distribution of committee members by category

(% of total committee members)

% of proprietary Directors	33.33
% of independent Directors	66.67

_Number of sessions (C.1.25)

In 2022, the Committee held a total of 13 sessions. During the said year, no sessions were held exclusively by telematic means.

_Average attendance at sessions

Member attendance in 2022 was as follows:

No. of meetings in 2022[1]	13
Koro Usarraga	13/13
Francisco Javier Campo	12/13
Cristina Garmendia	13/13
Eduardo Javier Sanchiz	12/13
Teresa Santero	13/13
José Serna	13/13

[1] *The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2022.*

_Operation

The Committee meets quarterly, as a general rule, but also whenever considered appropriate for the sound performance of its duties. The meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee.

In order to carry out its duties, the Committee must have adequate, relevant and sufficient access to any information or documentation held by the Company, and it may request: (i) the attendance and collaboration of the members of the Company's management team or personnel; (ii) The attendance of the Company's auditors to deal with specific points of the agenda for which they have been convened; and (iii) advice from external experts when it deems it necessary. The Committee has set up an effective communication channel with its spokespersons, which will normally be the Committee Chair with the Company management and, in particular, the finance department; the head of internal audits; and the main auditor responsible for account auditing.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

Its duties include:

> Reporting to the AGM about matters raised that are within the Committee's remit, particularly on the result of the audit, explaining how this has contributed to the integrity of the financial information and the Committee's role in this process.

> Overseeing the process of elaborating and presenting mandatory financial and non-financial information regarding the Company and, where relevant, the Group, reviewing the accounts, compliance with regulatory requirements in this area, the adequate definition of the consolidation perimeter, and the correct application of generally accepted accounting criteria.

> Ensuring that the Board submits the annual Financial Statements and the management report to the AGM, without qualified opinions or reservations in the audit report and, if there are reservations, ensuring that the Committee's Chair and the auditors clearly explain the content and scope of those qualified opinions or reservations to shareholders.

> Reporting to the Board, in advance, on the financial information and related non-financial information that the Company must periodically disclose to the markets and its supervisory bodies.

> Overseeing the effectiveness of internal control systems, and discuss with the auditor any significant weaknesses identified in the internal control system during the audit, all without compromising its independence. For such purposes, and if appropriate, it may submit recommendations or proposals to the Board and set a deadline for follow-up.

> Overseeing the effectiveness of the internal audit.

> Establishing and overseeing a mechanism enabling the Company's employees, or those of the group to which it belongs, to confidentially (and anonymously, if deemed appropriate) notify of any potentially significant irregularities they may observe within the Company, particularly those of a financial and accounting nature, receiving periodical reporting on its functioning and being able to propose the relevant measures for improvement and reduction of the risk of irregularities in the future.

> Monitoring the effectiveness of risk management and control systems, in coordination with the Risk Committee, where necessary.

> Establishing appropriate relationships with the external auditor and evaluating and monitoring these relationships.

> Monitoring compliance with regulations with respect to Related-Party Transactions and, previously, informing the Board of Directors, and if it applicable to the AGM, on such transactions.

The Committee draws up an annual report on its operation, highlighting the main incidents occurring, if any, in relation to its duties. This report will serve as a basis, among others, and if applicable, for the evaluation of the Board. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

_Activities during the year

Within the scope of the Committee's remit, and as part of the Activities Plan drawn up each year, the Committee discussed, scrutinised and took decisions or issued reports on:

01. Financial and non-financial information.

02. Risk management and control (in collaboration with the Risk Committee).

03. Regulatory compliance.

04. Internal Audit.

05. Relationship with the account of accounts.

06. Related-party transactions.

07. Communications with the Regulators.

08. Important transactions for the group.

Further details on the activities relating to certain matters within the Committee's remit are given below: ↗

a. Oversight of financial information (C.1.28)

The powers delegated to the Board specifically include the duty of overseeing the dissemination of information and communications relating to the Company. Therefore, the Board is responsible for managing and overseeing, at the highest level, the information distributed to shareholders, institutional investors and the markets in general. Consequently, the Board works to ensure, protect and facilitate the exercising of the rights of the shareholders, institutional investors and the markets in general in the defence of the corporate interest.

The Audit and Control Committee, as a specialised committee of the Board, is responsible for ensuring that the financial information is drawn up correctly. This is a matter to which it dedicates particular attention, alongside the non-financial information. Among other things, its duties involve preventing qualified opinions and reservations in external audit reports.

The managers responsible for these matters attended, as guests, to almost all of the meetings held in 2022, enabling the Committee to become suitably familiar with the process of drawing up and presenting the mandatory financial information of the Company and the Group, particularly regarding the following points: (i) compliance with regulatory requirements; (ii) definition of consolidation perimeter; and (iii) application of the accounting principles, in particular with regard to the assessment criteria and the judgments and estimates.

Ordinarily, the Committee meets on a quarterly basis in order to review the mandatory financial information to be submitted to the authorities, as well as the information that the Board must approve and include in its annual public documentation. In such cases, the internal auditor will be present and, if any report is to be issued, the external auditor will be present. At least one meeting a year with the external auditor will take place without the presence of the management team, so that they can discuss specific issues that arise from the reviews conducted. Similarly, in 2022, the external auditor held a meeting with the full Board of Directors to report on the work carried out and on the evolution of the Company's situation with regard to its accounts and risks.

The annual individual and consolidated financial statements submitted to the Board for preparation are not previously certified. The above notwithstanding, we note that as part of the ICFR System, the financial statements for the year ended 31 December 2022, which form part of the annual financial statements, are to be certified by the Company's Head of Internal Control and Validation. (C.1.27).

b. Monitoring the independence of the external auditor

In order to ensure compliance with applicable regulations, particularly with regard to the status of the Company as a Public-Interest Entity, and the independence of the audits, the Company has a Policy on Relations with the External Auditor (2018) which sets out, among other things, the principles that should govern the selection, hiring, appointment, re-election and removal of the auditor, as well as the framework for relations. Furthermore, as an additional mechanism to ensure the auditor's independence, the By-laws state that the General Meeting may not revoke the auditors until the period for which they were appointed has ended, unless it finds just cause for doing so. (C.1.30)

The Audit and Control Committee is responsible for establishing relationships with the auditor in order to receive information on any matters which may jeopardise its independence, and on any other matters relating to the process of auditing the accounts. In all events, on an annual basis, the Committee must receive from the external auditor a declaration of its independence with regard to the Group, in addition to information on any non-audit services rendered to the Group by the external auditor or persons or entities related to it. Subsequently, prior to the disclosure of the audit report, the Committee will issue a report containing an opinion on the independence of the auditor. This report will include an assessment of such non-audit services that may have been rendered, considered individually and as a whole, and related to the degree of independence or the applicable audit

> NUMBER OF CONSECUTIVE YEARS AS AUDITOR OF PWC ACCOUNTS (C.1.34)

5 Individual →	5 Consolidated →

> % OF TOTAL YEARS AUDITED BY PWC OF THE TOTAL YEARS AUDITED (C.134)

22 % Individual →	22 % Consolidated →

The audit firm carries out other non-audit work for the Company and/or its group:

(C.1.32)	CaixaBank	Subsidiaries	Total group
Amount of non-audit work (€m)	900	288	1,188
% Amount of non-audit work / Amount of audit work	34%	8%	19%

N.B.: The ratio indicated (19%) has been determined for the purpose of preparing the Annual Corporate Governance Report on the basis of the audit fees for the financial year 2022. For its part, the regulatory ratio determined on the basis of the provisions of Regulation (EU) No 537/2014 of the European Parliament and of the Council on specific requirements for the statutory audit of public interest entities in Article 4 (2) thereof, estimated on the basis of the average audit fees for the previous 3 financial years, amounts to 26% (see Note 35 to the consolidated financial statements).

regulations. (C.1.30)

Within the framework of the Policy on the Relationship with the External Auditor, and taking into consideration the Technical Guide on Audit Committees at Public-Interest Entities by the CNMV, the Audit and Control Committee issues an annual assessment of the quality and independence of the auditor, coordinated by the Director of Accounting, Management Oversight and Capital, with regard to the external audit process. This assessment covers: (i) compliance with requisites in terms of independence, objectivity, professional capacity and quality; and (ii) the suitability of audit fees for the assignment. On this basis, the Committee proposed to the Board the re-election of PwC Auditores, S.L. as the financial auditor of the Company and its consolidated Group for 2023, and the Board, in turn, put this recommendation to the AGM.(C.1.31).

The auditor's report on the financial statements for the preceding year does not contain a qualified opinion or any reservation. (C.1.33).

c. Monitoring of party-related transactions (D.1)

Unless by law it falls under the purview of the General Shareholders' Meeting, the Board is empowered to approve, subject to a report from the Audit and Control Committee, all transactions that the Company, or companies in its Group, undertake with: (i) directors; (ii) shareholders who own 10% or more of the voting rights, or represented on the Board; or (iii) with any other person who must be regarded as a related party under International Accounting Standards, adopted in accordance with Regulation (EC) 1606/2002.

For these purposes, those transactions not classified as such in accordance with the law shall not be regarded as related-party transactions, and in particular: (i) transactions carried out between the Company and its directly or indirectly wholly owned subsidiaries; (ii) transactions carried out between the Company and its subsidiaries or investees, provided that no other party related to the Company has a stake in these subsidiaries or investees; (iii) the signing between the Company and any executive director or senior manager of a contract that regulates the terms and conditions of the executive duties that said director/manager is to perform, including the determination of the specific amounts or remuneration to be paid pursuant to said contract, which must be approved in accordance with the provisions herein; (iv) operations carried out on the basis of measures designed to safeguard the stability of the Company and undertaken by the competent authority responsible for its prudential supervision.

In operations that must be approved by the Board of Directors, the Board Members of the Company affected by the Related-Party Transaction, or who represent or are related to the shareholders affected by the Related-Party Transaction, must abstain from participating in the deliberation and voting on the agreement in question, under the terms provided by law.

In accordance with current regulations, the Board of Directors has currently delegated the approval of the following Related-Party Transactions:

a. Transactions between companies that are part of the Group that are carried out over the course of normal operations and on an arm's-length basis;

b. Transactions entered into under contracts whose standardised conditions are applied en masse to a large number of customers, are carried out at prices or rates established generally by the party acting as supplier of the goods or services in question, and whose amount does not exceed 0.5% per cent of the net turnover of the Company, or in the case of transactions with shareholders holding 10% or more of the voting rights or represented on the Board of Directors of the Company, which do not individually exceed the amount of 5,000,000, nor, taken together with all other transactions with the same counterparty in the last twelve months, 0.35% of the Company's net turnover.

A report from the Audit and Control Committee will not be required to approve these transactions, although the Board of Directors shall establish an internal procedure for regular reporting and control, with the involvement of the Audit and Control Committee. CaixaBank has a Protocol on Related-Party Transactions (latest version December 2022) detailing the internal procedure which provides, among other matters, for half-yearly reporting to the Audit and Control Committee of related-party transactions whose approval has been delegated by the Board.

The granting by the Company of lines of credit, loans and other means of financing and guarantees to Directors, or to persons associated with them, shall comply with the regulations of the Board of Directors and with the regulations governing the organisation and discipline of credit institutions and the with supervisory body's guidelines in this matter.

The Company shall publicly announce, no later than the day of their execution, the Related-Party Transactions that the Company or the companies of its Group enter into and whose amount reaches or exceeds 5 % of the total asset items, or 2.5 % of the annual turnover, under the terms established by law. It shall also report the Related-Party Transactions in the half-yearly financial report, the annual corporate governance report and the consolidated annual accounts in the cases and within the scope provided for by law.

The Company is not aware of any relationship, whether of a commercial, contractual or family nature, among significant shareholders. Potential relations of a commercial or contractual nature with CaixaBank notwithstanding, within the ordinary course of business and on an arm's-length basis. With the aim of regulating the relationship between the "la Caixa" Banking Foundation and CaixaBank and their respective groups and thus avoiding conflicts of interests, the Internal Relations Protocol (amended in October 2021) was signed. The main purpose of this protocol is: (i) to manage related-party transactions; (ii) to establish mechanisms to avoid the emergence of conflicts of interest; (iii) to govern the pre-emptive right over Monte de Piedad; (iv) collaboration on CSR and sustainability matters; and (v) to regulate the flow of information for compliance with the periodic reporting obligations. This Protocol is available on the corporate website and its compliance is monitored on an annual basis by the Committee.

Notwithstanding the above, the Internal Relations Protocol also sets out the general rules for performing transactions or providing services at arm's length, and identifies the services that companies in the FBLC Group provide or may provide to companies in CaixaBank Group and, likewise, those that companies in CaixaBank Group provide or may provide to companies in the FBLC Group. The Protocol establishes the circumstances and terms for approving transactions. In general the Board of Directors is the competent body for approving these transactions. In certain cases stipulated in Clause 3.4 of the Protocol, certain transactions will be subject to approval from the CaixaBank Board of Directors, which must have a report issued in advance by the Auditing Committee, whereby the same applies for all other signatories of the Protocol. (A.5+D.6)

In 2022, the Company sold the property located at Paseo de la Castellana, 51 (Madrid) to Inmo Criteria Patrimonio, SLU (a company wholly owned by CriteriaCaixa, SAU, which holds a significant stake of 30.01 % in the Company's share capital) for EUR 238.5 million, being the best offer received. Pursuant to the provisions of article 529 duovicies.3 of the Capital Companies Act, this transaction has been approved by the Board of Directors and has required a report from the Audit and Control Committee, which has assessed that the transaction has been carried out from a fair and reasonable point of view by the Company[1]. (D.2).

Articles 29 and 30 of the Regulations of the Board regulate the non-compete obligation of Board members and applicable conflicts of interest, respectively: (D.6)

Directors will only be exempt from the non-compete obligation if it does not entail non-recoverable damage to the Company. Any director who has been granted such a non-compete waiver must abide by the terms contained in the waiver resolution and must invariably abstain from taking part in discussions and votes in which they have a conflict of interest.

Directors (directly or indirectly) have the general obligation to avoid situations that could involve a conflict of interest for the Group and, where there is a conflict, they have the duty to report the matter to the Board for disclosure in the financial statements.

Furthermore, key personnel are subject to certain obligations with regard to direct or indirect conflicts of interest under the Internal Code of Conduct in Securities Markets, including the obligation to act with freedom of judgement and loyalty to CaixaBank, its shareholders and its customers, to abstain from intervening in or influencing decisions that may affect people or companies with which there are conflicts of interest, and to inform Regulatory Compliance of such incidents.

Except as expressed in Note 41 of the consolidated financial statements, there are no known material transactions carried out between the Group and key personnel (related parties) of the Company other than those performed in the ordinary course of business and at arm's length. (D.3, D.5).

1 https://www.caixabank.com/StaticFiles/pdfs/220729_OIR_Venta_edificio_es.pdf

_Senior Management

The CEO, the Management Committee and the main committees of the Company are responsible for the daily management, implementation and development of the decisions made by the Governing Bodies.

_Management Committee (C.1.14) ↗

The Management Board meets on a weekly basis to make decisions related to the **Strategic Plan and the Annual Operating Plan**

as well as those that affect the Company's organisational life. It also approves structural changes, appointments, expense lines and business strategies.

2 (15.38 % of the total)

→ Representation of women in senior management at 31/12/22. (former CEO).

0.007 %

→ Senior management's share in the company's capital at 31/12/22 (former CEO).

0.014 %

→ In 2022, the total amount of shares generated by incentive plans that are pending delivery account for 0.014 % of the total share capital.

Juan Antonio Alcaraz*

→ Chief Business Officer

_Education

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

_Professional Career

He joined "la Caixa" in 2007, and he is currently Chief Business Officer, responsible for the following business units: Retail Banking (Branch Network, Private and Premier Banking, and Business Banking), all areas related to Customer Experience and Specialised Consumer Segments.

He has served as Managing Director of Banco Sabadell (2003-2007) and Deputy Managing Director of Santander and Central Hispano (1990-2003).

_Other positions currently held

Chairman of CaixaBank Payments & Consumer, Chairman of Imagin and member of the Board of Directors of SegurCaixa Adeslas.

Chairman of the Spanish Association of Directors, member of the Advisory Board of Foment del Treball, member of the Board of Trustees of Fundación Tervalis, member of the Board of Closingap, member of Barcelona Global and member of the University Assessment Board of the Universitat Internacional de Catalunya.

Jordi Mondéjar

→ Chief Risks Officer

_Education

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

_Professional Career

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

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

_Other positions currently held

Non-Executive Chairman of Building Center.

Iñaki Badiola

→ Head of CIB and International Banking

_Education

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

_Professional Career

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

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

(*) On 11 January 2023, CaixaBank announced through OIR that its Board of Directors had agreed to three new appointments in the Business area who, by joining the Management Committee, will assume, among others, the functions that had been carried out by the General Manager of Business, Juan Antonio Alcaraz, who left the bank. Following a favourable report by the Appointments and Sustainability Committee, subject to the Supervisor's verification of suitability, the following have been appointed: Jaume Masana Ribalta, as Business Director; María Vicens Cuyás, as Director of Digital Transformation and Advanced Analytics; and Jordi Nicolau Aymar, as Director of Payments and Consumer.

Luis Javier Blas

→ Media Director

_Education

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

_Professional career

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

_Other positions currently held

Currently, he is a Director of Caixabank Tech, S.L.U.

Matthias Bulach

→ Director of Accounting, Management and Capital Control

_Education

He holds a degree in Economics from the University of Sankt Gallen and CEMS Management Master's degree from the Community of European Management Schools. Master of Business Administration (2004-2006) from the IESE Business School (University of Navarra).

_Professional Career

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

He has been a Member of the Supervisory Board of Erste Group Bank AG and a member of its Audit Committee. He has also been a Director of CaixaBank Asset Management SGIIC S.A. and Chairman of its Audit and Control Committee.

_Other positions currently held

Director of CaixaBank Payments & Consumer and Building-center S.A.

Óscar Calderón

→ General Secretary and Secretary of the Board of Directors

_Education

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

_Professional Career

He has served as State Lawyer in Catalonia (1999-2003). Lawyer to the General Secretary's Office of "la Caixa" Caja de Ahorros y Pensiones de Barcelona (2004) and Deputy Secretary to the Board of Directors of Inmobiliaria Colonial, S.A. (2005-2006), in addition to Secretary of the Board of Banco de Valencia (from March to July 2013) and Deputy Secretary of the Board of Directors of "la Caixa" Caja de Ahorros y Pensiones de Barcelona until June 2014. He was also a Trustee and Deputy Secretary of "la Caixa" Foundation until its dissolution in 2014, as well as Secretary of the Board of Trustees of "la Caixa" Banking Foundation until October 2017.

_Other positions currently held

Trustee and Secretary of the Board of Trustees of Fundación del Museo de Arte Contemporáneo de Barcelona (MACBA). He is also Secretary of the Foundation of Applied Economics (FEDEA) of the Board of Trustees of the CaixaBank Dualiza Foundation.

Manuel Galarza

→ Compliance and Control Director

_Education

He holds a degree in Economics and Business Science from the University of Valencia. Extraordinary award for the bachelor's degree. Senior Executive Programme from ESADE. He is a qualified chartered accountant (Registro Oficial de Auditores de Cuentas).

_Professional career

Since January 2011, he has held various senior positions at Bankia and was a member of Bankia's Management Committee from January 2019 until joining CaixaBank.

He has been a director of listed and unlisted companies, including Iberia, Realia, Metrovacesa, NH, Deoleo, Globalvía and Caser.

David López

→ Human Resources Director

_Education

He holds a degree in Economics and Business Science from the University of Las Palmas de Gran Canaria. He has worked in both local and multinational companies, and his time at Arthur Andersen is particularly noteworthy.

_Professional Career

In 2001, he joined Caja de Canarias as Director of Human Resources and Systems. The following year, he was appointed Deputy Director General and Commercial Director of Caja Insular de Ahorros de Canarias. In 2011, once Bankia had absorbed Caja Insular, he was appointed as Deputy Commercial Manager and, subsequently, Commercial Director for the Canary Islands. Between 2012 and 2015, he was Territorial Director of the Canary Islands, and in July 2015 he became Territorial Director of southwest Madrid.

In January 2019, he was appointed Deputy Managing Director for People and Culture at Bankia, as well as a member of its Management Committee. Since March 2019, he has been Chairman of CECA's Labour Relations Committee.

In March 2021, he was appointed Deputy Director of Human Resources at CaixaBank.

He has been Director of Human Resources at CaixaBank since 1 January 2022.

María Luisa Martínez

→ Director of Communication and Institutional Relations

_Education

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

_Professional Career

She joined "la Caixa" in 2001 to head up media relations. In 2008, she was appointed Head of Communication with responsibility for corporate communication and institutional management with the media. In 2014, she was appointed Director of Communications, Institutional Relations, Brand and CSR at CaixaBank, and since 2016 she has been the Executive Director in charge of these areas. In April 2021 she was appointed Director of Communications and Institutional Relations.

_Other current positions

Chairwoman of Dircom Cataluña, Member of Dircom Nacional, Vice-President of Corporate Excellence and Fundacom and Member of the Board of Directors of Foment del Treball.

Javier Pano

⟶ CFO

_Education

He holds a degree in Business Science and an MBA from ESADE Business School.

_Professional Career

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

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

_Other positions currently held

Member of the Board of Directors of BPI and Non-Executive Deputy Chairman and Member of the Appointments Committee of Cecabank.

Marisa Retamosa

⟶ Head of Internal Audit

_Education

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

_Professional career

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

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

Eugenio Solla

⟶ Sustainability Director

_Education

Graduate in Business Administration and Management from the University College of Financial Studies (CUNEF), master's degree in Credit Institution management at UNED and Executive MBA at IESE.

_Professional Career

In 2004, he joined Caja de Ahorros de Ávila until 2009, when he became Integration Coordinator at Bankia. In 2011, he joined Bankia's Chairman's Office as Director of Strategic Coordination and Market Analysis, and a year later became Director of the Office. Between 2013 and 2015, he was appointed Corporate Director of marketing of the company and, in July 2015, Corporate Director of the Madrid North Territorial Unit.

He was a member of the Management Committee of Bankia from January 2019 until joining CaixaBank.

Javier Valle

⟶ Head of Insurance

_Education

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

_Professional career

In recent years, he has been General Manager at Banc Sabadell Vida, Banc Sabadell Seguros Generales and Banc Sabadell Pensiones and CEO of Zurich Vida. He was CFO of the Zurich Group Spain and Director of Investments for Spain and Latin America.

_Other positions currently held

He is the Managing Director of VidaCaixa, Director of CaixaBank Tech and Member of the ESADE Alumni Board. He is Vice-Chairman and Member of the Executive Committee and Board of Directors of Unespa, as well as Director of ICEA.

_Other Committees

The following is a description of the main committees:

_Alco Committee (assets and liabilities)

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

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

All of this, under the policies of the risk appetite framework and the risk limits approved by the Board.

Frequency	Reports to	Risks managed
Monthly	Management Committee. Reports to Global Risk Committee	> Business Returns > Liquidity and financing > Market > Structure of interest rates

_Regulation Committee

This committee is the decision-making body for all aspects related to financial regulation. Its functions include spearheading the activity to represent the Bank's interests, as well as the systematisation of regulatory activities, periodically assessing the initiatives carried out in this field.

Frequency	Reports to	Risks managed
Min. Bimonthly	Management Committee	> Legal and Regulatory > Conduct and Compliance

_Information Governance and Data Quality Committee

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

Frequency	Reports to	Risks managed
Quarterly	Management Committee	> Technological

_Global Risk Committee

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

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

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

Frequency	Reports to	Risks managed
Monthly	Risk Committee	> All in the Group's Corporate Risk Catalogue

_Corporate criminal management committee

This Committee is responsible for managing any observations or reports made through any channel regarding the prevention of and response to criminal conduct. The main functions are: prevention, detection, response, report and monitoring of the model.

Frequency	Reports to	Risks managed
Monthly	Global Risk Committee	> Conduct and compliance

_Permanent lending committee

It is responsible for officially approving loan, credit and guarantee operations, as well as investment operations in general that are specific to the Bank's corporate objective, and its approval level is defined in the Bank's internal regulations.

Frequency	Reports to	Risks managed
Weekly	Board of Directors	> Credit

_Transparency Committee

Its function is to ensure that all aspects that have or may have an impact on the marketing of products and services are covered in order to ensure the appropriate protection of customers, through transparency and the understanding thereof by the customers, especially retailers and consumers, and the suitability to their needs.

Frequency	Reports to	Risks managed
Monthly	Management Committee	> All Risks

_Diversity Committee

Its mission is the creation, promotion, monitoring and presentation of actions to the corresponding bodies to increase diversity with a focus on the representation of women in management positions and to avoid the loss of talent, as well as in the other areas of diversity that are a priority for the Bank such as functional, generational and cultural diversity.

Frequency	Reports to	Risks managed
Quarterly	Management Committee	> Legal and Regulatory > Reputational

_Recovery and Resolution Plan Committee

This committee is responsible for preparing, approving, reviewing and updating plans to minimise the impact of future financial crises on contributors.

Frequency	Reports to	Risks managed
Monthly	Management Committee	> Business risks > Own funds: Solvency > Liquidity and Financing > Legal and Regulatory > Reputational

_Privacy Committee

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

Frequency	Reports to	Risks managed
Monthly	Management Committee	> Legal and Regulatory > Conduct and Compliance

_Efficiency Committee

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

Frequency	Reports to	Risks managed
Monthly	Management Committee	> Business risks > Own funds: solvency

_Sustainability Committee

It is responsible for approving CaixaBank's strategy and practices and overseeing them, as well as propose and presenting (for their approval by the corresponding Governing Bodies) general policies for managing corporate responsibility and reputation.

Its mission is to help CaixaBank to be recognised for its excellent sustainability management, strengthening the Bank's position through its socially responsible banking model.

Frequency	Reports to	Risks managed
Monthly	Management Committee	> Reputational

_Reputational Risk Committee

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

Its mission is to contribute to making CaixaBank the best bank in terms of quality and reputation, strengthening its reputation as a responsible and socially-committed bank.

Frequency	Reports to	Risks managed
Monthly	Global Risk Committee	> Reputational

_Information Security Committee

It is the highest executive and decision-making body for all aspects related to Information Security at a corporate level.

Its purpose is to ensure the security of information in CaixaBank Group by applying the Corporate Information Security Policy and the mitigation of any identified risks or weaknesses.

Frequency	Reports to	Risks managed
Quarterly	Management Committee	> Conduct and Compliance > Technological

_Internal Code of Conduct Regulations Committee

It is responsible for adapting the actions of CaixaBank, its Administrative body, employees and representative to the standards of conduct that, in their activities related to the Securities Markets, they must respect and are contained in the Law on Securities Market and its implementing regulations.

Frequency	Reports to	Risks managed
Quarterly	Management Committee	> Conduct and compliance

_Global Recovery and Default Committee

It sets the goals for each of the parties involved in the recovery process, the monitoring of the level of fulfilment of these goals and the actions undertaken by each of them to carry them out.

Frequency	Reports to	Risks managed
Monthly	Global Risk Committee	> Business returns > Credit

_Credit Risk Policy Committee

It approves, or where applicable, takes note of, and monitors the policies and criteria related to the granting and management of credit risk.

Frequency	Reports to	Risks managed
Monthly	Global Risk Committee	> Credit

_Operational Risk Committee

It analyses and monitors CaixaBank Group's operational risk profile, and proposes the corresponding management measures.

Frequency	Reports to	Risks managed
Monthly	Global Risk Committee	> Other Operational Risks

_Operational Resilience Committee

It is the body responsible for managing the Group's Operational Continuity function, as well as for designing, implementing and monitoring the Operational Continuity Management System.

Frequency	Reports to	Risks managed
Half-yearly (In normal conditions)	Management Committee	> Technological

_Euribor Committee

Ensure the adequacy of the Contribution Process to the applicable regulations and supervise its correct functioning, being responsible for defining and approving the contribution procedure.

Frequency	Reports to	Risks managed
Monthly	Management Committee	> Conduct and compliance

_Automatic Exchange Of Information Committee (AEOI)

The AEOI Committee is the body appointed by CaixaBank's Senior Management to ensure that the procedures, processes and reporting of FATCA/QI/CRS regulations and any other similar regulations that fall within the same applicable scope are adequate and to supervise their correct functioning.

Frequency	Reports to	Risks managed
Bimonthly	Management Committee	> Conduct and compliance

_Capital Committee

To give capital management a systematic and exhaustive level of analysis, in order to encourage a comprehensive vision, debate and decision-making, from all points of view and with the involvement of all the organisational groupings whose sphere of management has a direct impact on the Entity's capital management.

Frequency	Reports to	Risks managed
Monthly	Management Committee	> Own funds/Solvency

_Internal Compliance Committee

Responsible for promoting the development and implementation of AML/TF policies and procedures at the Group level. A collegiate body with decision-making functions.

Frequency	Reports to	Risks managed
Quarterly	Management Committee	> Conduct and compliance

_Impairment Committee

Establishing and monitoring the accounting translation of the credit quality impairment of the risks assumed (classification of impairment and determination of provisions), both arising from the use of collective models and the individual analysis of exposures.

Frequency	Reports to	Risks managed
Monthly	Global Risk Committee	> Credit

_Models Committee

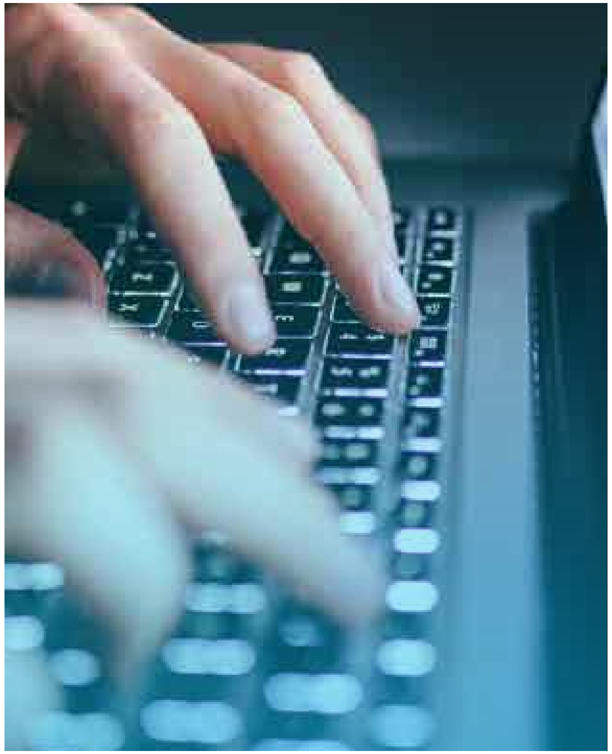
It reviews and formally approves, as well as manages, controls and monitors the models and parameters of regulated and non-regulated credit risk, (including acceptance, monitoring and recovery), market risk (including counterparty – credit risk in the Treasury activity), operational risk, liquidity risk, structural balance risk, planning and studies, as well as for any methodology derived from the control function that it carries out. These include calculating economic capital, regulatory capital and expected loss, and estimating risk metrics (risk-adjusted return – RAR).

Frequency	Reports to	Risks managed
Monthly	Global Risk Committee	> Credit; Market; R. Oper. and R. Model

_Incidents Committee

The Incidents Committee holds, by delegation of the Management Committee, the disciplinary power that, in accordance with art. 20 of the revised text of the Workers' Statute Law, the Entity has in relation to its employees. This power is exercised through the opening, analysis, discussion and resolution of all possible disciplinary proceedings that may arise.

Frequency	Reports to	Risks managed
Weekly	Management Committee	> Conduct and compliance



_Remuneration

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

Market practices are analysed periodically with wage surveys and specific studies conducted as and when needed by top tier companies, based on a comparable sample of peer financial institutions operating in the markets in which CaixaBank is present and a sample of comparable IBEX 35 companies. External experts are also consulted on certain issues.

The remuneration policy for directors, which was submitted by the Board to the General Shareholders' Meeting for a binding vote on 8 April 2022, was approved with 75.86% of votes in favour. This result was conditioned by a significant shareholder with a 16.1% stake, who abstained. The consultative vote on the Annual Remuneration Report for the previous year obtained 97.27% of votes in favour.

The nature of the remuneration received by the members of the Company's Board is described below:

(C.1.13)

9,160
remuneration of the **Board of Directors** accrued in 2022[1] (thousands of €).

3,838
Cumulative amount of funds of current directors in long-term savings schemes with vested economic rights (thousands of €)

3,213
Cumulative amount of funds of current directors in long-term savings schemes with non-vested economic rights (thousands of €)

0
cumulative amount of funds of former directors in long-term savings schemes (thousands of €)

[1] No information is provided on consolidated pension rights for former directors, since the Company has no type of commitment (contribution or benefit) with former executive directors under the pensions system. (C.1.13).

1 The remuneration of Directors in 2022 as reported in this section takes the following changes in the composition of the Board and its Committees during the year:

On 17 February 2022, the Board of Directors agreed to appoint María Amparo Moraleda as a member of the Appointments and Sustainability Committee.

The 2022 General Shareholders' Meeting resolved to reappoint Tomás Muniesa and Eduardo Javier Sanchiz to the Board. Following the General Shareholders' Meeting and at a session held on the same day, the Board of Directors agreed to the re-election of Tomás Muniesa as a member of the Executive Committee. Tomás Muniesa maintained his position as Deputy Chairman of the Board of Directors and member of the Risk Committee, and Eduardo Javier Sanchiz maintained his position as Chairman of the Risk Committee, member of the Audit and Control Committee and member of the Appointments and Sustainability Committee.

At the end of 2022, the Board of Directors comprises 15 members, and the Chairman and CEO are the only board members with executive functions.

Nor does it include remuneration for seats held on other boards on the Company's behalf outside the consolidated group (28 thousand euros).

_Directors

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

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

_Executive position

(Applicable to the Chairman and CEO)

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

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

> Fixed remuneration according to the employee's level of responsibility and professional career, constituting a significant part of the total compensation.

> Variable remuneration tied to the achievement of previously-established annual and long-term targets and prudent risk management.

> Pension scheme and other social benefits.

The nature of the components accrued in 2022 by the Executive Directors is described below:

_Fixed component

Fixed remuneration for Executive Directors is largely based on the level of responsibility and the professional career of each Director, combined with a market approach taking account of salary surveys and specific ad hoc studies. The salary surveys and specific ad hoc studies used by CaixaBank are performed by top-tier companies, based on comparable samples of the financial sector in the market where CaixaBank operates and that of comparable IBEX 35 companies.

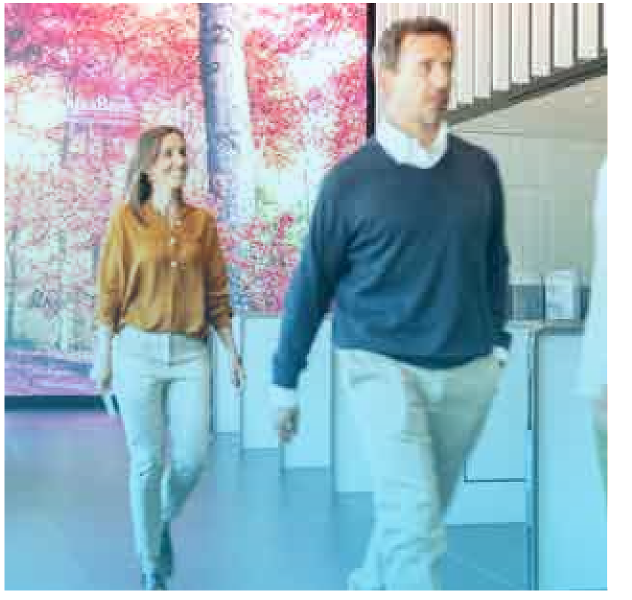
_Variable component

_Variable Remuneration Scheme with Multi-year Metrics

Executive Directors have a recognised risk-adjusted variable remuneration scheme based on performance measurement that is awarded annually based on annual metrics with a long-term adjustment through the establishment of multi-year metrics.

This scheme is based solely on meeting corporate challenges. Annual factors, with quantitative (financial) and qualitative (non-financial) criteria, and multi-annual factors adjusting the payment of the deferred portion subject to multi-annual factors as a reduction mechanism are used to measure performance and assess results.

In line with the objective of a reasonable and prudent balance between fixed and variable remuneration components, the amounts of fixed remuneration of executive directors are sufficient and the percentage of variable remuneration with multi-year metrics over annual fixed remuneration, taking into account that it groups together both short and long-term variable remuneration, does not exceed 100%.



In line with our responsible management model, of the concepts described above, 30% of the annual and long-term variable remuneration granted to the Chairman and CEO is linked to ESG factors, such as Quality, Conduct and Compliance challenges and the mobilisation of sustainable finance. In addition, in the adjustment with multi-year metrics, 25% is linked to a long-term sustainable financing mobilisation challenge.

> ANNUAL FACTOR METRICS

The corporate challenges, with a weighting of 100%, are set annually by the Board on the recommendation of the Remuneration Committee, subject to a degree of achievement of 80%-120%, which is determined on the basis of the following concepts aligned with the strategic objectives:

Target Item	Weighting	Strategic Line
ROTE *(Return on Tangible Equity)*	20%	Business growth, developing the best value proposition for our clients.
CIR (Cost Income Ratio)	20%	Business growth, developing the best value proposition for our clients.
Variation in problematic assets	10%	Business growth, developing the best value proposition for our clients.
RAF *(Risk Appetite Framework)*	20%	Business growth, developing the best value proposition for our clients.
Quality	10%	Operate in an efficient customer service model, adapted as much as possible to customer preferences.
Compliance	10%	Operate in an efficient customer service model, adapted as much as possible to customer preferences.
Sustainability (mobilisation of sustainable finance)	10%	Sustainability - leaders in Europe.

> MULTI-YEAR FACTOR METRICS

The aforementioned multi-year metrics will have associated compliance scales so that if the targets established for each are not met within the three-year measurement period, the deferred portion of the variable remuneration pending payment can be reduced but never increased.

Target Item	Weighting	Strategic Line
CET1	25%	Business growth, developing the best value proposition for our clients.
TSR (EUROSTOXX Banks Index Average - Gross Return)	25%	Business growth, developing the best value proposition for our clients.
Multi-year ROTE	25%	Business growth, developing the best value proposition for our clients.
Sustainability (mobilisation of sustainable finance)	25%	Sustainability - leaders in Europe.

Contributions to long-term savings schemes

Furthermore, the Chairman and CEO have agreed in their contracts to make pre-fixed contributions to pension and savings schemes.

15% of the contributions paid to complementary pension schemes will be considered a target amount (the remaining 85% is considered a fixed component). This amount is determined following the same principles as for variable remuneration in the form of a bonus (based solely on individual assessment parameters) and is contributed to a Discretionary Pension Benefit scheme.

13,204

Total remuneration of senior management

(Former Executive Directors) in 2022[1] (thousands of €) (C.1.14)

[1] This amount includes the fixed remuneration, remuneration in kind, social security insurance premiums and discretionary pension benefits, along with other long-term benefits assigned to members of the Senior Management.
This amount does not include the remuneration received for representing the Company on the boards of listed and other companies, both within and outside the consolidated group (1,148 thousand euros).

With regard to any agreements made between the company and its directors, executives or employees on severance or golden parachute clauses, see the following table. (C.1.39)

C.1.39

Recipient number: 37 **Type of beneficiary:** Chairman, CEO and 3 members of the Management Committee, 5 Executives // 27 Middle Managers

Description of the agreement:
Chairman and CEO: 1 year of the fixed components of his remuneration.

Members of the Management Committee: indemnity clause equivalent to one annual payment of the fixed components of their remuneration, or the amount payable by law, whichever is higher. There are currently 3 members of the committee for whom the indemnity to which they are legally entitled is still less than one year of their salary.

Further, the Chairman, CEO and members of the Management Committee are entitled to one annual payment of their fixed remuneration, paid in monthly instalments, as consideration for their non-compete undertaking. This payment would be discontinued were this covenant to be breached.

Executives and middle managers: 32 Executives and middle managers between 0.1 and 2 annual payments of fixed remuneration above that provided by law. Executives and middle managers of Group companies are included in the calculation.

These clauses are approved by the Board of Directors and are not notified to the General Shareholders' Meeting.

_Sustainability governance

The Group has a strategy that incorporates **sustainability as one of its strategic priorities**. During 2022, sustainability governance was further strengthened with the approval of the **2022-2024 Sustainable Banking Plan.**

Sustainability is one of CaixaBank's strategic priorities.For this reason, the Board of Directors is responsible for the approval of the strategy and the Principles of Sustainability, as well as for monitoring their correct implementation.

To this end, a sustainability governance system has been structured through the **governing bodies** (Board of Directors, Appointments and Sustainability Committee, Risk Committee and Audit and Control Committee) and **management** (Management Committee), complemented by **other internal committees and areas of the Entity** (Global Risk Committee, Sustainability Committee and Sustainability Department).

In addition, this governance system will also enable CaixaBank to meet its objective of implementing a coherent, efficient and adaptable **ESG risk management governance model** that oversees the achievement of the CaixaBank Group's objectives, in line with the ECB's expectations and best market practices.

See ESG risk management

The governance model is the same for **managing climate change.**

GOVERNING BODIES

BOARD OF DIRECTORS

Remuneration Audit and Control Committee

Functions related to non-financial reporting and the effectiveness of internal control systems.

Audit and Control Appointments Sustainability Committee

Supervise compliance with the Entity's environmental and social policies and rules.

Remuneration Committee

Propose the Group's risk policy to the Board, including on ESG issues.

MANAGEMENT BODIES

Management Committee

Approves lines of action in the area of Sustainability.

Committee of Sustainability

Ensure successful implementation of the sustainability strategy and its promotion within the organisation.

Global Risk Committee

Manages, controls and supervises the risks that the Group may incur.

[1] ECB Guide on climate-related and environmental risks.

_Governing bodies

_Board of directors

The Board of Directors believes that it is essential to boost sustainability in the Group's businesses and activities.

In terms of sustainability, its functions include the approval and supervision of the strategy and the monitoring of management.

In relation to the strategy, the Board led, reviewed and approved in December 2021 the **Sustainability Master Plan** ("Sustainable Banking Plan 2022-2024") for the period 2022-2024.The Master Plan is part of the Bank's Strategic Plan and is one of its main lines of action, reflecting CaixaBank's aspiration to consolidate its position as a benchmark in sustainability.

_Committees of the Board

Within the scope of its powers of self-organisation, the Board has a number of specialised committees, with supervisory and advisory powers, as well as an Executive Committee. There are no specific regulations for the Board committees, which are governed by law, the Articles of Association and the Board Regulations, which set out the details of the composition, powers and functioning of the various committees.

There are two committees that stand out for their involvement in sustainability.

_Appointments and Sustainability Committee

> It supervises compliance with the Entity's environmental and social policies and rules, evaluating and reviewing them periodically so that they fulfil their mission of promoting the social interest and take into account, as appropriate, the legitimate interests of other stakeholders, as well as submitting to the Board the proposals it deems appropriate in this area.

> Responsible for submitting the Sustainability Action Principles to the Board for approval.

> It reports, prior to its submission to the Board of Directors, on the reports made public by the Entity on matters relating to sustainability, including the review of non-financial information contained in the annual management report, the publication Sustainability, socio-economic impact and contribution to the United Nations SDGs and the Sustainable Banking Plan, ensuring the integrity of their content and compliance with applicable regulations and international benchmark standards.

> It oversees the Company's performance in relation to sustainability and submits the sustainability/corporate responsibility policy to the Board for approval.

_Risks Committee

> Responsible for proposing the Group's risk policy to the Board, including ESG risks and climate risks.

_Management Bodies

The management bodies are responsible for the **day-to-day management, implementation and development** of the decisions taken by the governing bodies.

_Management Committee

The Management Committee is the highest management body responsible for approving the main lines of action in the field of sustainability.

_Sustainability Committee

This is a committee whose creation was approved in April 2021 by the Management Committee, evolved from the Environmental Risk Management Committee created in 2019. It takes over the sustainability/CSR-related functions of the Corporate Responsibility and Reputation Committee of 2015. Its **mission is to help CaixaBank be recognised for its excellent sustainability management**, taking care of the implementation of the sustainability strategy and its promotion within the organisation.

> It is responsible for approving CaixaBank's strategy and practices and overseeing them, as well as for proposing and presenting (for their approval by the corresponding Governing Bodies) general policies for managing corporate responsibility and reputation.

> It oversees the Sustainability Master Plan (Sustainable Banking Plan), approved in December 2021 as a development of the Socially Responsible Banking Plan (2019-2021), and monitors the projects and initiatives to implement the master plan.

> It promotes the integration of sustainability criteria in the management of the Company's business.

> It understands and analyses regulatory requirements, trends and practical improvements in the sector in terms of sustainability.

> It reviews and approves information to be disclosed regarding sustainability.

> It reports to the Management Committee on the Sustainability Committee's resolutions.

> It refers issues relating to sustainability risk management policies to the Global Risk Committee, reporting and monitoring assigned Risk Appetite Framework metrics, and regularly reporting on sustainability risks.

> It validates the reasonableness of non-financial indicators with regard to ESGs.

_Global Risk Committee

> It comprehensively manages, controls and supervises the risks that the Group may incur (including sustainability risk).

> It analyses the global positioning of the Group's ESG risks, and establishes policies to optimise the management, monitoring and control of ESG risks within the framework of its strategic objectives.

> It adapts the risk strategy to the Risk Appetite Framework (RAF) set out by the Board of Directors, coordinating measures to mitigate any breaches and reactions to early warnings of the RAF, as well as keeping CaixaBank's Board informed.

_Sustainability Directorate

- It coordinates the definition, updating and monitoring of the Group's sustainability strategy, as well as updating the CaixaBank Sustainability Action Principles, which will be applicable to all employees, executives and members of the governing bodies to guarantee the transparency, independence and good governance of the Entity in order to safeguard the interests of people and the territory.
- It defines the principles of action in relation to managing ESG risks, as well as advising on their application criteria, validating these and transferring them to the corresponding analysis tools. To enhance the oversight of climate risk, the Climate Risk Directorate was created in January 2022 under the Sustainability Directorate.

Sustainability and principle policies

In 2022, CaixaBank has continued to make progress in terms of sustainability governance:

- In January 2022, the Board revised and approved the **Declaration on Climate Change,** in which the Entity commits to take the necessary measures to comply with the Paris Agreement.
- In January, the Board also approved the **Human Rights Principles**, as a development of the previous Human Rights Policy. These principles demonstrate the Entity's commitment to human rights, in accordance with the highest international standards.

See Compliance Management

- In March 2022, the Board of Directors approved the **Corporate Policy on Sustainability/ESG Risk Management,** which consolidates the previous Environmental Risk Management Policy and Corporate Policy on Relations with the Defence Sector and establishes the criteria for ESG analysis in the processes of customer admission and credit approval processes.

See ESG risk management section

- In March, the Board also approved the **Sustainability Action Principles**, as an evolution of the previous Corporate Sustainability/CSR Policy. These principles reflect the commitment of the CaixaBank Group as a whole to an efficient, sustainable, responsible and socially determined model of action.

> FRAMEWORK OF POLICIES, CODES

These policies are complemented and developed together with other specific policies, particularly in the field of conduct.

Principles of action in the area of sustainability
(Update March 2022)

Corporate policy on sustainability/ESG risk management
(Update March 2022)

CaixaBank's Human Rights Principles
(Update January 2022)

Declaration on Climate Change
(Update January 2022)

_Ethical and responsible behaviour

Respecting Human Rights is a key part of CaixaBank's corporate values.

_Ethics and integrity

And the minimum standard of action to **conduct business legitimately.**

To uphold these values, its **Human Rights Principles and its Code of Ethics and Action Principles** form the top level of CaixaBank's internal standards and regulation. They are approved by the Board of Directors and are based on the principles of the UN Universal Declaration of Human Rights and the Declaration of the International Labour Organization.

CaixaBank strives to understand what impacts its activities have on Human Rights. To this end, it implements regular due diligence processes to assess the risk of non-compliance, which form the basis for proposing measures to prevent or remedy negative impacts and to maximise positive impacts. In the first half of 2020, CaixaBank completed its regular human rights due diligence and assessment process, which it carries out with a third party. The assessment obtained was satisfactory and showed that the control environment is appropriate. A new human rights due diligence and assessment process will be carried out in 2023.

In 2022, CaixaBank's Human Rights Principles were reviewed and updated, and were approved by the Board of Directors in January 2022. The main changes are: (i) renaming of the current CaixaBank Corporate Human Rights Policy to the CaixaBank Human Rights Principles, which corresponds more closely to the content of the document itself; (ii) incorporation of new commitments and principles of action in line with the highest standards, such as the European Union Action Plan on Human Rights 2020-2024, the United Nations Principles for Responsible Banking and the commitment made in this framework involving measures for financial inclusion and financial health, and; (iii) commitment to perform the due diligence exercise every three years or earlier if circumstances so warrant.

CaixaBank will promote and disseminate these Principles among its stakeholders.

[1] https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Sostenibilidad/20210330_Codigo_Etico_y_Principios_de_Actuacion_ESP.pdf

The main policies on **ethics and integrity** approved by the Board of Directors are:

Policy	Purpose	Last update	Published on the corporate website of CaixaBank
Code of Ethics and Principles of Action	Reference document aligned with the highest national and international standards that defines the guidelines for action to ensure ethical and responsible behaviour in the Company.	March 2021	✓
Corporate Policy on Criminal Compliance	Ensure that a robust control environment is in place to help prevent and avoid the commission of offences for conduct for which the legal person is criminally liable. This Policy establishes a general framework that guides the CaixaBank Group Crime Prevention Model.	July 2022	✓
Corporate Anti-corruption Policy	Establish a framework for action and rejection of any conduct that may be directly or indirectly related to corruption, in particular, and to the basic principles of action, in general.	September 2021	✓[1]
Corporate Policy on Conflicts of Interest of the CaixaBank Group	It provides a global and harmonised framework of general principles and procedures of action to be taken to manage any real or potential conflicts of interest arising in the course of their respective activities and services.	February 2022	✓[1]
Corporate Policy on Regulatory Compliance	It develops the nature of the Regulatory Compliance Function as the component responsible for promoting ethical business principles, reaffirming a corporate culture of respect for the law and ensuring compliance with the law by regularly verifying and assessing the effectiveness of the control environment.	July 2021	✓[1]
Corporate Policy for the Prevention of Money Laundering and the Financing of Terrorism (AML/CFT) and managing sanctions and international countermeasures within the CaixaBank Group	To actively promote the implementation of the highest international standards in this area, in all jurisdictions where the CaixaBank Group operates.	September 2022	✓[1]
Internal Code of Conduct in the Securities Market (ICC)	To foster transparency in markets and uphold the legitimate interests of investors at all times in accordance with Regulation 596/2014 of the European Parliament and the Securities Market Law.	November 2021	✓
Principles of action in relation to the Privacy and Rights of CaixaBank customers	To establish fundamental rights to data protection and privacy.	March 2022	✓
Principles of action in relation to the Privacy and Rights of CaixaBank customers	To establish fundamental rights to data protection and privacy.	March 2022	✓[1]
Principles of action in Corporate policy on sustainability/ESG risk management	Establish governance and management of sustainability risks, regulating the relationship with companies and financing operations, especially in the most exposed sectors, such as energy, mining, infrastructure, agriculture and defence.	March 2022	✓[1]

[1] Some Principles, extracted from the Policy, are published.

_Human Rights

_CaixaBank's Human Rights Principles

_Our responsibility to employees

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

CaixaBank's policies on the recruitment, management, promotion, remuneration and development of people are linked to respect for diversity, equal opportunities, meritocracy regardless of gender, gender identity, ethnicity, race, nationality, religious beliefs, political opinion, parentage, sexual orientation, status, disability and other circumstances protected by law.

_Our responsibility to customers

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

Key points in this area include: developing new financial services and products in line with CaixaBank's aspirations with regard to human rights, building social and environmental risks into decision-making processes, fostering financial inclusion, avoiding financing or investing in companies and/or businesses connected with serious human rights violations, respecting confidentiality, the right to privacy and the confidentiality of customer and employee data.

_Our responsibility to suppliers

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

Therefore, CaixaBank's practices include: requiring its suppliers to understand and respect its Code of Conduct for Suppliers and Procurement Principles, and to understand and respect the Principles of the United Nations Global Compact, carrying out additional controls on suppliers that are considered internally to be of potentially medium-high risk, and taking any necessary corrective measures in response to failures to comply with its standards.

_Our responsibility to the community

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

CaixaBank also promotes initiatives to raise awareness of international human rights principles, initiatives and programmes, and the UN Sustainable Development Goals (SDGs).

View on corporate website. https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad_corporativa/Politica_DDHH_2019_ES.pdf

> DUE DILIGENCE MEASURES CLASSIFIED IN FOUR BLOCS AND MAIN INDICATORS AT 31 DECEMBER 2022

Human Resources management

Equal treatment

41.8 %

→ Women in management positions from deputy managers of large branches and up[1].
41.3 % in 2021

40 %

→ Women on the Board of Directors
40.0 % in 2021

Fair working conditions

3,081

→ Employees on paid leave[2]
3,059 in 2021

Freedom in the working environment

75 %

→ Participation in Commitment Study.
74 % in 2021

Environment and workplace (accessibility, safety and health)

1.57

→ Accident frequency index (Accident Rate).
0.90 in 2021

4.2 %

→ Manageable absenteeism rate.
3.5 % in 2021

Purchasing management

502

→ Approved Suppliers in the year.
882 in 2021

€7 million

→ Volume of procurement contracts awarded to Sheltered Employment Programmes.
7.3 in 2021

Financing and investment

Ensuring appropriate mortgage commitments

11,105

→ Homes in social rent programme
13,235 in 2021

Financing of corporate projects

€11,543 m

→ Loans linked to sustainability factors
€10,832 m in 2021

Marketing

Accessibility for customers

99 % / 61 %

→ Towns and cities >5,000 inhabitants with operations (Spain and Portugal, respectively)
99 % / 63 % in 2021

Marketing (product design, marketing and advertising, sales)

33,512

→ Employees with MiFID II certification
32,088 in 2021

Information security and data protection (customer privacy)

99 %

→ of employees have completed the security course
99 % in 2021

[1] From lower management in A and B branches. CaixaBank, S.A.
[2] CaixaBank, S.A.

_CaixaBank Code of Ethics and Business Principles

The fundamental values on which **CaixaBank's Code of Ethics** is based are as follows:

Quality

Will to serve customers, providing them with excellent service and offering them the products and services that most suit their needs.

Trust

The combination of integrity and professionalism. We nurture it with empathy, communication, a close relationship and being accessible.

Social engagement

Commitment to not only adding value for customers, shareholders and employees, but also contributing to developing a fairer society with greater equal opportunities. It is our heritage, our founding essence, that distinguishes us, unites us and makes us unique.

In addition, CaixaBank's Code of Ethics includes the following **action principles**:

Compliance with current laws and standards

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

Respect

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

Integrity

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

Transparency

We are transparent, publishing our main policies and relevant information about our activities on our corporate website.

Excellence and professionalism

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

Confidentiality

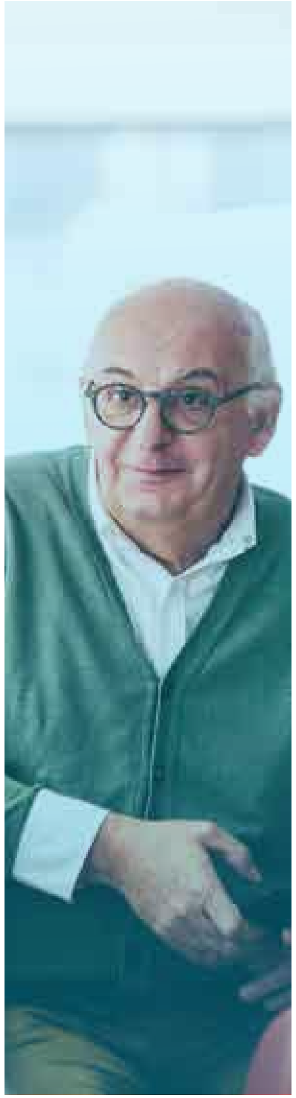
We uphold the confidentiality of the information that our shareholders and customers entrust in us.

Social responsibility

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

View on corporate website. https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad_corporativa/Codigo_Etico_y_Principios_de_Actuacion_ene2019.pdf

_Other ethics and integrity policies



_Corporate Anti-Corruption Policy

Through the Corporate Anti-Corruption Policy that complements the Code of Ethics and Principles of Action, an integral part of the CaixaBank Group Crime Prevention Model, CaixaBank underlines **the total rejection of any conduct that may be directly or indirectly related to corruption**. It works under the basic principle of compliance with the laws and regulations in force at any given time, and it bases its action on the highest standards of responsibility. As a signatory to the UN global Compact, CaixaBank undertakes to fulfil the 10 Principles, and in particular to fight against corruption in all its forms, such as extortion and bribery (Principle No. 10).

The Policy serves as an **essential tool** to prevent both the Company, the Group companies and its external partners, directly or through third-parties, from engaging in conduct that may be contrary to the law or to CaixaBank's basic principles of action set out in its Code of Ethics.

The Policy also details the types of conduct, practices and activities that are prohibited, to prevent situations that could involve extortion, bribery, facilitation payments or influence peddling. The Policy establishes the standards of conduct to be followed in relation to:

_Acceptance and concession of gifts

It is prohibited to accept gifts of any amount if the purpose is to influence the employee. Subject to the above, gifts with a market value of more than 150 euros cannot be accepted. In any case, they must be voluntary and received at the workplace. Gifts must not be given to public officials and authorities.

_Travel and hospitality expenses

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

_Relationships with political parties and officials

It is prohibited to make donations to political parties and their associated foundations or institutions. Full or partial debt waivers to political parties may not be carried out. CaixaBank shall not contract direct lobbying or interest representation services to position itself with authorities but rather it will generally share its opinions through various associations to try to come to an understanding on the industry's position.

_Sponsorships

The use of sponsorships as a subterfuge to carry out practices that are contrary to the Corporate Anti-Corruption Policy is prohibited. The purpose of sponsorship shall be to grant financial aids/contributions to sponsored third parties in order to undertake their institutional, corporate, social, sports, cultural, scientific or similar activities in exchange for the commitment of them to collaborate in CaixaBank advertising activities.

_Donations

CaixaBank collaborates via "La Caixa" Banking Foundation and on its behalf to introduce its social welfare activity to CaixaBank's entire area of activity. Consequently, donations to foundations and other non-government institutions must be justified by the activities of the "La Caixa" Group Welfare Projects and be in accordance with action guidelines set out for its charitable activities and pertinent procedures be established to that effect.

_Suppliers

CaixaBank and Group companies shall require their suppliers to take the appropriate measures to ensure fair conduct and competition on the market, having to establish mechanisms to fight against all forms of corruption. As stated in the **CaixaBank Supplier Code of Conduct**, suppliers shall not accept nor offer gifts, benefits, favours or provisions free of charge that are intended to improperly influence their business, professional or administrative relationships.

↗ *View on corporate website.* https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad_corporativa/Politica_Anticorrupcion_ene2019.pdf

12 16

_Corporate Policy on *Compliance* with Criminal Law

CaixaBank has a Corporate Policy on Criminal Compliance in which it defines its **organisational and management model in place for the prevention of crime**, including the appropriate control and regulatory compliance systems to help ensure that the companies do not incur any such liability. The main aspects of the Model are:

1. A body with autonomous faculties, holding initiative and control, to supervise the operation and compliance with the implemented prevention model. In CaixaBank and the companies within its Perimeter, these duties are held by the **Corporate Crime Management Committee.**
2. The specific **naming of all activities** at CaixaBank and Perimeter companies that could lead to the perpetration of criminal offences that should and must be prevented;
3. Implementation of **organisational measures and procedures** to steer the process of forming opinions, making decisions and acting on those decisions with the aim of preventing crimes;
4. Action guidelines in the event of a possible conflict of interest;
5. **Appropriate resources** to stop crimes that should be prevented from being committed;
6. The **obligation to report possible risks and non-compliances** to the body responsible for monitoring the proper functioning and observation of the prevention model;
7. The existence of **Whistle-blowing channels** to detect and report possible criminal acts;
8. The existence of a **disciplinary system** that operates in response to internal non-compliances in accordance with internal regulations and applicable law as set forth in the Collective Bargaining Agreement and the Workers' Statute.
9. **Periodic verification of the model** and its modification where appropriate or where changes occur in the organization, control structure or activity undertaken.

_Corporate Policy for the Prevention of Money Laundering and the Financing of Terrorism (AML/CFT) and managing sanctions and international countermeasures within the CaixaBank Group

CaixaBank is firmly committed to preventing money laundering and the financing of terrorism. It is considered fundamental to establish the necessary measures and to revise them regularly in order to ensure, as far as possible, that CaixaBank products and services are not used for any illegal activity. In this regard, it is key to actively collaborate with the competent supervisors, regulators and authorities and report any suspicious activity that is detected. **To do this, CaixaBank has a risk management model for money laundering and the financing of terrorism that it implements in its activities, businesses and** relationships, both nationally and internationally, to prevent this risk, to which it is exposed.Spanish law requires an annual review by an independent external expert of the organisation’s anti-money laundering measures. No significant deficiencies were identified in the review carried out in 2022.

_Internal Code of Conduct in the Securities Market (ICC)

With the aim of promoting transparency in markets and preserving the legitimate interest of investors at all times. CaixaBank and its Group's companies have the duty and the intention of conducting their activities with the maximum diligence and transparency, reducing conflict of interest risks to a minimum and ensuring, in sum, suitable and timely information to investors, all in the benefit of market integrity. This is why the Internal Code of Conduct in the Securities Market aims to adapt the actions of the Group and its boards of directors and management, employees and agents to the standards of conduct on **market abuse** which are applicable to it in the carrying out of activities related to the securities market.

The ICC is as an indispensable measure for managing and complying with rules of conduct in the securities market, with the aim of avoiding and detecting situations that may lead to practices that are contrary to the regulation established for this purpose by means of the following obligations:

_Personal transactions persons subject to the ICC

Obligation to carry out personal transactions through CaixaBank and communicate personal transactions, and the prohibition of carrying out speculative actions and operating in limited time periods in negotiable securities or other financial instruments.

Inside information

Those who have inside information must refrain from acquiring, transmitting or transferring, communicating and recommending such inside information to third parties.

CaixaBank has measures in place to protect inside information by means of separate areas and insider lists.

_Market abuse

Obligation to detect and report illicit use of inside information and market manipulation by third parties.

_Conflicts of interest in the securities market

Identify the types of conflicts of interest that may arise when providing investment or ancillary services, or a combination of the two, by using the catalogues of potential conflicts of each business segment, establishing the general principles of action in the event of encountering one and registering them.

_Treasury shares

The criteria for managing treasury shares is established in terms of volume, price and the carrying out ordinary treasury share transactions if action were required.

_Privacy Policy

Respect for the fundamental right to data protection and privacy is reflected in our code of ethics, and is the pillar upon which one of our corporate values is based: trust. The **Corporate Privacy Policy** and internal regulations on confidentiality and the processing of personal data ensure these rights are protected. To ensure risks affecting personal data management and processing are regularly reviewed, CaixaBank has appoited a Data Protection Officer and has created a Privacy Committee and a PIA Committee (Privacy Impact Assessment) which will be responsible for analysing and approving new processes and for monitoring the implementation of the agreed measures.

_Compliance – A mature and recognised model

CaixaBank holds the following certifications, which are **valid for 3 years.**

_ ISO 37301 Certification - Compliance Management Systems

In July 2021, CaixaBank obtained the ISO 37301 Certification - Compliance Management Systems, an international standard that specifies the requirements and provides guidelines for compliance management systems and recommended practices.

Between June and July 2022, AENOR carried out the annual monitoring audit, confirming that CaixaBank's Compliance Management System complies with the Standard's requirements and the other criteria of the audit.

CaixaBank has an **effectively implemented compliance management system with a high degree of maturity.**

_ISO 37001 Certification - Anti-bribery Management Systems anti-bribery policy

In February 2021, CaixaBank obtained the ISO 37001 Certification - Anti-bribery Management Systems, an international standard (ISO) that specifies the requirements and provides guidelines for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.

Between June and July 2022, AENOR carried out the annual monitoring audit, confirming that CaixaBank's management systems are being implemented properly with regard to the specific requirements of the standard.

_UNE 19601 Certification – Criminal Compliance Management System

The UNE 19601 standard is the national standard for Criminal Compliance issued by the Spanish Association for Standardisation (UNE). It establishes the structure and methodology necessary to implement organisational and management models for crime prevention.

In 2020, CaixaBank obtained this certification, in recognition of its commitment, in accordance with best practice, to promote a responsible culture aimed at preventing crime within the organisation.

Between June and July 2022, AENOR carried out another monitoring audit (the first audit was conducted in January/February 2021). The review was carried out satisfactorily, concluding that CaixaBank's Criminal Compliance Management System complies with the requirements of the Standard and the other criteria of the audit.

_Measures to ensure compliance with policies

Promoting and developing an effective culture of conduct throughout the institution is key to ensuring codes and policies are properly implemented. A communication and awareness strategy designed to strengthen this culture operates throughout the organisation. The main tools used in this strategy are:

_Training

In 2022, the variable remuneration of all CaixaBank, S.A. employees was linked to attending and passing compulsory training courses on regulatory matters or issues of particular sensitivity with regard to conduct. This was also extended to the rest of the Group in 2022.

_ Communication

In 2022, in addition to training courses, specific awareness-raising sessions were held in branches and specialised areas. News items, FAQs and circulars were also published on the intranet (PeopleNow).

_Linking employees' bonuses to a series of aspects related to conduct-related risk

Corporate challenges include meeting a target indicator based on a number of variables related to conduct (customer due diligence and the correct formalisation in the marketing of products and services, and operations). Employees' variable remuneration is reduced if these targets are not met.

>MAIN TRAINING COURSES ATTENDED BY EMPLOYEES IN THE FIELD OF RESPONSIBLE PRACTICE

	Training in 2022	
	Linked to remuneration	Total CaixaBank Group employees who have passed the course[1]
Information security and preventing customer fraud	✓	38,936 employees
General Data Protection Regulation	✓	41,975 employees
Transparency in the marketing of banking products and payment services	✓	40,866 employees
Prevention of Money Laundering and the Financing of Terrorism	✓	41,321 employees
Internal Code of Conduct + Market Abuse (generic)	✓	33,962 employees
Internal Code of Conduct + Market Abuse (persons subject)	✓	1,928 employees

408 shares
and communications activities.
361 in 2021

43,318 employees
with bonus linked to training
33,974 in 2021

[1]*Training carried out at CaixaBank, S.A., which has been extended to other Group companies according to prioritisation based on the risk of the different companies.*

_Queries Channel and Whistleblower Channel

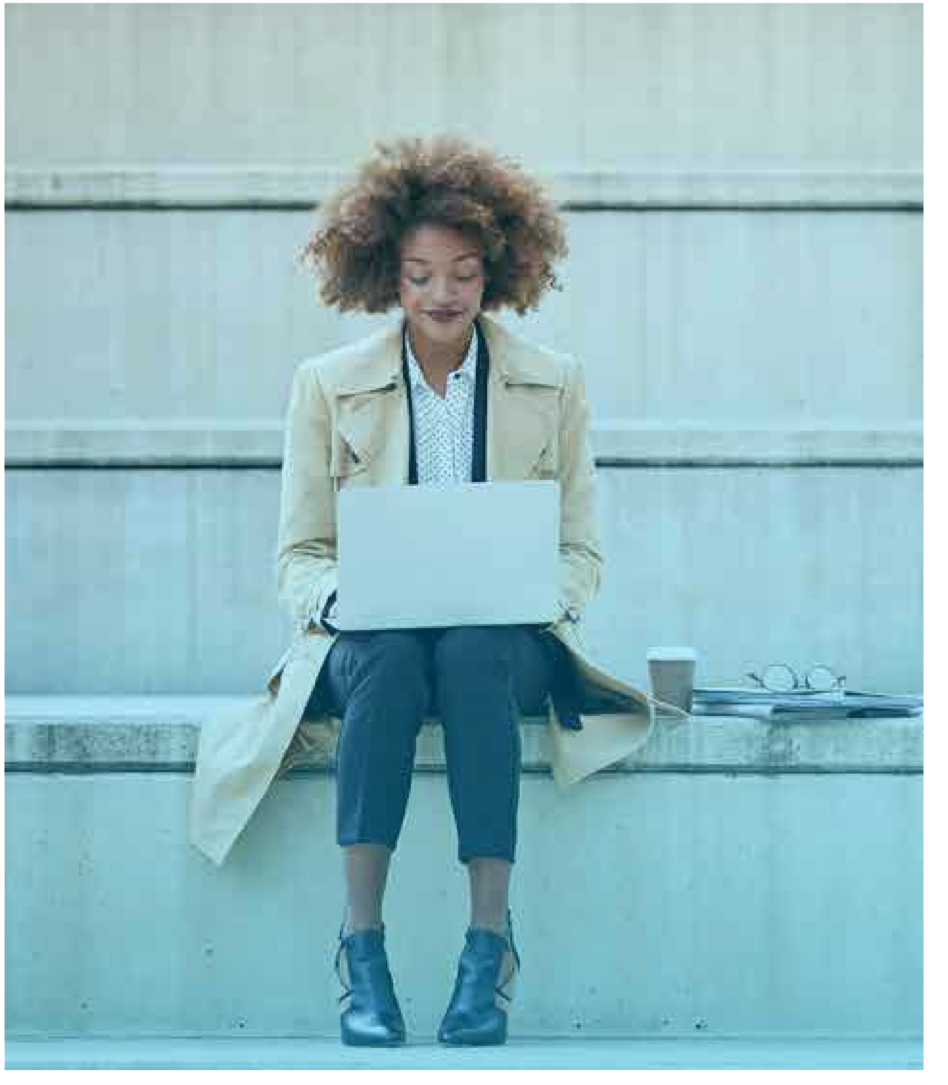
_Enquiries Channel

The **Queries Channel** is another means of communication that the CaixaBank Group makes available to the groups defined by CaixaBank and to Group companies for the formulation of specific doubts arising from the application or interpretation of the rules of conduct. At CaixaBank, the groups with access also have access to the Whistleblower Channel: directors, employees, temporary staff, agents and suppliers. Likewise, Group companies with access to the Queries Channel also have access to the Whistleblower Channel.

The **main characteristics** of the Queries Channel are the following:

- **Access** 24 hours a day, 365 days a year, through the following routes:
  - **Directors, Employees** (includes any type of employment contract and interns), Temporary Staff, Agents and similar:
    - Internet.
    - Corporate intranet or similar platform for each Group company with access to the Channel.
    - Financial Terminal (only for CaixaBank).
  - **For Suppliers:** through the Supplier Portal:
    - Email.
    - Postal mail.

The concerned party may send the query at any time, through any type of device (corporate or personal) or medium. Considering CaixaBank Group's international presence, the Channel's platform allows parties to submit queries and complaints in **Spanish, Catalan, English and Portuguese.**



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In compliance with the regulations protecting the whistleblower, a series of measures are in place to adapt to the new regulatory framework.

These include the drafting of a Corporate Policy for the Whistleblower Channel and the provision of a specific section for such Channel on the corporate website. In any case, the details of the operation and management of the Whistleblower Channel and the Queries Channel are set out in an internal regulation and in an operating protocol.

_Whistleblowing Channel

Among the **main guarantees** provided by the Whistleblower Channel and the Queries Channel is the **Confidentiality** throughout the process and the setting up of suitable IT means to ensure that access records to the Queries Channel are **automatically deleted**.

In compliance with the regulations protecting the whistleblower, a series of measures are in place to adapt to the new regulatory framework. These include:

- Incorporation of other groups: Shareholders and members, persons whose employment or statutory relationship has ended (former employees) and persons whose employment relationship has not yet begun (candidates).
- Drawing up of a corporate policy regarding the internal information system and protection from retaliation.
- Availability of information on the Channel in a separate and easily identifiable section of the corporate website.
- Provision of support measures for the complainant, including financial and psychological support.

In any case, the details of the operation and management of the Whistleblower Channel and the Queries Channel are set out in an internal regulation and in an operating protocol.

>THE QUERIES AND REPORTING CHANNEL IN FIGURES IN 2022

27 reports

→ 33% in 2021

Reports by type

- 16 Product marketing, transparency and customer protection
- 0 Conflicts of interest
- 0 Non-compliance with the Internal Code of Conduct (ICC)
- 0 Inside information
- 6 Other
- 1 Data protection / Confidentiality of information
- 2 Non-compliance with Prevention of Money Laundering and Terrorist Financing regulations
- 0 Anti-corruption Policy
- 2 Crime prevention

388 enquiries[1]

→ 417 in 2021

Queries by type

- 18 Product marketing, transparency and customer protection
- 113 Conflicts of interest
- 73 Non-compliance with the Internal Code of Conduct (ICC)
- 19 Inside information
- 75 Other
- 4 Data protection / Confidentiality of information
- 28 Non-compliance with Prevention of Money Laundering and Terrorist Financing regulations
- 37 Anti-corruption Policy
- 0 Crime prevention
- 21 Enquiries Commercial and professional integrity in insurance distribution

[1]Additionally, 3 consultations managed by the subsidiary BPI Gestão de Ativos outside the corporate channel are recorded, corresponding to the Code of Conduct area.

Of the **388 enquiries** received in 2022, 277 have been accepted and 108 have been rejected. As of 31 December, there are 3 enquiries in progress.

In 2022, the downward trend in enquiries presented by the Enquiries Channel continued. With respect to 2021, there was a 7% decrease, and compared with 2020, a 21% decrease.

However, this decrease comes from enquiries within the scope of the Code of Conduct (Internal Code of Conduct and Privileged Information), going from 220 in 2021 to 73 in 2022 (decrease of 58%). However, in the remaining enquiries ("Integrity Enquiries"), a significant increase is observed: from 197 in 2021 to 296 in 2022 (34%).

In terms of companies, in addition to CaixaBank (68%), BPI enquiries (94 of 388, 24%) were relevant, with no significant data being reached in the rest of the Group companies with access to the Corporate Enquiries Channel.

By type, we highlight the 113 (29%) relating to "Conflicts of interest," the 73 already mentioned in the Internal Code of Conduct (23%) and the 75 (19% of the total) included in the "Other" category (which cannot be included in the rest of the categories).

In relation to the **27 reports received,** 10 were accepted and 15 rejected. As of 31 December 2022, there are 2 pre-approved reports in progress.

A report is rejected when it does not meet the criteria established in the Group's internal regulations, specifically in the provisions of Regulation 137.

As with enquiries, in 2022 the decrease in the number of reports filed through the Channel continued. In 2021, there was a decrease of 18% and in 2020, 29%.

At 31 December 2022, of all the reports admitted and fully processed (10), in three cases (30%), non-compliance was detected and in these cases disciplinary measures were applied.

CaixaBank reports remain predominant in relation to the rest of the Group's companies. In 2022, these represented 81% of the total, higher than 63% in 2021 (21 out of a total of 33) and 73% in 2020 (28 out of a total of 38).

It is worth noting that no complaints were received in March. In the rest of the year, the trend remained more or less homogeneous, reaching a peak in December with 4 complaints received.

CaixaBank has **a specific complaints channel for employees to report harassment**. This is accessible via the corporate intranet. During 2022, two formal complaints were received regarding possible occupational and sexual harassment. External consultants determined that in one case there is evidence of harassment.

As established in the Protocol, reports were prepared by external consultants on the two formal complaints, with the following result: one (1) resolution of possible evidence of harassment and one (1) withdrawal of the complaint by the worker. In the case that Management determined that there was evidence of harassment, finally, after an investigation and analysis by the Labour Advisory Department, it concluded that the harassment did not occur.

In 2021, seven formal complaints were received, and it was determined in 2022 that there was one case of harassment.

_Tax transparency

CaixaBank's social commitment is reflected in **responsible tax management**, which contributes to sustaining the public finances that fund the infrastructures and public services that are essential for progress and social development.

CaixaBank's tax strategy is based on the values that underpin its corporate culture, while it manages compliance with its tax obligations in line with its **low tax-risk profile**. The minimal adjustments required to CaixaBank's tax returns reflect this low risk approach.

CaixaBank defines the tax risk as the potential loss or decrease in the profitability of the CaixaBank Group as a result of changes in the legislation or in the regulation in force or due to conflicts of standards (in any field, including tax), in its interpretation or application by the corresponding authorities, or in its transfer to administrative or court rulings. It is covered under Legal/Regulatory Risk in the Risk Taxonomy.

The CaixaBank Group has fully integrated Banco BPI, so that its traditional activity in Spain—its most important jurisdiction—is complemented by the activity in Portugal as the second most important jurisdiction for all purposes, including taxes paid and those of third parties collected in favour of the tax administration. Likewise, the growing activity and subsequent generation of taxes by branch offices should not be underestimated.

In all jurisdictions where CaixaBank operates, it diligently complies with any tax obligations arising from its economic activity. Tax compliance mainly refers to:

- The payment of all taxes generated on CaixaBank's own business activities,
- Collection of taxes from third parties arising from their economic relationship with CaixaBank,
- Contribution to the collection of taxes from third parties and their payment into the public coffers in its capacity as a collaborating entity,
- Complying with public authorities' information and cooperation requirements.

CaixaBank **Tax Strategy**[1].

CaixaBank's Tax **Risk Control and Management**.

In 2022, CaixaBank obtained:

- Certification of Tax Compliance Management System - UNE 19602 by AENOR, with the purpose of strengthening its tax risk management, by facilitating the identification, prevention and detection of tax risks, as well as transparency with regard to tax administration.
- The Certificate Transparency in its full range, awarded by Fundación Haz.

[1] Periodically reviewed. Latest update January 2020.

View on corporate website. https://www.caixabank.com/es/sostenibilidad/practicas-responsables/gestion-responsable.html

_Voluntary Codes of Good Tax Practice

CaixaBank is a voluntary member and participates actively in the Large Companies Forum. The Forum includes the Tax Agency (AEAT) and major large taxpayers. Its aim is to extend and deepen their cooperative relationship through a forum where the main tax issues can be analysed jointly and sector by sector.

CaixaBank is voluntarily adhered to:

_Code of Good Tax Practices in Spain

- Approved by the Large Companies Forum.
- It contains a series of recommendations, voluntarily assumed by both the Tax Agency and companies, to improve the tax system through:
  - Increased legal certainty.
  - Mutual cooperation based on good faith.
  - Legitimate trust.
  - The application of responsible tax policies in companies with the knowledge of their governing bodies.

_Code of Tax Practice for UK Banks

- Through your London branch.
- Driven by the United Kingdom tax authorities, it is committed to maintaining high standards of governance and conduct in compliance with its tax obligations.

_Interpretation of tax rules

Compliance with the obligations imposed by tax regulations means paying taxes.

- CaixaBank takes the following into account:
  - The will of the legislator.
  - The underlying economic reasonableness, in line with the OECD tax principles (Organisation for Economic Cooperation and Development) embodied in the BEPS project (Base Erosion and Profit Shifting).
- Our interpretation of tax regulations is verified by tax consultants of recognised standing, when the complexity or importance of the issue requires it, and we may request clarification from the tax authorities, if this is deemed necessary.
- Decisions on tax matters resulting from these interpretations are subsequently reviewed by CaixaBank's external auditors. In order to safeguard the independence of CaixaBank's audit, it does not employ as tax advisers the same professionals who audit its accounts.
- As a corollary of the reasonableness of the interpretation of tax rules, tax inspections verify compliance with tax obligations.

Conclusion:

The interpretation of tax regulations by **CaixaBank results in fair and reasonable tax management in accordance with applicable tax legislation.**

CaixaBank is **committed to paying taxes** wherever it operates and generates value.

thus a high percentage of tax paid in Spain and Portugal. It also pays taxes in countries where it has international branches. The taxes paid in relation to representative offices are principally related to employees contracted in these countries.

>TAXES MANAGED BY THE CAIXABANK GROUP AND AMOUNT

OWN TAXES	THIRD PARTIES' TAXES	COLLECTION AND COOPERATION
Payment of CaixaBank's taxes, excluding Other Contributions (FGD, SRF, Financial Contributions, Contributions to the Portuguese Banking Sector).	Contribution to the collection of taxes for the public treasury of taxes payable by third parties arising from their economic relationship with CaixaBank.	Acting as a partner to the tax authorities of Spain, its autonomous regions and local authorities.
Direct taxes > Corporate income tax > Business and property taxes > Taxes on deposits **Indirect taxes** > Non-deductible VAT payments > Duty on transfers of assets and documented legal transactions (ITP-AJD) > Employers' social security contributions	> Personal income tax withholdings on salaries, interest and dividends > Social Security contributions (employer contributions) > VAT paid in to the tax authority	> Through the network of branches and ATMs and online channels > It cooperates transparently and proactively with government agencies to combat tax evasion and fraud

> OWN TAXES AND TAXES COLLECTED FROM THIRD PARTIES IN 2022 AND 2021, ON A CASH FLOW BASIS

2022

€3,672 m

BY LOCATION

€3,234 m Spain
- €1,764 m — Correspond to own taxes paid in their capacity as taxpayers.
- €1,470 m — Taxes payable by third parties deriving directly from CaixaBank activities and collected by CaixaBank on behalf of the relevant public authorities.

€393 m Portugal
- €94 m — Correspond to own taxes paid in their capacity as taxpayers.
- €299 m — Taxes payable by third parties deriving from the Group's activities in Portugal and collected on behalf of the relevant Portuguese public authorities.

€44 m Branches and subsidiaries[6]
- €8 m United Kingdom
- €2 m Switzerland
- €9 m France
- €7 m Poland
- €9 m Germany
- €6 m Morocco
- €3 m Luxembourg

BY TYPE

€1,894 m[4] Own taxes paid
- €577 m Direct taxes
- €716 m Indirect taxes
- €601 m Employers' social security
- €396 m Corporate income tax
  - 356 Spain[5]
  - 15 Portugal
  - 25 Others[3]
- €110 m Tax on bank deposits (IDEC)
- €70 m Other[2]

€1,778 m Third-party taxes collected

€4,326 m → Result consolidated before tax

30% → Total tax rate[1]

2021

€4,074 m

BY LOCATION

€3,669 m Spain
- €2,147 m — Correspond to own taxes paid in their capacity as taxpayers.
- €1,522 m — Taxes payable by third parties deriving directly from CaixaBank activities and collected by CaixaBank on behalf of the relevant public authorities.

€377 m Portugal
- €85 m — Correspond to own taxes paid in their capacity as taxpayers.
- €292 m — Taxes payable by third parties deriving from the Group's activities in Portugal and collected on behalf of the relevant Portuguese public authorities.

€28 m Branches and subsidiaries[6]
- €3 m United Kingdom
- €2 m Switzerland
- €7 m France
- €4.5 m Poland
- €4.4 m Germany
- €4.2 m Morocco
- €2.5 m Luxembourg

BY TYPE

€2,254 m[4] Own taxes paid
- €895 m Direct taxes
- €687 m Indirect taxes
- €672 m Employers' social security
- €719 m Corporate income tax
  - 693 Spain[5]
  - 10 Portugal
  - 16 Other[3]
- €105 m Tax on bank deposits (IDEC)
- €71 m Other[2]

€1,820 m Third-party taxes collected

€5,315 m → Result consolidated before tax

30% → Total tax rate[1]

[1] The total tax rate is measured as the percentage that the total taxes paid represent -excluding Other Contributions (FGD, SRF, Financial Contribution monetisable DTAs and Contributions to the Portuguese Banking Sector)- of the profit before tax 1,894/(1,894+4,326)=30%.
[2] This mainly corresponds to business tax (€32 m) and property tax (€31 m).
[3] Other: €8 million United Kingdom, €7 million France, €3 million Poland, €4 million Germany, €2 million Morocco, €0.5 million Switzerland and €0.4 million Luxembourg.
[4] Excludes other contributions (FGD, SRF, Financial Contributions, Contributions to the Portuguese Banking Sector).
[5] The difference in the payment of corporation tax is due to the extraordinary income generated by the Negative Goodwill in the merger with Bankia
[6] These amounts include both the taxes paid and those collected from branches and subsidiaries.

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_CaixaBank as a partner entity in the handling of tax and social security contributions

CaixaBank performs an important social function as a partner entity to the national, regional and local tax authorities and the social security authority in Spain:

- Collecting taxes and social security contributions from third parties.
- Paying out tax refunds to these third parties when ordered by the tax authorities.

It also cooperates transparently and proactively with public authorities to combat tax evasion and fraud. In 2022, own funding and resources were dedicated to combating fraud.

> AMOUNT OF PUBLIC AUTHORITY RECEIPTS PAYMENTS HANDLED

€119,534 m
Charges
€87,968 m in 2021

€55,650 m
Payments
€39,395 m in 2021

> CAIXABANK'S ROLE IN COMBATING TAX EVASION AND FRAUD

6,206 applications
Individual requests for information received from the Spanish authorities
5,566 in 2021

16,626
processed on behalf of the Spanish authorities
34,539 in 2021

_Other contributions

In addition to the aforementioned taxes, CaixaBank makes other contributions specific to financial institutions to:

- Supervisory funds for banking systems, both at the European and national level.
- Funds for the maintenance and operation of the banking system in general.
- Financial Contribution monetisable DTAs.

2022	2021
407 Deposit Guarantee Fund contributions	396 Deposit Guarantee Fund contributions
25 Extraordinary contribution to the banking sector (Portugal)[1]	22 Extraordinary contribution to the banking sector (Portugal)
158 Contribution to the Single Resolution Fund	181 Contribution to the Single Resolution Fund
149 Financial Contribution monetisable DTAs	149 Financial Contribution monetisable DTAs

[1] *Includes €3.6 m in solidarity tax, Social Security system.*

> DETAILS BY REGION, IN MILLIONS OF EUROS

	Ordinary revenue[1]		Pre-tax profit (loss)		Tax of companies accrued		Tax of companies paid	
	2022	2021	2022	2021	2022	2021	2022	2021
Spain	14,885	13,284	3,643	4,842	(1,041)	(44.8)	355.0[2]	693.0[2]
Portugal	1,264	1,070	548	372	(109.2)	(58.2)	15.0	10.0
France	62	28	40	22	(10.4)	4.2	7.0	6.0
Poland	93	19	7	11	(2.9)	1.8	3.0	2.5
United Kingdom	77	30	43	23	(7.3)	3.2	8.0	2.4
Germany	66	32	29	23	(4.8)	3.9	4.0	2.0
Morocco	14	11	8	6	(2.7)	2.1	2.0	2.0
Switzerland	7	8	2	4	(0.3)	(0.5)	0.5	0.5
Luxembourg	21	17	6	12	(0.1)	0.3	0.4	0.5
Total	**16,489**	**14,499**	**4,326**	**5,315**	**(1,179)**	**(88)**	**394.9**	**719**

[1]Corresponding to the following items in the Group's public statement of profit or loss: 1. Interest income 2. Dividend income 3. Share of profit or loss of equity-accounted institutions 4. Fee and commission income 5. Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net 6. Gains/(losses) on financial assets and liabilities held for trading, net 7. Gains/(losses) on assets not designated for trading compulsorily measured at fair value through profit or loss, net 8. Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net 9. Gains/(losses) from hedge accounting, net 10. Other operating income 11. Income from assets under insurance and reinsurance contracts.

[5]The difference in the payment of corporation tax is due to the extraordinary income generated by Negative Goodwill in the merger with Bankia.

The cash outflow related to the corporate income tax expense does not correspond to the amount disclosed in the consolidated statement of profit or loss. There are three main reasons for this:

> **Timing differences:** cash flows include corporate income tax inflows (refunds) to the tax group in Spain and companies in Portugal in respect of prior years' corporate income tax and payments on account in the current financial year. The tax expense recognised in the consolidated statement of profit or loss corresponds to the amount accrued against profits in the current year.

> **Scope of consolidation:** the tax consolidation regime in Spain treats "la Caixa" Banking Foundation and Criteria-Caixa as part of the tax group although they do not form part of the business group.

> **Unused tax credits brought forward:** finally, the last global financial recession resulted in losses for entities that were subsequently absorbed by the Group, thereby generating tax credits for the absorbing entities giving rise to a difference between the tax accrued and the tax expense payable.

_CaixaBank's position in relation to tax havens and non-cooperative territories in the European Union's tax matters

As a general rule, CaixaBank avoids operating in jurisdictions classified as tax havens. Nor does it use tax structures that involve such territories or low- and zero-tax territories when there is no real economic substance for such structures. Any investment in entities that are domiciled in territories classified as tax havens is subject to a prior report on the economic basis for the investment and the approval of the governing bodies.

CaixaBank's policy on tax havens is based on the principles set out in the Group's statutory documents:

- Code of Ethics
- Tax Strategy
- Legal Risk and Control Management Policy which includes tax risk

_CaixaBank Group activity in Luxembourg

Luxembourg is a key jurisdiction for the financial sector for a number of reasons:

> **Efficiency** in financial matters, thanks to a specialist focus on investment products that allows financial services providers to offer attractive yields.

> Its high levels of **legal protection** based on the prompt application of legislation and a stable legal system.

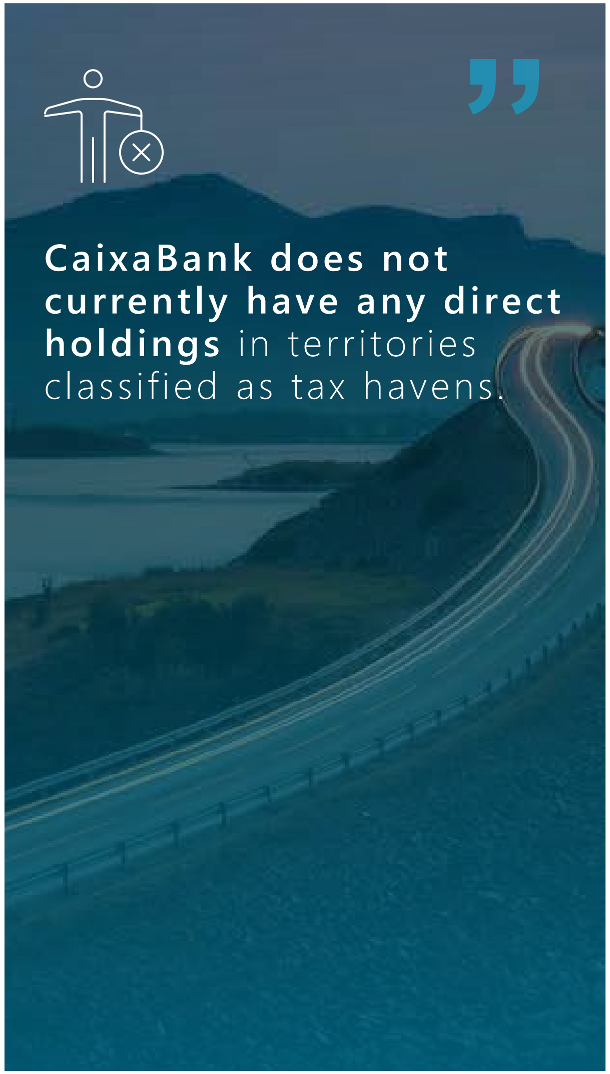
The CaixaBank Group operates in a key global market for investment management, reaching more international and domestic customers.

>PRINCIPLES GOVERNING THE CAIXABANK GROUP'S ACTIVITIES IN LUXEMBOURG

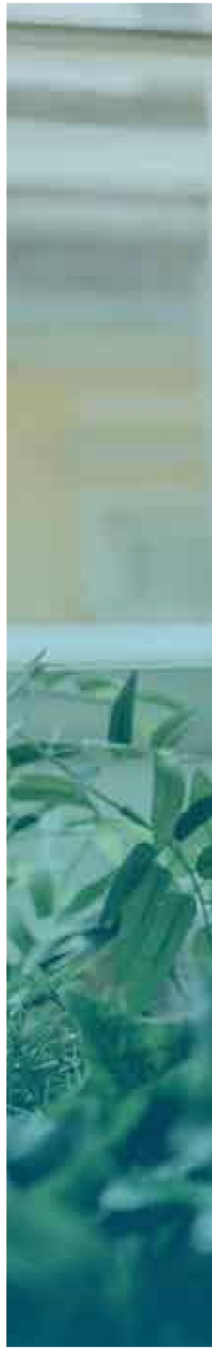
> CaixaBank's operations in Luxembourg are, like those of the entire Group, completely transparent and subject to the controls required of a regulated business, supervised by bodies that adhere to common European and international standards.

> CaixaBank has adopted the OECD's fiscal principles, as set out in the Base Erosion and Profit Shifting (BEPS) project. It does not use artificial corporate structures to transfer profits to low-tax jurisdictions. Any international expansion of its business, therefore, has real economic substance.

> The identities of our investors in Luxembourg are disclosed to the tax authorities to ensure they meet their tax obligations within a framework of complete transparency.



04 Risk management



_Risk management

The Board of Directors, the Senior Management and the Group as a whole are firmly committed to risk management.

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

As part of the internal control framework and in accordance with the provisions of the Corporate Global Risk Management Policy, the Group has a risk management framework that enables it to make informed decisions on risk taking consistent with the target risk profile and appetite level approved by the Board of Directors. This framework contains following elements:

>KEY ELEMENTS OF THE RISK MANAGEMENT FRAMEWORK

01. Governance and organisation

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

02. Strategic risk management processes to identify, measure, monitor, control and report risks:

Identification and assessment of risks. *Risk Assessment:* A six-monthly risk self-assessment of the Group's risk profile. Its objective is to identify material risks, assessing for these the inherent risk situation and trends, as well as their management and control, and **emerging risks.** It also allows for the identification of important **strategic events** that may result in a significant impact for the Group in the medium term. It solely considers events that have not yet materialised and are not part of the Catalogue, but to which the Company's strategy is exposed, although the severity of the impact of these events can be mitigated through management. If a strategic event occurs, the impact may be on one or more of the risks of the Catalogue simultaneously.

Classification and definition of Risks. Corporate Risk Catalogue: an annually-reviewed list and description of the material risks identified in the Risk Assessment. It facilitates the monitoring and reporting of the Group's risks and consistency, both internally and externally.

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

03. Risk culture

The Group's **risk culture** is imparted through training, communication and the performance-based assessment and remuneration of staff.

The most noteworthy aspects of risk management and activities in 2022 for the various risks identified in the Corporate Risk Catalogue are detailed below:

> TRANSVERSAL RISKS

Business return

Risks

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

Risk management

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

Key milestones

In 2022, the ROTE (Return on Tangible Equity) was at 9.8%, and core income grew in a context of higher interest rates.

Despite the current economic context, we are seeing a recovery in the production of capital and a cost of risk at low levels (25 bp in 2022).

Own funds and capital adequacy

Risks

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

Risk management

The CaixaBank Group's solvency targets have been set at a CET1 ratio of between 11.0% to 12.0%, without considering transitional IFRS9 adjustments, which require a buffer of between 250 and 350 basis points on the SREP regulatory requirement (MDA buffer).

Key milestones

The minimum requirements for 2022 and 2023 are:

	2022	2023
Pillar 1 regulatory requirement	4.50%	4.50%
Pillar 2 regulatory requirement	0.93%	0.93%
Capital conservation buffer	2.50%	2.50%
Systemic buffer OEIS[1]	0.38%	0.50%
Countercyclical buffer	0.03%	0.03%
Minimum CET1 capital requirements	8.34%	8.46%

At 31 December, the CaixaBank Group had a margin of 445 bps over regulatory minimums.

Furthermore, the Board of Directors approved the Dividend Policy for 2022, consisting of a cash distribution of 55% of consolidated net profit, to be paid in a single payment in April 2023, and subject to final approval from the Annual General Meeting. €1,730 million is expected to be distributed.

In addition, this year, a €1,800 million repurchase programme was carried out, which ended in mid-December, with the repurchase of €558.5 million, representing 6.93% of share capital.

[1] *Other Systemically Important Institution*

> TRANSVERSAL RISKS

	Risks	Risk management	Key milestones
Reputational	Potential financial loss or lower income for the Group as a result of events that negatively affect the perception that interest groups have of the CaixaBank Group.	This management approach aims achieve a satisfactory level on the main CaixaBank reputation indicators. In particular, it aims to help promote a positive perception of the entity by all its stakeholders through ongoing dialogue and fluid communication with all of them, as well as to advance the mitigating and preventive measures of this risk throughout the organisation.	The CaixaBank Group has had a specific policy for Reputational Risk Management based on the Bank's three-line defence model, which defines and expands the principles governing the management and control of this risk within the Group. On the other hand, the Group has also made progress in the preventive management of reputational risk and early mitigation of potential crises through Reputational Risk Committee and the presence of responsible management for this risk in other Group Committees, as a demonstration of the special relevance of potential impacts on stakeholder expectations. Management and control of the reputational impact has also been strengthened in outsourcing processes, as well as in the issuance of customer notifications, customer analysis and financing operations with external disputes, as well as the evaluation of agreements with third parties and sponsorships.

> FINANCIAL RISKS

Credit

Risks

Loss of value of the assets of CaixaBank Group through a customer due to the impairment of the capacity of this customer to meet their commitments to the Group. Includes the risk generated by operations in the financial markets (counterparty risk).

Risk management

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

The principles and policies that underpin credit risk management are:

> A prudent approvals policy based on: (i) an appropriate relationship between income and the expenses borne by consumers; (ii) documentary proof of the information provided by the borrower and the borrower's solvency; (iii) Pre-contractual information and information protocols that are appropriate to the personal circumstances and characteristics of each customer and operation..

> Monitoring the quality of assets throughout their life cycle based on preventive management and early recognition of impairment.

> Up-to-date and accurate assessments of the impairment at any given time and diligent management of non-performing loans and recoveries.

Key milestones

During the year, the NPL ratio dropped significantly, from 3.6%, the level at which it closed in 2021, to 2.7% in December 2022. Furthermore, NPL coverage also increased in the current year, from 63% to December 2021 to 74% at the close of 2022.

With regard to ICO guarantee operations, granted mainly during 2020 with the aim of providing liquidity to Companies, SMEs and Self-employed workers in the context of the fall in activity due to COVID-19, it should be noted that almost all operations that still lacked Capital began invoicing of full fee, capital and interest during the second quarter of 2022. At 31 December, 96% of the total amount of loans granted with government guaranteed loans has been repaid.

In relation to mortgages, on 24/11/2022, CaixaBank Board of Directors approved adherence to the Codes of Good Practice that integrate support measures for mortgage borrowers in difficulty. CaixaBank has adhered to the extension of the current Code of Good Practices and also to the new one, which will have a transitional regime with a duration of two years. CaixaBank becomes the first bank to commit to applying this package of measures, which are intended to anticipate and alleviate possible future difficulties some households may face in paying mortgages on first homes as a result of the rise in interest rates.

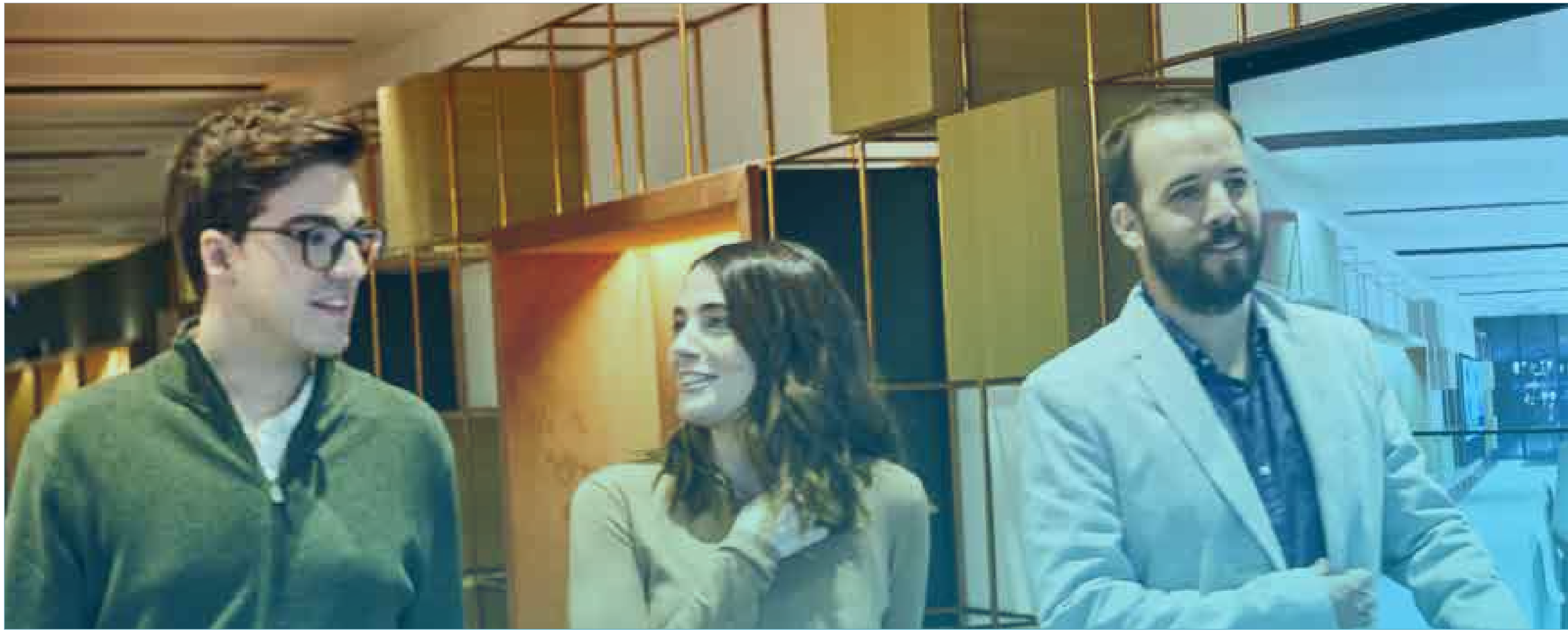
CaixaBank has shown its commitment to people affected by the conflict in Ukraine by providing free transfers when using CaixaBank ATMs for Ukrainian bank customers and access to the Social account, which includes an account, card and access to digital banking without fees. In this regard, CaixaBank has adhered to the line of public guarantees that arose as a result of Royal Decree Law 6/2022 of 29 March, adopting urgent measures within the framework of the National Plan of response to the economic and social consequences of the war in Ukraine, in order to cover the financing granted by supervised financial institutions to the self-employed and companies, enabling them to meet their liquidity needs in the current situation.

> FINANCIAL RISKS

	Risks	Risk management	Key milestones
Actuarial	Risk of a loss or adverse change to the value of the commitment assumed through insurance or pension contracts with customers or employees due to the differences between the estimated actuarial variables used in the tariff model and reserves and the actual performance of these.	This risk is managed in order to ensure the Group has the capacity to meet commitments to its insured parties, to optimise the technical margin and to keep balances within the limits established in the risk appetite framework.	During 2022, the CaixaBank Group continued to work on the implementation process of IFRS 17 accounting standard, according to the schedule. It will come into force on 1 January 2023. In addition, the actuarial risks from Bankia Vida (merged company) have been successfully integrated.
Structure of rates	Negative impact on the economic value of balance sheet items or on the net interest margin due to changes in the structure of interest rates over time and the impact thereof on asset and liability instruments and off-balance sheet items not held in the trading portfolio.	This risk is managed by optimising the net interest margin and keeping the carrying amount of assets within the limits established in the risk appetite framework.	In 2022, CaixaBank maintains its balance sheet positioning for rate increases, albeit at a lower intensity than in the previous year. The reasons for this positioning are of a structural and managerial nature. In particular, from a structural point of view and due to the current interest rate environment, sight balances are expected to have a certain tendency to migrate to fixed-term deposits, i.e. to partially reverse the movement of past years.
Liquidity and funding	Risk of insufficient liquid assets or limited access to market financing to meet the contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.	The management approach is based on a decentralised system with the segregation of functions aiming to maintain an efficient level of liquid assets; the active management of liquidity and the sustainability and stability of funding sources in both normal and stress scenarios.	Total liquid assets stood at €139,010 million at 31 December 2022, with a decrease of €29,338 million during the year, mainly due to changes in the value of collateral and assets due to interest rate movements and the evolution of the commercial gap. The Group's LCR stands at 194% and the NSFR stands at 142% at 31 December 2022. Institutional financing amounted to €53,182 million, performing very well in 2022 due to the Group's success in accessing markets with different debt instruments. In 2022, the CaixaBank Group has repaid a TLTRO III balance of €65,132 million, of which €13,495 million correspond to ordinary repayments and €51,637 million to early repayments, with financing pending at the close of the year of €15,620 million.

> FINANCIAL RISKS

	Risks	Risk management	Key milestones
Market	Loss of value, with impact on results or solvency, of a portfolio (set of assets and liabilities), due to adverse movements in prices or market rates.	Risk management is based on maintaining risk low, stable, and within the established risk appetite limits. The market risk of the trading book is measured daily using an internal model subject to regulatory supervision.	



> OPERATIONAL RISK

Conduct and Compliance

Risks

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

Risk management

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

Key milestones

Likewise, in 2022, the Group has continued to reinforce a culture and awareness of conduct and compliance within the organisation and among Bankia employees through training programmes, conduct indicators in corporate challenges and awareness sessions. The compliance target set for 2022 in this respect was met.

In addition, the model for the supervision of subsidiaries and branches was intensified this year by establishing a common coordination framework for them.

In turn, monitoring of the correct marketing of products and services has been strengthened by monitoring specific indicators.

During the year, the certifications for Compliance Management Systems (ISO 37301), Anti-Bribery Management Systems (ISO 37001) and Criminal Compliance Management Systems (UNE 19601) were also renewed.

A new tool has also been introduced to analyse the alerts on the Prevention of Money Laundering and the Financing of Terrorism, contributing greater robustness to the analysis process.

> OPERATIONAL RISK

	Risks	Risk management	Key milestones
Legal and context	Potential losses or decreases in the CaixaBank Group's profitability as a result of legislative changes, the incorrect implementation of said legislation in the CaixaBank Group's processes, the misinterpretation of legislation applied to operations, incorrect handling of court or administrative rulings or of claims or complaints received.	Legal and regulatory risks are managed so as to safeguard the Group's legal integrity and to anticipate and mitigate future economic harm by monitoring regulatory changes, participating in public consultation processes, helping to build a predictable, efficient and sound legal framework, and interpreting and implementing regulatory changes. Likewise, its objective is the correct implementation, in due time and form, of these regulatory changes, understood as the creation or adaptation of contracts, processes and systems, through control, centralised coordination and the promotion of the implementation of the regulations at the CaixaBank Group level, thus enabling adequate management of the control of this legal and regulatory risk.	Some of the most important legislative milestones of the 2022 financial year have been: (i) Royal Decree Law (RDL) 6/2022 and the amendment of the Code of Best Practices; (ii) Agreement of the strategic banking protocol on rural ATMs; (iii) the establishment of temporary energy and credit institution levies; (iv) the legislative packages of sanctions against Russia; (v) the proposed Regulation on a European green bond standard; (vi) the proposal for a Directive on Corporate Sustainability Due Diligence (CSDDD); (vii) the Regulation establishing the new European AML/CFT supervisory authority (AMLA) and derived AML/CFT obligations;(viii) review of the banking package (CRR III/CRD IV); (ix) Law 4/2022 on the protection of consumers and users in situations of social and economic vulnerability, among other public consultations and other guidelines received.

See more details in the Regulatory Context section.

> OPERATIONAL RISK

	Risks	Risk management	Key milestones
Technological	Risks of losses due to hardware or software inadequacies or failures in technical infrastructure, due to cyberattacks or other circumstances, that could compromise the availability, integrity, accessibility and security of the infrastructures and data.	Managing this risk involved identifying, measuring, assessing, mitigating, monitoring and reporting the risk levels involved in the governance and management of Information Technology. The governance frameworks used have been designed according to internationally recognised standards.	During 2022, the scope and depth of the CaixaBank Group's second line of defence was modified in the light of the increased risks in this area, especially those related to cybersecurity.
Value	Potential adverse consequences for the Group arising from decisions based mainly on the results of internal models with errors in the construction, application or use thereof.	Model risk is managed on the basis of three main strategies: > Identifying existing models, assessing the quality thereof and how they are used by the Group. > Governance framework, where the management of models varies according to the overall relevance of the model (Tier-based management). > Monitoring, based on a control framework with a forward-looking approach to model risk that enables risk to be kept within the parameters defined in the Group's RAF, through the periodic calculation of appetite metrics and other specific model risk indicators.	In 2022, the focus was on the effective implementation of the governance framework for non-regulatory models, the evolution of the model risk monitoring framework, the effective deployment of Tier-based management, the design of a new model risk quantification metric and progress in corporate roll-out.
Other operational risks	Risk of loss or damage caused by errors or shortcomings in processes, due to external events or due to the accidental or intentional actions of third parties outside the Group. This includes risk factors related to outsourcing, business continuity and external fraud.	Managing this risk involved identifying, measuring, assessing, mitigating, monitoring and reporting the risk levels involved in the governance and management of outsourcing, external fraud, business continuity, etc., seeking to avoid or mitigate negative impacts on the Group, either directly or indirectly due to the impact on relevant stakeholders (e.g. customers), arising from inadequate internal processes or from the actions of third parties.	During 2022, the deployment of the second line of defence for "other operational risks" continued, with a focus on preventing external fraud, further evolving business continuity and minimising risks in outsourcing services. In all these areas, the control environment has been strengthened, meeting the expectations of regulators and supervisors, and achieving greater alignment with international best practices and a balance with more agile and efficient processes.

_The most relevant changes to the review of the Catalogue in 2022:

01. Elimination of Information reliability risk

The risk of information reliability is removed, as it is considered not so much a risk as a set of processes that are absolutely critical and necessary to create a robust control environment that minimises the possibility of error in the generation of information for risk monitoring and management.

02. ESG risk (sustainability)

It is considered as a cross-cutting factor affecting several risks in the Catalogue (credit, reputational and other operational risks), adding mentions of climate change and other environmental risks in the definitions of legal and regulatory risk. Liquidity and market risks are not explicitly mentioned given the low level of materiality applicable to them, but in any case it has been assessed that the stress tests carried out are of sufficient magnitude to include impacts in these areas of climate-related origin.

See section on Sustainability Risk Management.

_Sustainability risk management

ESG (environmental, social and governance) risks **involve financial and/or reputational impacts from factors traditionally considered as non-financial.** Of these, the potentially most material in the short, medium and long term are those related to climate change (physical risks) and climate change avoidance (transitional risks).

There are transmission factors from ESG risks to traditional risks (credit, operational, market, liquidity and business/strategic) that support their treatment as factors of traditional risks rather than as stand-alone or independent risks. This is also the approach adopted by the majority of financial institutions and regulators/supervisors alike.

Acute or chronic climate/meteorological events, changes in regulation, technological development, changes in market preferences, etc. have both microeconomic and macroeconomic transposition through asset values, damage, purchasing power, productivity, prices, etc. to credit, market, liquidity, operational, reputational, business environment and strategic risks.

ESG risks, and climate risks in particular, have specific characteristics that make them **difficult to measure and quantify:**

01. Greater uncertainty as to the timeline of possible events or actions.

02. Time horizons generally greater in their materialisation than those considered in the assessment of financial risks and in strategic planning.

03. Lack of relevant data to support analysis.

04. Methodological limitations due to the fact that historical data is not usually useful for the analysis of possible future events.

05. Lack of linearity of effects.

There is a growing expectation from regulators and supervisors for institutions to integrate ESG and, in particular, climate and environmental factors into their risk management processes.

CaixaBank aims to ensure that the procedures and tools for identifying, assessing and monitoring ESG risks are **applied and integrated into standard risk, compliance and operational processes.**

_Assessment of the materiality of sustainability risks (ESG)

The materiality assessment of sustainability/ESG risks is the basis for a proportionate deployment of ESG risk management processes and for feeding into strategic risk processes and risk calibration.

Initially, the materiality analysis focused on the qualitative assessment of the main impacts that ESG factors may have on the traditional risks (credit, liquidity, market, operational, reputational and business/strategic) across the different portfolios.

From a **dual materiality** perspective, the assessment focuses on ***outside-in***[1] financial materiality.

_Identification and assessment of climate risk

Due to the special characteristics of climate risks, the climate risk assessment is based on **various climate change scenarios and different time horizons.**

The Network for Greening the Financial System (NGFS) has defined climate scenarios that provide a common starting point for analysing the risks of climate change in the financial system and in the economy.

In line with the expectations of supervision, CaixaBank has considered in its materiality assessment the following climate scenarios established by the NGFS:

_Orderly transition:

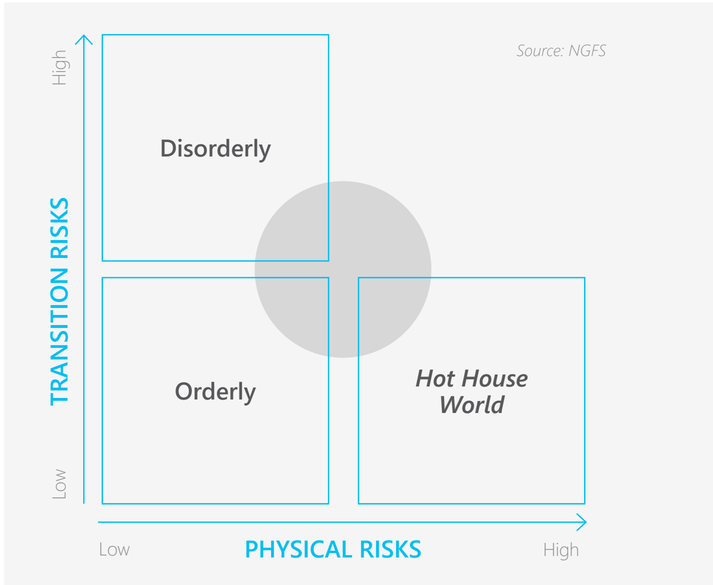
An orderly transition scenario involves introducing climate policies early and with increasing depth and scope so that the 1.5°C[2] target is achieved. Both the physical and the transition risks are relatively moderate.

_Disorderly transition:

A disorderly transition scenario implies a significant increase in transition risks due to delays in climate policies or divergences between countries and sectors. It involves the adoption of measures from 2030 or at a relatively late stage with respect to the time frames of current climate and environmental regulations. This increases the risk of transition, but maintains the physical risk at a relatively low level when reaching the target of 1.5°C.[2]

_ "Hot House World" (high global warming level):

This implies the application of very limited climate policies and only in some countries, areas or sectors, so that global efforts are insufficient to avoid global warming with significant incremental physical climate effects. In this scenario, the risk of transition is limited, but the physical risk is very high and with irreversible impacts.



[1] The inside-out view focuses on the impact of financial activity on the environment, in particular through the carbon footprint financed. Information on the financed footprint and decarbonisation targets can be found in the Metrics and targets section.
[2] Goal of limiting the temperature increase in 2100 to 1.5°C above pre-industrial levels.

> Of the three scenarios identified, **the orderly transition scenario** has been selected as the base scenario for the materiality assessment because it is consistent with the commitments assumed by CaixaBank and is currently still the most likely scenario in the European Union framework.

In terms of physical effects, this scenario is equivalent to the SSP1-2.6 scenario of low greenhouse gas (GHG) emissions and high climate policy ambition proposed by the Intergovernmental Panel on Climate Change (IPCC).[1]

Under the orderly transition scenario, the main impacts of climate risk are concentrated in the long-term credit portfolios of legal entities.

See climate risk analysis matrix - managed transition scenario.

The following risks have been considered within the analysis:

_Credit risk:

This is the prudential risk that may be most impacted by climatic factors, mainly transition factors, in the short, medium and long term:

- **Transition Risk:** the macro sectors potentially most impacted in the medium to long term are agriculture, energy/services, oil and gas, transport, materials and mining and metallurgy. Among the sectors with the highest risk, CaixaBank has identified the coal (energy sub-sector) and oil and gas sectors as the highest priority sectors in terms of transition risk. Of the sectors with an average impact, real estate stands out. In the short term, the impact is considered minor. This top-down sectoral vision is complemented by a bottom-up vision based on:
  - The segments of activity within each macro sector (value chain).
  - The time frames of financing operations.
  - The characteristics and positions of the main customers, the impact of which can be very heterogeneous, e.g. depending on how they incorporate these risks in their strategic vision. More individualised analyses are already being applied in the risk acceptance processes to take these aspects into account.
- **Physical risk:** Spain is one of the regions of Europe that will potentially be more affected by the physical risks of climate change. Of those analysed, meteorological events linked to fires and floods are the most relevant.

In the mortgage portfolio, based on the geographical location of the assets, the impact is not considered material in the short and medium term. This assessment is complemented by a more granular analysis for the potentially most affected areas as well as for the portfolio of legal entities (location of infrastructure and sector-specific characteristics such as energy/services, agriculture, oil and gas or mining).

[1] *Climate Change 2021: The Physical Science Basis - IPCC, The Summary for Policymakers (SPM).*

_Liquidity risk:

The impact on short-term liquidity risk is not considered material. In the medium/long term it may have some additional impact on the bank's liabilities (if companies or households are impacted by weather risks that may affect their cash flow generation and result in a decrease of deposits in financial institutions), but it is not currently considered material.

_Market risk:

CaixaBank's market risk profile is low. The main objective of the trading book is to manage the market risk of client transactions, mainly derivatives on market underlyings. The bond and stock portfolio is very small and has a very high turnover.

_Operational risk:

The residual risk for damage to the bank's physical assets or other impacts that affect service continuity is considered low. The transition climate risk arising from the legal and compliance risk associated with carbon intensive investments and businesses, as well as the definition and marketing of sustainable products may be higher in the medium term due to the increase in market expectations, requirements and sensitivity, although in the long term it should decrease with the standardisation of associated processes.

_Reputational risk:

Reputational risk is mainly linked to the perception of interest groups regarding CaixaBank's non-significant contribution to the decarbonisation of the economy or financing of sectors or companies with relevant ESG disputes. The peculiarity of reputational risk is that isolated events, such as news in the media, can have a certain impact.

_Business/strategic risk:

CaixaBank's business environment and profitability may be affected mainly by transition risk (changes in policies, legislation and regulation aimed at decarbonising the economy, changes in market sentiment, loss of market share to the detriment of environmentally sustainable financial products, etc.). CaixaBank is actively managing this risk through its strategic positioning by means of the Sustainability Master Plan and the search for business opportunities related to the transition, among others.

> CLIMATE RISK ANALYSIS MATRIX - ORDERLY TRANSITION SCENARIO

		Transition Risk			Physical risks		
		ST	MT	LT	ST	MT	LT
Credit risk	CIB segment	Medium-low risk	Average risk	Average risk	Low risk	Medium-low risk	Average risk
	Business segment	Medium-low risk	Medium-low risk	Average risk	Medium-low risk	Medium-low risk	Average risk
	Mortgage segment	Low risk	Medium-low risk	Average risk	Low risk	Low risk	Average risk
	Consumption segment	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Other risks	Market	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
	Operational	Low risk	Medium-low risk	Low risk	Low risk	Low risk	Medium-low risk
	Reputational	Low risk	Medium-low risk	Medium-low risk	Low risk	Low risk	Low risk
	Liquidity	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
	Business/strategic	Medium-low risk	Medium-low risk	Medium-low risk	Low risk	Low risk	Low risk

● Low risk ● Medium-low risk ● Average risk ● Medium-high risk ● High risk

ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)

In addition, the results of the risk analysis in the disorderly transition scenario and the "Hot House World" scenario are presented.

>CLIMATE RISK ANALYSIS MATRIX - DISORDERLY TRANSITION SCENARIO

		Transition Risk			Physical risks		
		ST	MT	LT	ST	MT	LT
Credit risk	CIB segment	Medium-low risk	Medium-high risk	Medium-high risk	Low risk	Medium-low risk	Average risk
	Business segment	Medium-low risk	Medium-high risk	Medium-high risk	Medium-low risk	Medium-low risk	Average risk
	Mortgage segment	Low risk	Medium-low risk	Medium-low risk	Low risk	Low risk	Average risk
	Consumption segment	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Other risks	Market	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
	Operational	Low risk	Medium-low risk	Low risk	Low risk	Low risk	Medium-low risk
	Reputational	Low risk	Average risk	Average risk	Low risk	Low risk	Low risk
	Liquidity	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
	Business/strategic	Medium-low risk	Average risk	Average risk	Low risk	Low risk	Low risk

● Low risk ● Medium-low risk ● Average risk ● Medium-high risk ● High risk

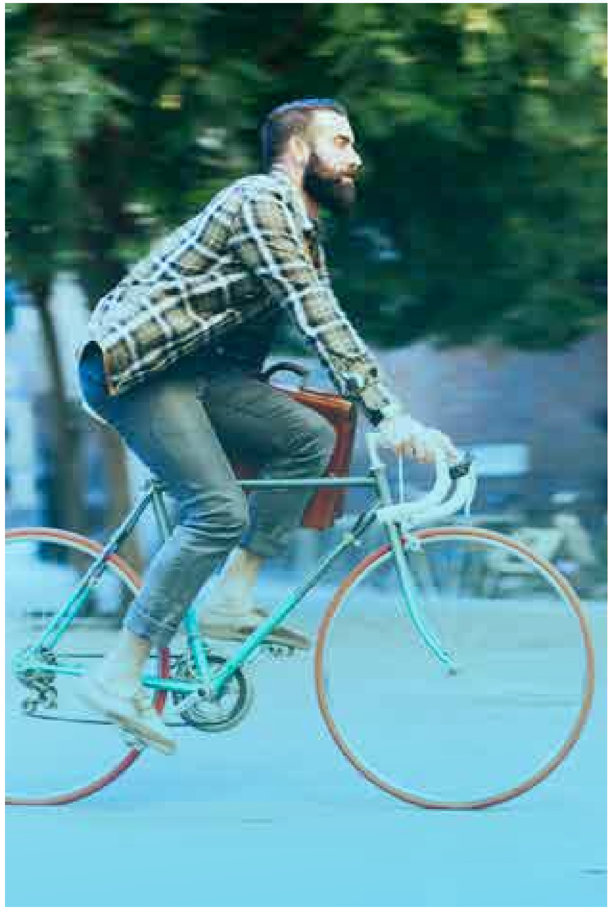
ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)

>CLIMATE RISK ANALYSIS MATRIX - "HOT HOUSE WORLD" TRANSITION SCENARIO

		Transition Risk			Physical risks		
		ST	MT	LT	ST	MT	LT
Credit risk	CIB segment	Low risk	Medium-low risk	Medium-low risk	Low risk	Average risk	Medium-high risk
	Business segment	Low risk	Medium-low risk	Medium-low risk	Medium-low risk	Average risk	Medium-high risk
	Mortgage segment	Low risk	Medium-low risk	Medium-low risk	Low risk	Low risk	Medium-high risk
	Consumption segment	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Other risks	Market	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
	Operational	Low risk	Medium-low risk	Low risk	Low risk	Medium-low risk	Average risk
	Reputational	Low risk	Medium-low risk	Medium-low risk	Low risk	Low risk	Low risk
	Liquidity	Low risk	Low risk	Low risk	Low risk	Low risk	Medium-low risk
	Business/strategic	Low risk	Medium-low risk	Medium-low risk	Low risk	Low risk	Medium-low risk

● Low risk ● Medium-low risk ● Average risk ● Medium-high risk ● High risk

ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)



_Identification and assessment of other non-climate change environmental risks

The materiality of other (non-climatic) environmental risks from environmental degradation, such as **air and water pollution, water stress, soil contamination, deforestation or loss of biodiversity, has been assessed.**

The main impacts of other environmental risks are concentrated in the medium and long term in the legal entities portfolio, together with reputational risks.

_Credit risk:

Credit risk is impacted by environmental degradation (air and water pollution, water stress, soil contamination, biodiversity loss and deforestation), especially in corporate and business loan portfolios. The impact on mortgage portfolios and the consumer segment is considered to be more limited.

_Market risk:

The impact on market risk is not considered material given the composition of CaixaBank's portfolio, for which no significant changes are currently expected in the future.

_Operational risk:

Environmental risk can translate into legal and compliance risk associated with investments and businesses with relevant environmental controversies. In the short term, it is not considered material because the expectations of relevant stakeholders in this area are still limited. A slight increase in this risk is seen in the medium term, due to the increase in environmental requirements and commitments.

_Reputational risk:

This is impacted by potential environmental disputes related to counterparties. There is risk on all time horizons, as there is a likelihood that a poor perception of environmental issues by relevant stakeholders will have a negative impact, even if it is an isolated event.

Unlike climate risk, the impact of environmental risk on reputational risk is also relevant in the short term because of its visibility and the immediacy of its consequences (e.g. an environmental catastrophe such as a spill in a river is more visible than factors involving exacerbation of climate change, whose consequences manifest over longer periods of time and in a more indirect way) and because its monitoring is more widely accepted by society.

_Liquidity risk:

The impact of environmental risk on liquidity risk is not considered material because the potential for environmental risk to impact the value of certain assets and collateral or to involve significant liquidity drains is considered limited.

_Business risk:

Business risk can be affected by environmental risk, as failure to incorporate environmental factors into business strategy (policies to limit environmental impact, change in market sentiment, etc.) could increase the risk of underperformance.

> OTHER ENVIRONMENTAL RISK ANALYSIS MATRIX

		Other environmental risks		
		ST	MT	LT
Credit risk	CIB segment	Medium-low risk	Medium-low risk	Medium-low risk
	Business segment	Medium-low risk	Medium-low risk	Medium-low risk
	Mortgage segment	Low risk	Low risk	Low risk
	Consumption segment	Low risk	Low risk	Low risk
Other risks	Market	Low risk	Low risk	Low risk
	Operational	Low risk	Medium-low risk	Medium-low risk
	Reputational	Medium-low risk	Medium-low risk	Medium-low risk
	Liquidity	Low risk	Low risk	Low risk
	Business/strategic	Medium-low risk	Medium-low risk	Medium-low risk

● Low risk ● Medium-low risk ● Average risk ● Medium-high risk ● High risk

ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)

Following the assessment of these risks and given their lesser materiality, **the phased deployment of ESG risk management at CaixaBank has prioritised climate risks.**

However, environmental risks are already incorporated in the risk acceptance processes through the application of the Corporate Sustainability/SG&A Risk Management Policy.

_Identification and assessment of other non-climate change environmental risks

_Biodiversity

In line with the management and disclosure of climate risks and opportunities, **CaixaBank aims to align disclosure on nature-related risks and opportunities according to the recommendations of the *Taskforce on Nature-related Financial Disclosure*** (TNFD) scheduled for the end of 2023. In this regard, during 2022 and 2023, CaixaBank is participating in one of the pilot projects launched by TNFD and coordinated by UNEP FI, which is working on the draft TNFD framework.

As part of its participation, CaixaBank has studied the impact on nature of a sample of projects financed with a dual-materiality perspective and is exploring various databases and tools such as IBAT (Integrated Biodiversity Assessment Tool) and ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure).

The environmental risks covered by CaixaBank's Corporate Sustainability/ESG Risk Management Policy include natural heritage and biodiversity. CaixaBank recognises that its customers' economic activities may have substantial impacts on areas of high biodiversity value, sensitive ecosystems, areas susceptible to water stress, or national and internationally protected areas. Consequently, the Entity includes this consideration in its sustainability risk management, with the aim of minimising the impact of its portfolio on the natural environment.

This policy establishes that CaixaBank will not assume credit risk in new projects when the cases established therein are established. CaixaBank also applies the Equator Principles to certain operations with potential environmental and social risks, including those related to human rights, climate change and biodiversity. [see Corporate Sustainability/ESG Risk Management Policy].

See Corporate Sustainability/ESG Risk Management Policy.

CaixaBank is the first Spanish financial institution to sign the Financial Sector Statement on Biodiversity, and is participating in one of the pilot projects launched by TNFD and coordinated by UNEP FI.

_Identification of social risks

The materiality of social risks on credit, operational market, reputational, liquidity and business risks has also been assessed.

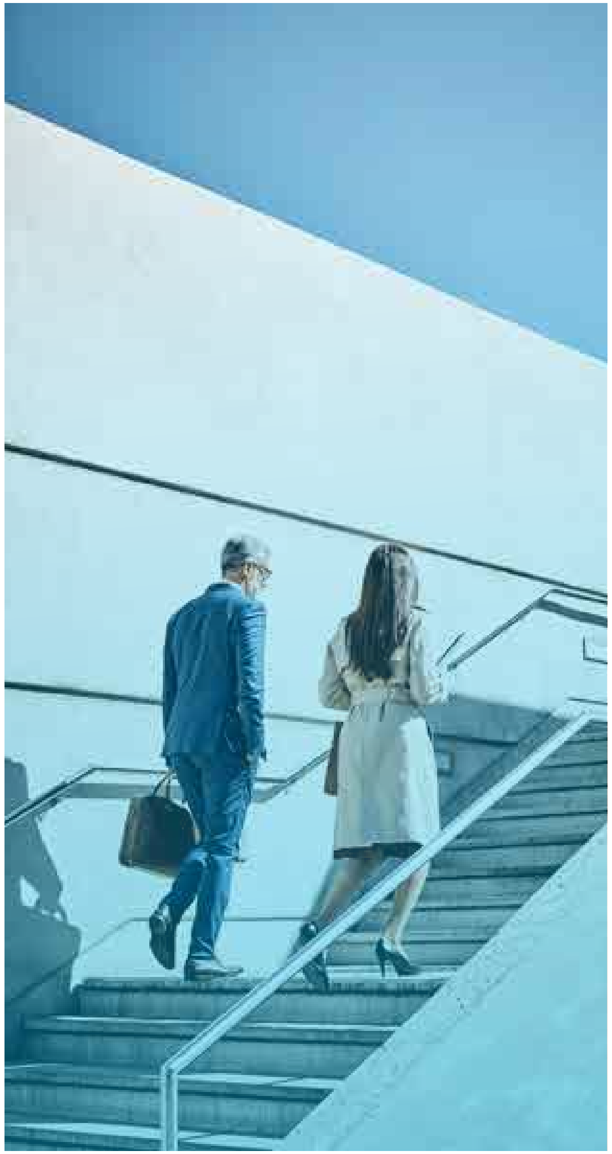
The main impacts of social risks are concentrated in the legal entity portfolio for credit risk and reputational risk:

> MATRIX OF SOCIAL RISK ANALYSIS

		Social risks		
		ST	MT	LT
Credit risk	CIB segment	● Medium-low risk	● Medium-low risk	● Medium-low risk
	Business segment	● Medium-low risk	● Medium-low risk	● Medium-low risk
	Mortgage segment	● Low risk	● Low risk	● Low risk
	Consumption segment	N/A	N/A	N/A
Other risks	Market	● Low risk	● Low risk	● Low risk
	Operational	● Low risk	● Low risk	● Low risk
	Reputational	● Medium-low risk	● Medium-low risk	● Medium-low risk
	Liquidity	● Low risk	● Low risk	● Low risk
	Business/strategic	● Low risk	● Low risk	● Low risk

● Low risk ● Medium-low risk ● Average risk ● Medium-high risk ● High risk

ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)



_Identification of Governance Risks

In addition, the materiality of governance risks on the same risks has been assessed. In this case, the main impacts are concentrated in the corporate credit and corporate portfolios, for credit risk and reputational risk:

> GOVERNANCE ANALYSIS MATRIX

		Governance Risks		
		ST	MT	LT
Credit risk	CIB segment	🟡	🟡	🟡
	Business segment	🟡	🟡	🟡
	Mortgage segment	N/A	N/A	N/A
	Consumption segment	N/A	N/A	N/A
Other risks	Market	🟢	🟢	🟢
	Operational	🟢	🟢	🟢
	Reputational	🟡	🟡	🟡
	Liquidity	🟢	🟢	🟢
	Business/strategic	🟢	🟢	🟢

🟢 Low risk 🟡 Medium-low risk 🟠 Average risk 🔴 Medium-high risk ⚫ High risk
ST. Short term (up to 4 years) MT. Medium term (4 to 10 years) LT. Long term (over 10 years)

_ESG risk management

Based on the assessment of the materiality of ESG risks in their interrelation with traditional risks, the phased deployment of ESG risk management at CaixaBank has prioritised climate risks.

However, environmental, social and governance risks are assessed in the risk admission processes as they are included in the Corporate Sustainability/ESG Risk Management Policy, as well as in other corporate principles and policies, e.g. in the field of human rights and anti-corruption.

See Responsible and ethical behaviour section.

The assessment of the materiality of ESG risks is regularly updated.

_Corporate policy on sustainability/ESG risk management

In March 2022, the Board of Directors approved the **Corporate Policy on Sustainability/ ESG Risk Management,** which consolidates the previous Environmental Risk Management Policy and Corporate Policy on Relations with the Defence Sector and establishes the criteria for ESG analysis in the processes of customer admission and approval of the Entity's credit financing operations.

The Corporate ESG/Sustainability Risk Management Policy regulates the management of ESG risks, including climate risks, in the admission and monitoring processes and includes the following lines of action:

The Policy is of a corporate nature; therefore, the Group companies subject thereto have adhered to it or, where applicable, have approved their own policy, such as Banco BPI, VidaCaixa and CaixaBank Asset Management.

01. Defining and managing an internal ESG risk management plan in line with the Group's strategy.

02. Defining and managing the implementation of a framework of admission, monitoring and mitigation policies to maintain a risk profile in line with this strategy.

03. Developing the ESG risk analysis tools necessary for decision-making in client admission and risk concession processes, whether in corporate or project format.

04. Monitoring actions and operations with a potential significant impact on ESG risks.

05. Incentivising ESG risk mitigation practices in the portfolios under the scope of this Policy or other types of actions (such as, inter alia, the issuance of green and social bonds).

06. Promoting the development of systems for identifying, marking transactions for and measuring exposure to ESG risks, in accordance with the evolution of the regulatory framework, social sensitivity to these risks and best practices in the market.

07. Assigning roles linked to ESG risk management in the current organisational structure, with the necessary segregation of functions to maintain independence between the areas responsible for the processes of defining strategy, analysis and approval of operations and monitoring and control of these risks.

08. Establishing a system of powers for the admission of ESG risks, which allows them to be incorporated in an agile but rigorous manner into the ordinary decision-making processes, according to the scope of this document.

This policy establishes general and sectoral exclusions linked to activities that may have a significant impact on human rights, the environment and the climate, in which CaixaBank will not assume credit risk. General exclusions apply to all customers, while sectoral exclusions apply to certain activities in the defence, energy, mining, infrastructure and agriculture, fisheries, livestock and forestry sectors.

For the **energy sector,** the following **financing restrictions** stand out:

Coal	Oil	Gas
Companies with revenues >25% from coal-fired power generation or thermal coal mining.	Companies with revenues >50% from exploration, extraction, transportation, refining, coking and oil-fired power generation, unless they promote energy transition with a robust transition strategy or operations are geared towards financing renewables.	Companies with income >50% from exploration, extraction/production, liquefaction, transport, regasification, storage and electricity generation with natural gas, unless they promote the energy transition with a solid transition strategy or operations are aimed at financing renewable energies.
Specific projects for the construction, development or extension of coal-fired thermal power plants or coal mining projects.	Operations requested by new or existing customers, with medium-term maturity dates, the purpose of which is exploration, extraction, transport, refinery, coking plants or generating energy from oil.	Operations requested by new or existing customers, with long-term maturity dates, the purpose of which is the exploration, extraction, liquefaction, transport, regasification, storage or generation of electricity with natural gas.

Furthermore, CaixaBank will not assume credit risk in new projects related to the exploration or production of oil and gas in the Arctic region; tar sands; extraction by fracking; construction, development or expansion of coal-fired power plants; coal extraction involving the removal of mountain tops; construction, development or expansion of nuclear power plants.

The scope of the new policy affects: **(i)** the admission of new loans and guarantees; **(ii)** the purchase of fixed and variable income; and **(iii)** investment in companies through the investee portfolio.

In accordance with the Corporate Policy on Sustainability/ESG Risk Management, an analysis of eligible operations has been defined and is being implemented under the established precepts.

This analysis of operations will be carried out using new analytical tools, which are an evolution of the questionnaires used so far under the previous policy and which will be implemented in systems during the current year.

The outcome of these reports will be linked to operations, making their implementation conditional on compliance with the policy.

In addition, during 2022, in-person training was provided in all the Risk Admission Centres and International Branches in order to update both the criteria based on the new policy and the levels of decision-making authority to facilitate autonomous sanctions, with the team of specialised analysts from the ESG Risk Management area within the General Risks Division being given the authority to sanction those that exceed this level of authority.

This analysis process, and within the framework of applying the Equator Principles, which CaixaBank signed up to in 2007, includes a review of issues related to the categorisation of and compliance with these principles.

4,049

applications assessed between DGR, CARS, international offices and BIS

_Equator Principles

The Equator Principles were established to identify, assess and manage potential environmental and social risks, including those related to Human Rights, climate change and biodiversity.

_ Scope

- Project finance and project finance advisory services where total project capital costs are US$10 million or more.
- Project-related corporate loans with a total aggregate loan amount of at least US$50 million and an individual commitment by CaixaBank of at least US$50 million, and a loan term of at least two years.
- Bonds linked to projects in an amount of at least US$10 million.
- Bridge Loans with a term of less than two years that are intended to be refinanced by project finance or a project-related corporate loan that meet the aforementioned criteria.
- Refinancing and acquisition of Projects provided that they meet certain requirements (the original project was financed under the Equator Principles, there being no material changes in the scope of the project and it had not yet been completed when signing the facility).

CaixaBank voluntarily applies this procedure to syndicated operations with a term of 3 years or more and when CaixaBank's individual commitment is between €7 million and €35 million. The procedure also applies to other operations to finance investment projects with a minimum term of 3 years and a minimum amount of €5 million when the holder is a medium-sized, large or very large legal entity.

_Scope of application

- Projects with high and irreversible risks and potential impact, where it is not deemed possible to establish a viable action plan, or projects that contravene the Bank's corporate values, are rejected.
- In other instances, an independent expert is appointed to evaluate each borrower's social and environmental management plan and system. The projects are classified into categories A, B and C depending on the potential risks and impacts detected during the due diligence process, which involves teams from the sales and risk areas and external experts.

In 2022, the Entity financed **7 projects for a total investment of €22,965 million, with a share of €1,286 million.** The assessment carried out to categorise the projects was performed with the support of an independent expert.

The operations financed are shown in the following table:

	2022		2021	
	Units	€MM	Units	€MM
Category A[1]	1	536	0	0
Category B[2]	2	439	10	843
Category C[3]	4	311	0	0
Total	7	1,286	10	843

[1] Projects with significant potential environmental/social impacts.
[2] Projects with limited and easily mitigated potential ESG impacts.
[3] Projects with minimal or no adverse social or environmental impacts, including certain projects of financial intermediaries with minimal or no risks.

_Climate Risk Management

CaixaBank is deploying climate risk management and analysis in accordance with best market practices, the regulatory framework, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the European Commission's Non-financial reporting Directive (NFRD).

The supervisory expectations for risk management and risk communication in the European Central Bank's (ECB) Guide on climate-related and environmental risks of November 2020 are particularly relevant, and action plans and implementation schedules have been established to ensure that their processes are aligned with supervisory expectations.

- Low risk
- Average risk
- High risk

ST. Short term (up to 4 years)
MT. Medium term (4 to 10 years)
LT. Long term (over 10 years)

>ASSESSMENT OF THE IMPACT OF CLIMATIC >TRANSITION AND PHYSICAL HAZARDS IN THE DIFFERENT DEFINED SECTORS

	Transition risk			Physical risk		
Sectors	ST	MT	LT	ST	MT	LT
Agriculture, Livestock farming and Fishing	Average	High	High	Average	High	High
Consumer	Low	Low	Low	Low	Low	Low
Discretionary consumption	Low	Low	Low	Low	Average	High
Energy/utilities	Average	High	High	Low	Average	High
Health sector	Low	Low	Low	Low	Low	Low
Industry and manufacturing	Low	Low	Low	Low	Average	Average
Infrastructures	Low	Average	Average	Low	Average	Average
Materials	Average	High	High	Low	Average	Average
Mining and Metallurgy (exc. oil and gas)	Average	High	High	Low	Average	High

	Transition risk			Physical risk		
Sectors	ST	MT	LT	ST	MT	LT
Oil & Gas	Average	High	High	Low	Average	High
Property	Low	Average	Average	Low	Average	Average
Services	Low	Average	Average	Low	Low	Low
Technology and Communication	Low	Low	Low	Low	Low	Low
Transport	Average	High	High	Low	Average	Average
Tourism	Low	Average	Average	Low	Average	Average
Cement	Average	High	High	Low	Average	High
Iron and steel	Average	High	High	Low	Average	High
Coal	Average	High	High	Low	Average	High

_Risk metrics and scenario analysis

_Carbon intensity

The lending portfolio is managed with the intention of aligning its indirect impact on climate change with the Bank's risk appetite and its commitment to sustainability goals. **Since 2018, therefore, it has measured its lending exposure to economic activities considered to be linked to high CO2 emissions.**

The main metric is based on the definition suggested by the TCFD to facilitate comparability and includes exposure to assets linked to the energy and utilities sectors, excluding water and renewables ("Carbon Related Assets", as defined in the implementation of the TCFD recommendations). In 2018, such activities accounted for around 2% of the total financial instruments portfolio. In 2022, exposure to CO2 intensive sectors remains at around 2% of the total portfolio.

Scenario analysis and climate stress exercises

CaixaBank also conducts qualitative and quantitative scenario analyses for climate risks.

For transition risk, the **qualitative analysis** focuses on identifying the segments potentially most affected by the transition risk in sectors with portfolio material risks. Specifically, the analysis to date has focused on the **energy (oil and gas, and electricity), transport and construction sectors**, identifying the greatest impacts by studying the main risk variables and establishing heat maps for different time horizons (2025, 2030, 2040 and 2050) for transition scenarios compatible with the Entity's decarbonisation commitments (1.5ºC scenarios in geographies committed to zero net emissions in 2050). The heat maps for these sectors incorporate a granular analysis by activity at NACE level.

The **quantitative analysis** exercises conducted to date are being used as the basis for the recurrent deployment of the Entity's climate risk analysis, which is currently underway. Both approaches are based on the methodology developed in the UNEP FI (TCFD Banking Pilot) working group, and they assess how **climate transition risk can be translated into key financial metrics for companies in the short, medium and long term** (2025, 2030, 2040 and 2050), under the most stringent transition scenario (1.5°C, assuming a limited use of carbon capture technology). To this end, the predictions of the Potsdam Institute for Climate Impact Research (PIK) and the IAM model (Integrated Assessment Models) are used as a baseline.

With regard to the assessment of **physical risks derived from climate change,** the initial focus of analysis is the **mortgage portfolio in Spain**, due to its volume. To this end, qualitative analyses have been carried out which identify exposure by geographical risk areas under various climate scenarios for the main physical risks affecting the portfolio (rise in sea level, floods and fires resulting from the increase in temperature). The analyses conducted concludes that the exposure of the Company's portfolio to these three risks is limited.

Also in the area of **credit risk,** CaixaBank participated in the climate stress test conducted by the ECB in the first half of 2022. The exercise is a key step forward for managing climate risk and as a basis for quantifying it. This climate stress exercise is aligned with the ECB's Climate and Environmental Risk Guide and, in turn, constitutes a key tool for managing climate risk.

At the same time, methodologies and scenarios are being developed for other risks with an impact on climate risks, such as operational or reputational risks.

_Reputation

CaixaBank Group's commitment to **a corporate communication model that is transparent** and of top quality and maximum reach in relation to its stakeholders and that allows maintaining the Group's reputation at optimal levels is explicitly materialised in its new Corporate Communication Policy, approved in December 2020 and updated in November 2022. This policy defines the corporate communication strategy, which includes the following main areas of action:

> Professional, centralised management, in line with the specific communication procedures and protocols.

> Ongoing relationship with the media and the use of digital channels.

> Monitoring, measuring and oversight of the communication channels.

This includes any disclosure of information from the Bank, **whether economic-financial, non-financial or corporate**, to specialised audiences (retail shareholders, institutional investors, proxy advisers, supervisory/regulatory entities) and the general public (customers, society and the media).

Furthermore, the Company has a new **reputational risk policy** in place, which includes the following main areas of action:

> Boosting reputation.

> Preventive management of reputational risk.

> Establishment of reputational objectives, for which it has specific measurement, monitoring and control indicators.

Specifically, **CaixaBank's Global Reputation Index (GRI)** is a metric of the Company's Risk Appetite Framework and the Strategic Plan, which includes the perceptions of stakeholders regarding CaixaBank and is considered to be a best practice in the sector due to its multi-stakeholder approach.

The GRI, together with the Materiality Study, allows us to capture the sensitivity of stakeholders to different aspects that may be critical for CaixaBank and that might impose stress on its future profitability and sustainability. Furthermore, the Bank has set ambitious targets for its compliance and performance over the next few years.

> ASSESSING REPUTATION - GLOBAL REPUTATION INDEX (GRI)

01. This allows us to answer:

How are we seen?

Which aspects might become a risk for CaixaBank due to negative perception?

02. It is based on:

03. This leads us to:

Diagnose reputation problems

Set objectives in this field

Measure the evolution of the Institution

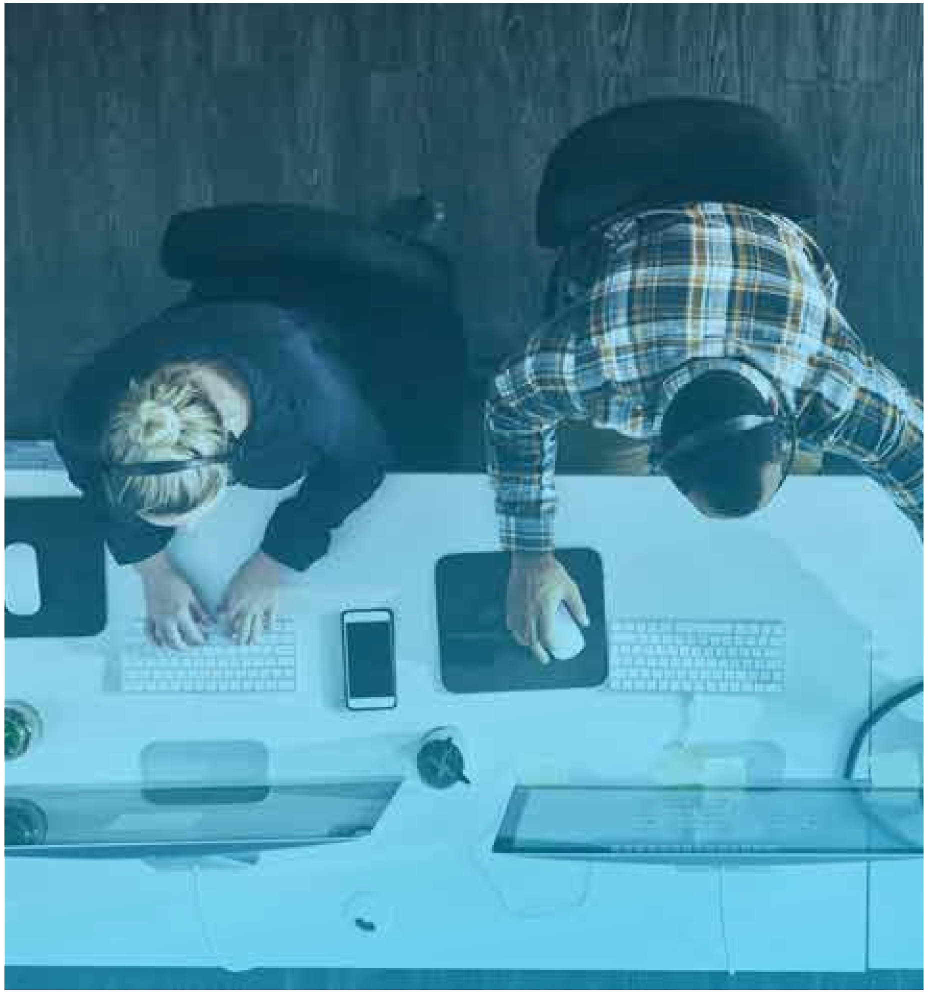
Set **comparisons**

90% Weighting GRI CaixaBank - ESP **+** **10%** Weighting GRI BPI - PT **=** **Group GRI metric**

_Reputational Risk Response Service (RRRS)

The Reputational Risk Response Service (RRRS) is an internal service managed by the Communication and Institutional Relations Department that contributes to **compliance with the Corporate Reputational Risk Management Policy**, providing support to the commercial network and other corporate departments.

The RRRS analyses queries about potential operations that may infringe on codes of conduct or which could have an effect on the Entity's reputation. Both internal expert judgement and external tools provided by reputational risk analysis providers and other consultants are used for the analysis. RRRS activity is regularly reported to the Reputational Risk Committee. During 2022, 235 enquiries were processed.



In 2022, **235 queries** were resolved, **38% of which were related to CaixaBank's Corporate policy for managing sustainability/ESG risks, which includes human rights, environment, energy and other ESG sectors**, and the rest to customers and operations with a potential reputational impact.

05 Value creation model

CaixaBank

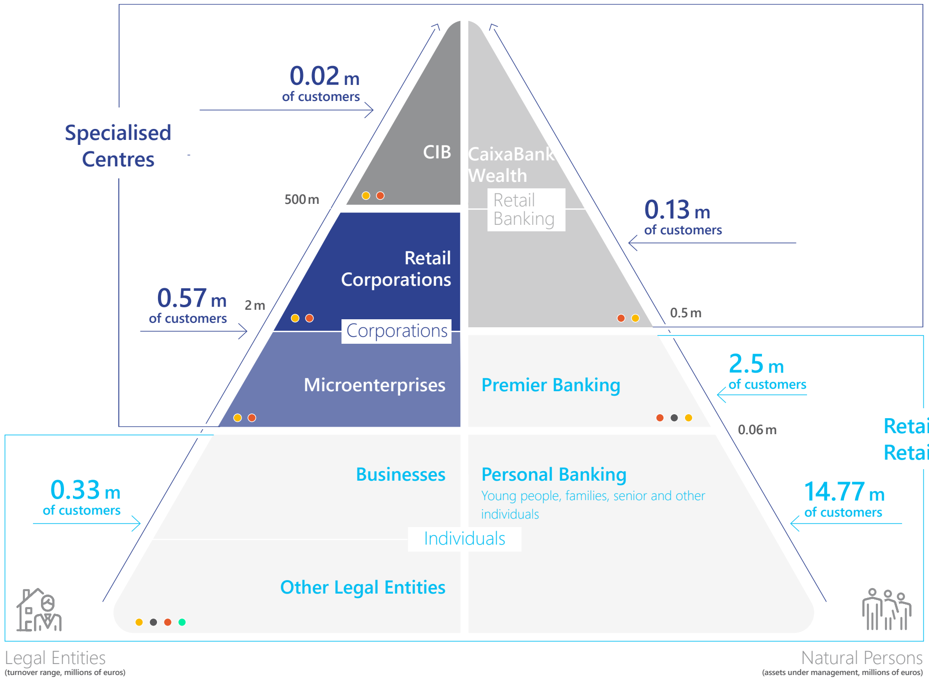
_Business Model

Customers in Spain

0.9 m Number of customers **Legal Entities**

17.4 m Number of customers **Natural Persons**

> SPECIALISED MANAGEMENT MODEL



distribution channels to which customers in the segment have access

> DISTRIBUTION MODEL[1]

Branches — **7.4 m** Customers who seek face-to-face attention and omnichannel customers. Specialised branches according to the customer profile.

InTouch — **3.4 m** Customers looking for a reference manager, but who want to be served remotely.

CaixaBank Now — **11.2 m** Digital customers (100% digital and omnichannel).

Imagin — **4.2 m** 100% digital users who prefer the digital relationship, and are looking for the neobank experience.

[1] *A customer can use more than one distribution platform.*

>SPECIALISED MANAGEMENT MODEL

CaixaBank has a **universal banking model** that seeks the best customer experience and adapted:

- To the profile of each customer in accordance with our **segmentation.**
- To the different ways that customers manage their **mobility**.
- To each customer's way of **relating** to people.
- And to each person's way of using **technology.**

The wide range of financial and insurance products and services allows all customer needs to be met. Agility and accessibility make it possible to do so in such a way that each customer's individual experience is the best at any given time.

Segmentation is key to better meeting customer needs. For this reason, CaixaBank has the following value proposals:

Personal Banking	Private Banking
Premier Banking	Microenterprises
Businesses and Entrepreneurs	Corporations
	CIB

In addition, specialised value proposals are offered which are transversal to different segments:

AgroBank (Business and Corporate Banking), DayOne (Corporate) and HolaBank (Individuals - other individuals, Premier Banking and Private Banking).

BPI

The CaixaBank Group's business in Portugal includes Banco BPI, **the best bank in Portugal in 2022** according to Euromoney.

The following segmentation corresponds to the Insurance Banking segment included in Note 8 to the consolidated financial statements.

_Retail Banking: Private, premier and business banking

The value proposition of **Retail Banking** is based on an offer that is:

Innovative, personalised and unique:

Each customer profile is offered the best solution, adapted to their needs, and through strategic agreements with other leading companies in their segments.

Omnichannel:

We are committed to a relationship model where the customer can choose how they want to interact, with digital and remote tools and a wide network of branches.

Focused on the customer's 4 experiences:

Day to day: Making the customer's day-to-day life easier by offering our services quickly and easily whenever they are required.

Enjoying life: Making financing easier for customers to help their current and future dreams and projects become reality.

Peace of mind: Being by our customers' side to take care of what is important to them and help them protect it.

Thinking about the future: helping our customers plan their savings and face their future with total security.

↗ See Customer experience section.

_Promoting new models of digital and remote customer service

Providing different omniexperience tools to make the manager/customer relationship easier:

My Manager is the digital connection between the manager and the customer.

7.4 m → Customers who have used My Manager

Confirmed appointment to hold interviews with managers.

10.3 m → Appointments planned

73% Origin MANAGER

27% Origin CUSTOMERS

The Meeter app automatically notifies the manager that their customer has arrived at the branch.

1.4 m → Customers registered in the Meeter app

The Wall, in our online banking as an agile and secure means of communication.

3.7 m → Customers who use the Wall

7.4 m → Documents shared

WhatsApp Wall, a new communication channel that facilitates the Manager-Customer relationship.

10.8 m → WhatsApp Wall messages sent

70.4% → of customer origin

_Personal banking

CaixaBank

Individual customers with a position of up to **60,000 euros.**

> MILESTONES 2022

- **Mortgages:** boosting mortgage activity by increasing fixed-rate mortgages (€14.299 billion of new production +108% compared to 2021). Digitisation of the mortgage process to speed it up and give the customer a better experience.
- Consolidation of the **solar panel financing offer** and launch of financing for non-residential self-employed customers, micro-enterprises and small farms.
- **Mobility:** A continuous offer of rentals and used vehicles has been maintained. The offer of sustainable vehicles has been strengthened, offering a constant supply of sustainable vehicles in the catalogue. During 2022, 1,195 leasing transactions for sustainable cars (electric and plug-in hybrids) were signed for €48.5 million.
- We continue to strengthen the financing of electronics, home, mobility products etc. In addition, **Wivai Unlimited** was launched, a service through which customers can access the latest telephony products without purchasing and with all the facilities in terms of maintenance and renewal of the devices. (357 thousand Wivai products financed through CaixaBank *Now*).
- We continue to expand our protection offer through new product launches which develop and deepen the ***MyBox*** offer, with the launch of ***MyBox* Jubilación** (complete solution for retirement, in which the customer establishes a target capital for retirement and a savings plan to achieve it) and ***MyBox* Decesos Seniors Flexible** (funeral insurance that allows the over-64s to plan funeral expenses, choosing between a single premium payment or payment over 36 months).
- Launch of ***MyHome*** aimed at promoting financing, home protection and the renovation of equipment in private customer homes. A new concept that brings together all our home related offer: Protection, Mobility, Home Equipment, Sustainability and Financing.

1.8 m

Number of transactions *MyHome*

In 2022, CaixaBank has reaffirmed its commitment to **senior citizens,** with the implementation of a dozen initiatives to meet the needs of these customers.

See more details in the Seniors section.

> 1 m policies marketed by MyBox in 2022

- Comprehensive and competitive protection solutions
- Flat monthly rate
- Fixed fee for 3 years
- Exclusive coverage

> MAIN INDICATORS

12.2 m
Linked customers[3]
€12.2 m in 2021
[3] *All segments.*

8.1 m
Omnichannel customers (branch, ATMs and digital)
9 m in 2021

9 m
marketing of *MyCard* cards
3.3 m in 2021

81.2%
Clients with assigned manager
81.3% in 2021

Sustainable business is included in this same section 5 "Value creation model" in the sub-section "Sustainable Business".

_Premier Banking

CaixaBank Banca Premier

Individual customers with balances from **€60,000 to €500,000 or paychecks over €4,000.**

CaixaBank Premier Banking's value proposition consists of creating a relationship of trust with the customer that positions us as their main financial provider.

This is an omnichannel and innovative offer, focused on the Premier Manager who accompanies and advises by offering differentiated solutions for all experiences.

The pillars of this are still based on: developing the value proposition to offer advice to all customer profiles and to enhance the figure of the Personal Manager as the main axis.

> MILESTONES 2022:

> **Boost sustainable business** with:

  > **Introduction of new products within the Gama SI investment funds,** with objectives linked to the United Nations Sustainable Development Goals.

  > **Training** of Premier managers in sustainable investments. **More than 4,400 Premier Managers were certified in Sustainable Investments.**

  > **Financing for photovoltaic panels.** Customers are provided with financing for their photovoltaic installation.

↗ See "Value creation model - Sustainable business" section

> **Preparation of material information on markets.** We have worked on audio communications, a market flash podcast and notes from the CaixaBank Investment Strategy team, so that Premier customers are up to date with the market situation and the Bank's investment guidelines.

> Launch of new Public Debt funds with a view to yield at maturity.

> **Awareness Talks**. Specific talks have been held for Premier customers in all the territories, including new topics such as:

  > Talks to raise awareness about **life insurance and protection**. These are intended to help Premier customers reflect on how to protect the essential elements of their life.

  > Talks with **experts to raise awareness of the importance of saving** and help customers to anticipate their main concerns about retirement.

> MAIN INDICATORS

65.6% → Compliance with the customer service model

75 → Specialised Premier Store
28 in 2021

4,300 → Specialist managers
3,900 in 2021

882,918 → Advisory customers
849,374 in 2021

_Business

CaixaBank Negocios

Includes the self-employed, professionals and shops

The Business proposal is aimed at self-employed customers, professionals and retailers. It includes the comprehensive management of both businesses and their customers, and integrates all the solutions they need for their day-to-day business, business financing, safety and security, and their future.

We are committed to the consolidation of the specialist model through Store Negocios branches, exclusive offices with Business Managers for priority attention to Business customers.

Commercial activity has focused on attracting new customers, linking existing customers, and increasing the relationship with existing customers, covering the four main experiences: Everyday, Sleep peacefully, Enjoy life, and Think about the future.

It consolidates the commitment to an innovative offer around the Point of Sale Ecosystem, with products and services such as Tablet POS, Order&Go, point-of-sale financing and various ecommerce tools that provide payment solutions adapted to each customer profile.

Positioning with a differential offer aimed at groups that demand personalised attention due to their specific needs: Food&Drinks, Pharma and FeelGood.

> MILESTONES 2022

- **Launch of the Digital Kit advisory and processing service** to boost the digitalisation of the self-employed and businesses within the Next Generation EU aid programme. Helping our businesses in the processing of grants and providing them with different technological solutions.
- Launch of the first **Simplified Employment Plan** at national level, following the agreement signed with ATA to support the self-employed in planning their retirement.
- **New line of financing from the European Investment Fund (EIF) EGF** to support businesses in their new projects.
- **Creation** of the ***FeelGood*** community, with a specific offering aimed at all establishments that take care of the wellbeing of families.
- **Launch of *MyCard* Negocios.** New product designed to help self-employed workers manage their day-to-day operations.
- Throughout the year, segment-specific Talks were held with the participation of more than 15,000 customers, where we reviewed the main trends from the hand of leading figures in each sector around **5 thematic axes:**
  - Innovation
  - Social impact
  - Entrepreneurship
  - Protection
  - Management

Consolidating the **CaixaBank Self-Employed Professional Woman Award** as a national benchmark in recognition of the contribution to society made by self-employed women.

Main sponsor of the most relevant national sectorial events such as Horeca Professional Expo, Infarma, National Pharmaceutical Congress and Avepa National Congress.

> MAIN INDICATORS

44.3%
Penetration Self-employed workers
44.3% in 2021

31.5%
Share of retailers with turnover < €1M
32.3 % in 2021

3,671
Managers of Business
3,346 in 2021[1]

67
Store Centres Businesses
83 in 2021[2]

[1] Includes managers in the micro-enterprise segment.

[2] Includes the Business Store Centres for micro-enterprises.

_Private Banking

CaixaBank Banca Privada

Individual customers with a position of **more than €500,000**

We continue to drive the independent advisory model with Wealth, Caixabank Wealth Management Luxembourg, and the launch in 2022 of Independent Advisory and OpenWealth.

Private Banking has specialised teams, over 1,018 accredited professionals with an average of 15 years' experience, and 73 exclusive centres that ensure customers always receive a friendly and personal service. Different service models are offered to customers, from traditional financial advice to independent advice and broker services.

In independent advice, we have the specialist proposals of Independent Advisory and Wealth:

Independent Advisory: Value proposition for customers of between 1 and 4 million euros, with managers specialising in Private Banking centers.

Wealth: Value proposition for customers over 4 million euros, with 13 exclusive Wealth centres.

Private Banking offers value propositions dedicated to groups that, by their nature, share the same asset management needs and objectives when managing their assets.

Through the Social Value Project provides solutions in the fields of Philanthropy and Socially Responsible Investment (SRI).

CaixaBank Wealth Management Luxembourg has formed part of the Group since 2020, the first bank in Luxembourg to provide exclusively independent advisory services.

> MILESTONES 2022

> **Renewal of the AENOR quality mark** for its business model and customer relations. This allows us to continue to position ourselves as private banking of prestige and added value for our customers.

> Promotion of independent advice through **CaixaBank Independent Advisory**, a service aimed at customers with between one and four million euros of potential assets, with a full range of products and services and an explicit advisory fee, which means total transparency for the investor, and which has specialised managers in the Private Banking centres.

> With the **launch of *OpenWealth***, CaixaBank becomes the first bank in Spain to offer its customers Ultra High Net Worth (UHNW) a multifamily office service, regardless of where the customer has their assets.

> **Promotion of the discretionary management model with the creation of Smart Rentas,** a delegated fund management service whose portfolio is managed by qualified professionals in accordance with the needs and personal circumstances of customers.

> MAIN INDICATORS

88.3
NPS Branch Private Banking

91.4%
Of customers advised
95% in 2021

116,660 m
In assets and securities under management
+1.8% compared to 2021

24,676 m
In discretionary management of portfolios
+7.5% compared to 2021

210
fund managers through Ocean
140 in 2021

3,887
fund through Ocean
2,000 in 2021

€18,575 m
Spain wealth balances
+1.701m compared to 2021

€6,176 m
Balances Independent Advice Spain
New service 2022

_Sustainable investment and philanthropy

CaixaBank customers have **concerns and interests** that go beyond strictly financial issues. That is why we are pioneers in having a specialised unit that offers its Private Banking customers a comprehensive solution that responds to their needs w**ith regard to philanthropy and sustainable and impactful investment.** To do this, we take action in the following areas:

_1. Sustainable and Impactful Investment

In 2022, we have further strengthened our social responsibility and commitment with unique and sustainable financial advice, to become a benchmark for sustainability in private banking. In this regard, **we have incorporated sustainability variables into the suitability test and the investment proposal.**

40% customers

have passed the new suitability test

We continue to be the entity with the most assets under management of products under SFDR in article 9 of the Spanish market through the range of impact products (investment funds and pension plans), **SI Impact Solutions Range.** This year we have completed the range with a pure equity product, the MicroBank SI Impacto Renta Variable Income mutual fund, with a direct investment in equities and supported by the specialist impact investment advisor BlackRock Netherlands BV. By the end of 2022, 98% of our managers were sustainability certified, ahead of the regulator's requirements. Our objective is to have a sales team trained to provide clients with the best advice on sustainable investment, offering them sustainable portfolios that are best suited to their interests.

> **Publication of the 1st Annual Report Gama SI Impacto** to inform customers about our commitment to people, society and the environment, giving real examples of the impact of our investments.

_2. Charitable causes

We provide people with permanent charitable projects.

€1.9 m raised

for different social causes in 2022, mainly:
> #Ningúnhogarsinalimentos,
> Research against cancer,
> child vaccination (GAVI) and
> child poverty (Save the children)

_3. Dissemination, outreach and recognition

We carry out dissemination and training events led by specialists in different fields:

> **Publication of the 5th Annual Social Value Project Report:** with articles from specialists and balance sheet of our activity.[1]

> **Publication of the 3rd Child Poverty Study, "Changing Lives through Philanthropy",** with recommendations on how to help mitigate child poverty and how each person can find a way of collaborating that best suits their motivations, resources and expectations.

> **5th edition of the Private Banking Charity Awards,** highlighting the philanthropic projects carried out by our customers, which we have carried out annually and which consist of two categories: Best Personal Initiative and Best Collective Initiative.

_4. Personalised advice on philanthropy and CSR

We help to craft the best philanthropic strategy for our customers, taking into account their concerns, goals and resources, to generate the greatest impact at each stage of their engagement.

Holding **4 events with clients in the "*Philanthropy Dialogues*"** cycle, where the aim is to identify best practices and references that stimulate both the formation of alliances and the creation of new initiatives.

[1] https://www.caixabank.com/es/sostenibilidad/practicas-responsables/valor-social-banca-privada.html

8

_Business Banking

Business customers **with between €2 and €500 m in turnover**

CaixaBank Business has an **exclusive model for looking after companies**, having consolidated its position as the benchmark Company for this segment.

The high degree of specialisation in the teams allows for comprehensive customer management, offering specific products and services for companies. All of this with exclusive treatment and attention and under a model certified by AENOR in Business Advice and in Foreign Trade and Treasury through our value proposition.

CaixaBank Business offers innovative, tailor-made solutions with specialised attention in 146 centres throughout Spain, providing advanced advice with which, thanks to a team of more than 1,700 experts, we respond to the needs of each customer.

The Company strives to continually improve its customer relations by promoting credit and financing so the NextGeneration EU Funds can reach the entire business fabric with the aim of reactivating the economy, as well as broadening the corporate customer base. Financing for sustainable operations and projects has also been and will be one of the priorities of the segment to support the sustainable growth of companies.

See more details in the Sustainable Business section.

On 1 January 2023, the specialisation and attention of micro-enterprises (turnover between €0 and €2 million) was deepened by the creation of a specialised network of **73 centres and 896 employees.**

> MAIN INDICATORS

€57,846 m
in investment
+3.9% with respect to 2021

23.9%
Share in credit to companies
+0.1 PP with respect to 2021

LEADERS

31.5% received | **30.6% issued**
International guarantee payments in Spain[1]

LEADERS

30.9%
Factoring and reverse factoring

Microenterprises

597
Microenterprise Managers
506 in 2021

37.5%
Penetration of Microenterprises
44.4% in 2021

[1] *As at November 2022.*

> MILESTONES 2022

- Expansion of the portal's functionalities and incorporation of a search engine for customers and non-customers on **NextGeneration EU Funds.**
- Improvement of the contracting and management capacities of products and services **through the digital channel.**
- **Implementation of a pre-classification tool for credit exposure** by customer and group, with a pre-approved route to increase and stimulate investment.
- **Digitisation** of the registration and management of import letters of credit, which can be carried out at CaixaBank *Now*.
- The first and only entity to be able to offer the **issuance of digital guarantees in XML format** (in favour of OMIE, MIBGAS and MIBGAS DERIVATIVES) and Consultation of guarantees by beneficiary in CaixaBank *Now*.
- Implementation of ***Ready to Finance*** to finance payments digitally.
- New Confirming **journey and dashboards.**
- **Incorporation of Bizum** as a payment gateway and improved user experience in *NOW* Transfers.

_Hotels & Tourism

- We have once again accompanied the sector by **attending the main events and tourist forums** in Spain and abroad: FITUR, WTM, ITB, TIS, Hosteltur Forum, OMT.

_Real Estate & Homes

- We continue to be the national benchmark in the real estate sector **in the financing of housing projects,** of which more than 97% are expected to obtain an **A or B energy rating.**

_Global Financing solutions

- **Record level of transactions signed in sustainable financing.**

See Value creation model - Sustainable business section

- **Launch of the alternative debt fund "Added Value", exclusive to Corporate Banking customer**

_Transactional Banking

We consolidated our market leadership in Transaction Banking:

- **Commercial Lending has been the engine of growth in Corporate Banking Investment.**
- **Foreign Trade revenues were the lever for the growth in recurring fees** in a very complex and volatile year in international markets (Algeria, Egypt, Ukraine, China).
- In the **Treasury Management** area, we highlight the increase in the income from hedging commodities that has increased by 3 compared to 2021, helping our customers to have their costs controlled at times of high market volatility.

€2,779 m
new concession in the sector (Hotels & Tourism segment)
2,525 in 2021

Continuous promotion of collaboration with Fundación "la Caixa" programmes, as part of the **corporate responsibility of companies.**

INCLUDING
Jobs for people in vulnerable circumstances
723
companies contacted and derived from Incorpora

GAVI
Programme for child vaccination
2,919 companies
already participating in the programme

_Corporate & Institutional Banking

Corporate customers with a turnover of over **€500m**, financial sponsors, institutions and international clients.

The CIB & International Banking service integrates three business areas - Corporate Banking, Institutional Banking and International Banking - as well as several specialised product areas such as Capital Markets, Project Finance, Asset Finance, Treasury, M&A and Sustainable Finance & ESG Advisory.[1]

Corporate Banking manages the relationship with national and international corporate clients with the objective of becoming their financial institution of reference. Segmented by business sector and with a presence in Madrid, Barcelona and Bilbao, it manages more than 750 commercial groups with a differentiated offer of structured financing products, Capital Markets and Advisory and more day-to-day operations (Working Capital, Trade Finance). It also works with international and domestic multilateral entities (Group BEI[2], IFC[3] and ICO[4]).

International Banking offers support to branch, CIB and Corporate Banking customers operating abroad and to large local corporates through its 27 international points of presence and more than 200 representatives.

Institutional Banking serves public and private sector institutions with a value proposition that combines high specialisation, proximity to customers and a comprehensive set of financial services and solutions tailored to their needs through 13 centres and more than 110 representatives.

> MILESTONES 2022

> We continue to see a sharp increase in the ***Structured Trade Finance*** activity, together with the international offices: credit investment through hedging transactions (Export Credit Agencies, ECAs, and Private Insurance) has increased by 40% compared to 2021, exceeding €2,400 million.

> Strong growth in **International Branches**, with an increase of 79% in turnover, focused on CIB customers, which confirms the high expectations that were incorporated in the figures of the 2022-2024 Strategic Plan.

> **Conversion of the Representative Office in Milan to an International Branch** in January 2023, also dedicated to clients in the CIB segment.

> Despite the complex and volatile environment of 2022, we have remained active in **public sector investment** by tailoring operations to different maturities according to customer needs. We also highlight the specific lines addressed to the Third Sector, designed as tailor-made financial solutions to guarantee liquidity to NGOs and other active associations in refugee management.

> **Support for the digitalisation of Public Administrations**, including:

- the implementation of payments through Bizum
- the digital signature of certificates of title and balances; and
- the new SEPA Request to pay scheme (SRTP).

> Caixabank is the leading bookrunner of **Syndicated Loans** in the Spanish market, according to the rankings published by the specialised agencies.

> We support **financial solutions in refugee management.**

[1] *Energy & TMT (Technology, Media and Telecom), Construction and Infrastructure and Real Estate, Industries and FIG (Financial Institutions Groups).*
[2] *European Investment Bank.*
[3] *International Finance Corporation.*
[4] *Official Credit Institute.*

> The CIB teams have also participated in the **formalisation of the first green syndicated loan backed by CESCE in Spain,** for €500 million, acting as Agent Bank.

> In Commercial Real Estate, our teams continued to finance the most important projects in the market, with €1,650 million in new investment and 38 operations, consolidating our leadership position in Spain.

> MAIN INDICATORS

€89,612 m

→ in investment
€81,033 m in 2021

€16,138 m

→ Sustainable financing CIB&IB
€10,986 m in 2021

↗ See more details in the Sustainable Business section.

€2,138 m

→ Investment in asset finance
+67% with respect to 2021

1,716

→ Agreements with correspondent banks. Support to our international correspondent banks to finance foreign trade activities for CaixaBank customers.
1,660 in 2021

> INTERNATIONAL PRESENCE

17 Representation offices

→ Beijing, Shanghai, Hong Kong, Singapore, New Delhi, Sydney, Dubai, Istanbul, Cairo, Algiers, Johannesburg, Toronto, New York, Bogota, Lima, Sao Paulo, Santiago de Chile.

7 International branches (9 branches)

→ Warsaw, Morocco (3 branches: Casablanca - Tangier - Agadir), Milan, London, Frankfurt, Paris, Porto.

2 *Spanish Desks*

→ in Vienna and Mexico City.

_Creation of specialised value proposals

AgroBank

AgroBank's services are aimed at **all the customers in the agri-food sector,** covering the entire value chain, i.e., production, processing and marketing.

510,429 Customers
→ 503,562 in 2021

€29,479 m
→ of new financing production for customers in the segment
€17,391 M in 2021

1,152 Branches
→ specialised in the agri-food sector

1,501 Rural branches
→ in municipalities with under 10,000 inhabitants

AGROBANK'S PROPOSAL IS BASED ON 4 AREAS

01. The most complete range of products more complete.

02. Specialised branches and teams

03. Activities to boost the sector.

04. Digital innovation and transformation of the sector.

The search for the **best customer experience** has led to a higher level of specialisation and personalisation,

and, as a result, the creation of specialised businesses / centres where expert managers offer the specific and customised financial advice services aimed squarely at the needs of customers.

> MILESTONES 2022

- **AgroBank *Tech*, the** agro-innovation and digitalisation ecosystem, was created and the first initiative**, AgroBank *Tech Digital INNovation*,** an acceleration programme for start-ups**, was** launched to offer the sector the best technological solutions.
- New collaboration agreement with the **Ministry of Agriculture, Fisheries and Food,** focusing the strategy on digitalisation, the improvement of sectorial training, and on the incorporation of women and generational change to improve the competitiveness of the sector.
- **Partnership with the *European Innovation Council* (EIC).**5 startups selected to develop POCs and analyse **new distribution and financing models** in order to bring the best digital solutions to our clients.
- **AgroBank Diversity Programme** to encourage women in rural areas:
  - New **AgroBank Chair "Women, Business and the Rural World"**, created together with the University of Castilla La Mancha.
  - **Presentation of the report *ClosinGap***, which quantifies the opportunity cost of the rural gap.
  - Collaboration agreement between **FADEMUR and Micro-** MicroBank, to facilitate the financing of business projects through microcredits to promote equal opportunities and entrepreneurship in rural areas.
- Presentation of two new **studies on the agri-food sector** by CaixaBank Research, where we have discussed topics such as:
  - The outbreak of the Ukrainian war and the challenge of inflation.
  - Modernisation of irrigation and efficient water management.
  - Dependence on international agricultural commodity markets.
  - Olive oil and citrus fruits, two leading sectors in Spain.
- **XV edition of the Entrepreneurs XXI Awards** where, from the vertical Seed XXI, we reward the best Start Up that helps to meet the challenges of the sector.
- Creation of the **Digital Agro Kit** to take advantage of the **NGEU** fund and help digitalise the sector.
- Launch of **Agro solar panels** with a turnkey photovoltaic solution adapted to the agricultural and rural world.
- **Cátedra AgroBank,** in collaboration with the University of Lleida, has promoted the transmission of scientific and technical knowledge of the sector through conferences and awards.
- The relationship with **CaixaBank Dualiza** is strengthened with the aim of uniting training and agriculture, and preparing future professionals in the sector through vocational training.
- Holding of **numerous events** attracting more than 2,000 customers, including:

↗ See section on Society - Dualiza.

  - **4 AgroBank Seminars** dealing with relevant topics such as the circular economy, innovation and digital transformation of the sector, or the key elements of sustainability.
  - 2 presentations from the study ***ClosinGap***: The gender gap in rural areas.
- Presence at the leading industry fairs, which brought together more than 500,000 visitors, companies and professionals from the agricultural and fishing sectors.
- Call for applications for the **Social Action in the Rural Sphere** line of the "La Caixa" Foundation to promote projects aimed at improving living conditions and generating opportunities for families, children and adolescents, women, the elderly and people at risk of social exclusion.

dayone

"*DayOne* is a new concept of specialised banking to support the entire **innovation ecosystem**, including technology-based companies (start-ups, scale-ups...), investors and ecosystem agents, with activity in Spain and with high growth potential.

The Entity has 6 physical spaces that function as hubs for the meeting of talent and capital, in Barcelona, Madrid, Valencia, Bilbao, Malaga and Zaragoza. The hubs serve as meeting points between founders of technology companies, partners helping them to grow their business, and investors interested in innovative companies with growth potential.

We have teams specialising in asset and tax management, investment banking, M&A and fundraising, and other top-down value proposals for our customers.

In addition to offering a specialised line of products and services for these customers, CaixaBank makes its network of contacts available to them in order to boost and promote the innovation economy through all its agents.

Meanwhile, *DayOne* has designed and is promoting a programme of networking initiatives tailored to entrepreneurs and investors.

> MILESTONES 2022

- Consolidation as a financial partner of the innovation economy, with a fourfold increase in clients since 2017.
- Opening of 3 new DayOne business centres to increase capillarity and provide coverage to the entire territory.
- Boosting the financing of companies in the *DayOne* ecosystem.

Emprende XXI Awards

Since its inception in 2007, the initiative has invested **€6.7 m** in cash prizes and actions to support entrepreneurs, benefiting a total of **430 companies.**

On 15 December, the call phase for the 16th edition of the PEXXI closed, where 1,135 companies were presented, a record of participation (+48% compared to 2021). This initiative promoted by *DayOne* seeks to identify, recognise and guide newly created innovative companies with great growth potential. These awards are co-managed with the Ministry of Industry, Trade and Tourism in Spain and with BPI in Portugal.

> EDITION 2022

1,135
Participating businesses in Spain and Portugal
763 in 2021

€0.8 m
In prizes (cash, international training and visibility)
€0.8 million in 2021

The awards have the backing of the Israeli Embassy in Spain and Portugal's ANI, which have both given a second award for innovation. In 2022, an additional 2 accessits were granted:- **for the best *Deeptech* solution and for the project with the highest Social Impact.**

Banking XXI. The digital and technological transformation of the financial sector: Innovative solutions that provide value to the range of products and services in the financial sector (banking and insurance).

Ciudad XXI. More sustainable, secure, connected and adapted cities: Aimed at companies that propose solutions to make the cities and towns we live in more sustainable, secure, connected and with adapted mobility.

Planeta XXI. Environmental sustainability, a better planet for new generations: This challenge seeks innovative proposals that help find the best solution for a lifestyle that is kinder to natural resources.

***Silver* XXI**. Ensure active ageing and a long and healthy life through technology: This challenge is aimed at sectors such as agetech, life sciences, e-health, reduced mobility, senior tourism, sport, fitness, etc. In short, the aim is to innovate in everything that helps to improve the health of citizens through technology.

Semilla XXI. Digital transformation and innovation in the agri-food sector: Technological solutions related to the agri-food industry to establish more efficient, effective, sustainable and healthy production.

Vive XXI. Digitisation, new business models and reactivation of the hotel, catering, tourism and leisure sectors: Solutions that help revitalise the sector, as well as new and innovative business models and solutions that help to digitise it.

On the *DayOne* observatory with IESE, the **4th report** corresponding to the data from the 15th edition of the PEXXI was published in **June 2022**.

01.

DayOne has created a virtual community of entrepreneurs. ***DayOne Alumni XXI*** was created in an effort to help start-ups in their development by having the winners of the Awards exchange knowledge, ideas and experiences. It also aims to promote business opportunities and access to investment.

02.

In addition, *DayOne* organises the ***Emprende XXI Investors Day*** with the aim of putting the award winners in contact with the investor ecosystem.

03.

In collaboration with the IESE Innovation and Entrepreneurship Centre, the *DayOne* Iberian Startups **Observatory** aims to generate information and research on the start-up sector in Spain and Portugal. The 4th report for the 15th edition was published in June 2022.

https://dayonecaixabank.es/wp-content/uploads/2022/06/Informe-Estudio-PremiosEmprendeXXI-2022.pdf

HolaBank

HolaBank is CaixaBank's specialised programme **aimed at international customers** who spend long periods of time in Spain or who want to settle here.

HolaBank's value proposition **consists of accompanying the international customer from their arrival in Spain and throughout their stay,** offering comprehensive financial services that respond to their needs and make their day-to-day life as easy as possible.

HolaBank has a wide network of more than **260 specialised branches** located in the main tourist areas and xxx managers specialised in international customers.

> MILESTONES 2022

Digitisation of 100% of the registration processes of non-resident non-customers and mortgage applications, which has enabled new customers to start their relationship with CaixaBank from their country.

+200 Branches
HolaBank

24/7 Online banking
In more than 20 languages

Telephone service
Specialised in English

€4,469 m
HolaBank customer mortgage portfolio

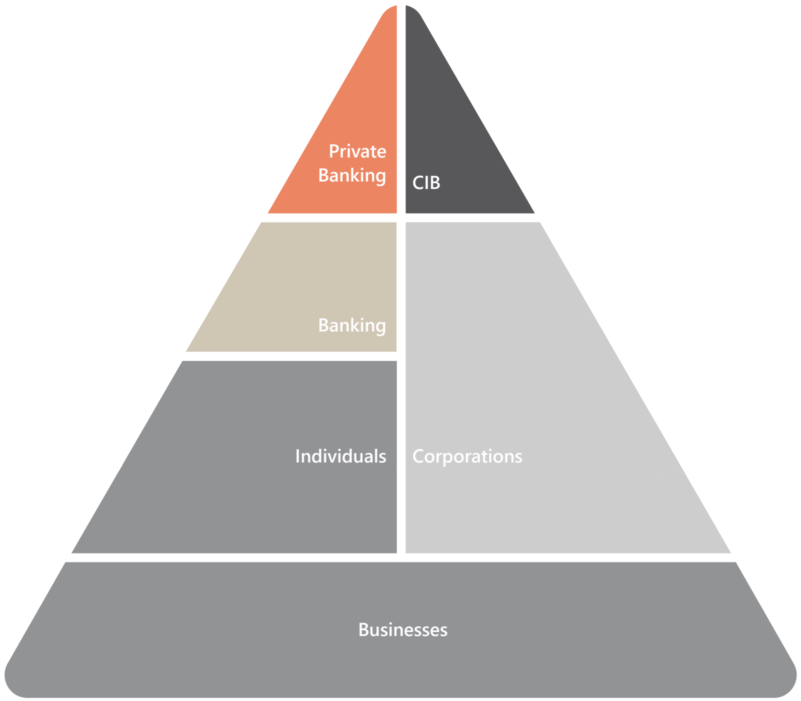
The HolaBank Account includes a package of financial services specifically designed for **the international customer, as well as access to the HolaBank Club,** which includes a range of free benefits and services, **exclusive to account holders.**

BPI

BPI is a financial institution focused on commercial banking in Portugal, where it is the fourth-largest financial institution in terms of business volume.

BPI offers a complete range of financial products and services, adapted to the specific needs of every sector through a specialised, omnichannel and fully integrated distribution network. BPI's product offerings are complemented by solutions from various CaixaBank companies: Investment and savings products from BPI Gestión de Activos, Seguros de vida y Financieros de BPI Vida e Pensões, Tarjetas de CaixaBank Payments & Consumer and with the distribution of Allianz Portugal's non-life insurance and Cosec's credit insurance.

Segmentation is key to better meeting customer needs. For this reason, BPI has the following value proposals:



Private banking, business, premier and Intouch

This area is responsible for commercial actions with individual customers, entrepreneurs and businesses through a multi-channel distribution network. It has specialised proposals to meet the needs of each customer group:

- the **Premier** segment focuses on serving customers with a high net worth,
- **Intouch Centres** offer customers a manager accessible by phone or digital channels,
- the ***AGE Center*** offers remote service to young customers,
- the Connect Centre offers remote customer service with low customer loyalty.

Corporate banking

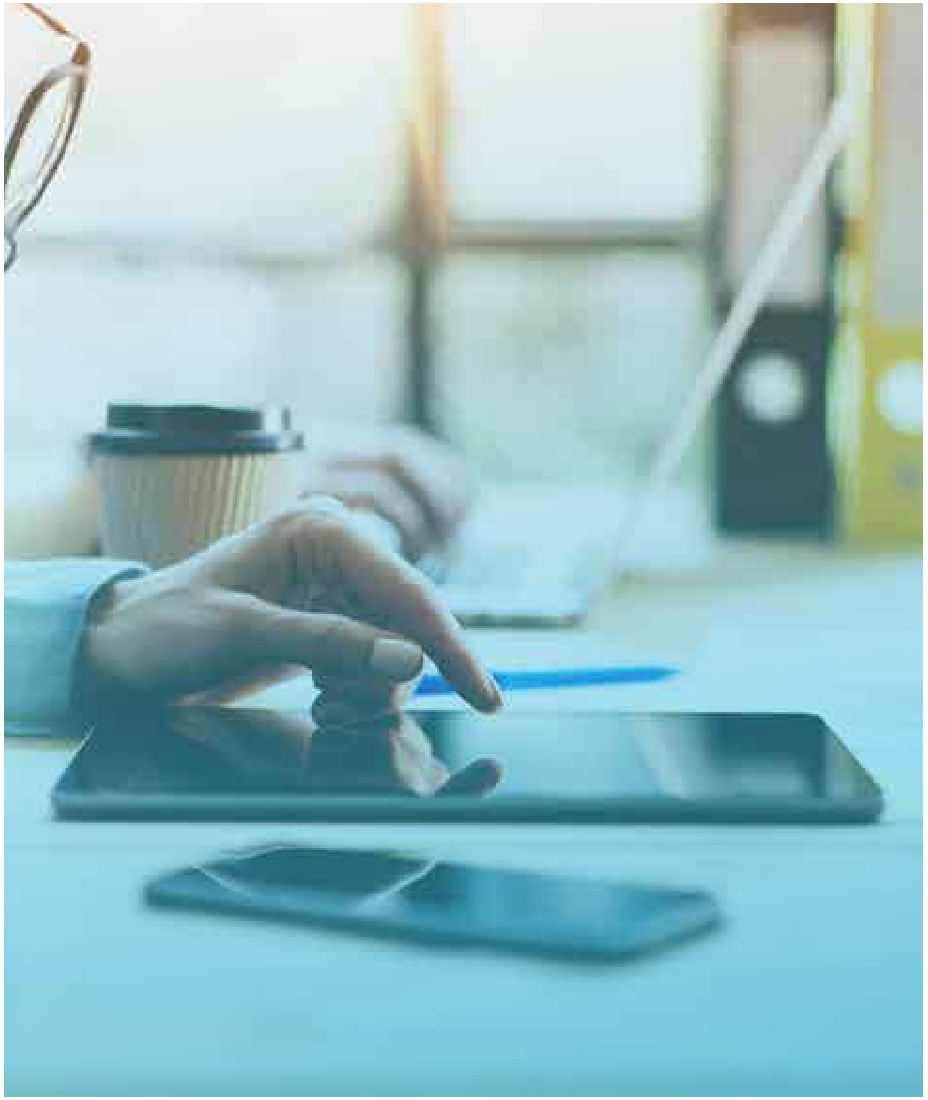
This offers a close relationship with companies.

CIB

This is the segment responsible for responding to the needs of large national and international business groups.

Private Banking

Private customers with high net worth.



> MAIN INDICATORS

1.9 m
Of customers
€1.8 million in 2021

38,795 m
total assets
€41,308 m in 2021

4,387
Employees
4,462 in 2021

€29,094 m
gross loans and advances to customers
€27,507 m compared to 2021

324
Branches
348 in 2021

€35,654 m
total customer funds
€35,677 m compared to 2021

> ACKNOWLEDGEMENTS

- Best Bank in Portugal
- Best Bank in Portugal
- Best Private Bank in Portugal
- Best Industry Reputation
- Brand of Excellence
- Mark of trust

> MILESTONES 2022

- Adaptation and innovation in products and services for each customer segment, **reinforcing efficiency and internal control processes**:
  - **AENOR certifications for quality** in Business Banking, for the Anti-Bribery Management System and for the Criminal Compliance Management System.
  - **Customer Service Centres**, with the improvement of the relationship between customers, business areas and support in the handling of operational matters.
  - **New Connect *Centre*** for customers with low commercial potential and involvement.
- BPI becomes the first bank **with a branch in the metaverse (100% virtual).**
- **Promoting digitisation and improving customer experience.**
  - New **online mortgage loan calculator** and extension of the **insurance** offer in digital channels.
  - ***Net* empresas**: technological evolution with improvements in the contracting and credit consultation processes.
  - KYC processes and updating of information on digital channels of individuals.
  - Immediate replacement and cancellation of credit cards.
  - Advanced contact centre for automated customer care at BPI Direto.
  - Creation of **2 *Excellence Centres*** - for Artificial Intelligence and Innovation.

> NEW PRODUCTS / SERVICES

- ***AGE*** - new accounts with associated products and app aimed at young people up to 25 years old.
- New BPI&Go and Enjoy cards, Apple Pay service (Visa cards for individuals).
- Reinforcement of business lines: BPI/EIF EGF, to support production, tourism and the fishing sector.
- **New Negócio+ Value Account.**
- TPA with automatic currency conversion.
- New structured products and Guaranteed Yield.
- **New BPI Broker App** revolutionises online access to the stock market and received the "Best Mobile Initiative" award at the Banking Tech Awards.

BPI in the metaverse
First bank with a 100% immersive virtual branch

with simulators and information for retail, private, corporate, AGE **and sustainability information.**

> ACKNOWLEDGEMENTS

Online Banking

Home and Banking Credit

Prestige Products

Best fixed-rate credit

_Distribution model

CaixaBank has **an omnichannel distribution platform.**

In recent years, the increased scale in Spain and the high level of digitalisation of customers has led CaixaBank to transform its distribution platform, rebalancing and specialising it to:

01. Offers the best service and experience to each profile.

02. Intensifies contact and accessibility.

03. Generates all possible value opportunities.

04. Continues to promote operational efficiency in addition to commercial efficiency.

05. Development of digital and remote channels.

The growth of digital channels, **especially the mobile channel,**

is one of the main changes in the financial sector in recent years, yet the key importance of branches remains.

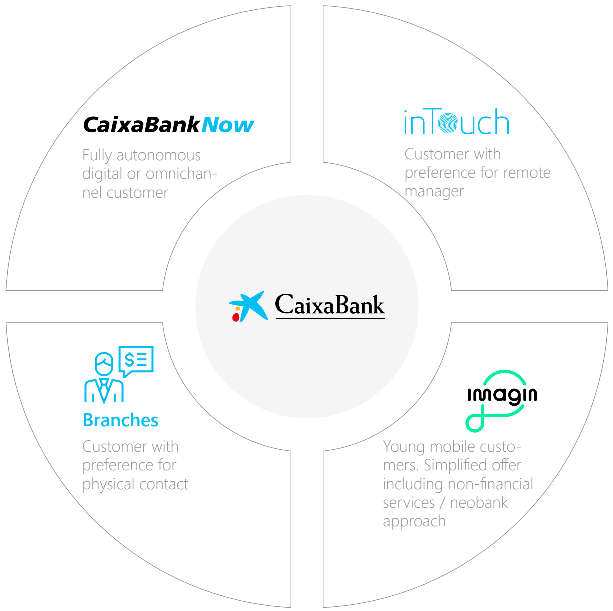
imagin inTouch

Efficient models with high **scalability and digitalisation.**

Face-to-face networks continue to serve high-value customers and transactions.

The last decade has been an intense period **of optimisation of the distribution network for CaixaBank,**

reducing the number of branches and increasing their efficiency, continuing a commitment to specialisation while developing digital and remote channels.



_Branch network

_Resizing the network

In 2022, CaixaBank completed the merger with Bankia, which began in 2021, eliminating the duplication of distribution networks by overlapping, resulting in the consolidation of more than 1,500 branches throughout Spain. After this process, CaixaBank's network of physical branches will continue to be the largest in Spain, with 3,818 retail branches, and it will also feature the largest network of ATMs, which can be used to carry out up to 250 different transactions.

> CaixaBank has stated its **commitment to maintain the service in all the towns and villages** it is currently present.

_Physical network

> # OF BRANCHES

4,081 Spain — 4,966 in 2021

324 Portugal — 348 in 2021

> # OF ATMS

11,608 Spain — 11,672 in 2021

1,339 Portugal — 1,418 in 2021

Network in Spain

- 3,818 Retail
- 160 Business Banking
- 88 Private Banking
- 14 Institutional Banking
- 1 Corporate Banking

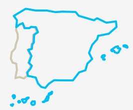
Network in Portugal

- 278 Retail
- 29 Business Banking
- 17 Banking / Private

> PRESENCE IN TOWNS WITH MORE THAN 5,000 INHABITANTS (DEC-22)

99% Spain

61% Portugal



Participation at more than **2,200 municipalities** the only entity in 471.

> CREATION OF SPECIALISED CENTRES

_Branches and managers specialising in Spain

dayone | CaixaBank Hotels & Tourism | CaixaBank Empresas | CaixaBank Real Estate & Homes | CaixaBank CIB & International Banking | AgroBank

HolaBank | CaixaBank Banca Privada | CaixaBank Wealth | CaixaBank Banca Premier | CaixaBank Negocios

_Urban model

CaixaBank has continued to roll out the **Store urban branch model** in 2022, with 705 branches in 2022.

These branches, with which the bank hopes to offer an improved customer experience, are larger than conventional branches, they are open non-stop from morning until afternoon, and they feature a team of specialist advisers and more commercial and technological services. The goal is to have 800 in 2023.

CaixaBank also offers All in One customer service centres in Barcelona, Valencia, Madrid, Ibiza and Burgos. These flagship branches, in addition to financial advice, also offer customers coworking spaces and host training sessions and other events.

_Rural model

CaixaBank has **1,501 rural branches** in towns with less than 10,000 inhabitants and is the only bank with a presence in 471 municipalities.

CaixaBank also has special initiatives to reinforce service in rural areas, such as mobile branches (*ofibuses*), which serve more than 300,000 people in 626 towns (having increased coverage by 45% compared to 2022).

Each mobile branch has different daily routes and, depending on the demand, visits the locations where it provides service once or several times a month. In addition to preventing the financial exclusion of rural areas, this service preserves the direct relationship with the customers who reside in these locations and upholds the Company's commitment to the agricultural and livestock sectors.

Mobile branches are essential to CaixaBank's strategy **to prevent the financial exclusion of rural areas.**

_ ATM *Now Project*

CaixaBank continues to roll out its **new ATM technology platform**, *ATMNow*, designed to completely transform the user experience and incorporate services and functionalities. This deployment will end in February 2023.

The new platform has been created to offer the same operations and feel at ATMs as in *CaixaBankNow*, the online banking channel accessible via website and mobile. *ATMNow* is a complete adaptation of CaixaBank's digital banking user experience and service quality to the ATM environment.

Moreover, *ATMNow* provides CaixaBank ATMs with new services and features that make for a smoother and more intuitive interaction. These include improvements to cash withdrawals, which have been simplified to just two steps, as well as improvements in accessibility, such as the incorporation of transfers to the CaixaFácil menu.

Also noteworthy is the incorporation of menu customisation technology for other operations so that each user has, on the first screen, direct access to their usual operations. This personalisation is done by default when the user starts using the ATM, without the need for special settings.

The *ATMNow* project has been designed with new agile and design thinking methodologies. The process relied on the opinion and involvement of customers of different ages and profiles, as well as on groups of bank employees.

ATMs market leader with more than **200 features.**

ATMs and the digital channel **absorb 99%** of **transactions**.

Remote relationship models are a complement that leads to **better customer experience and greater efficiency.**

Customer with a digital profile, with little use of office space and little time available.

inTouch

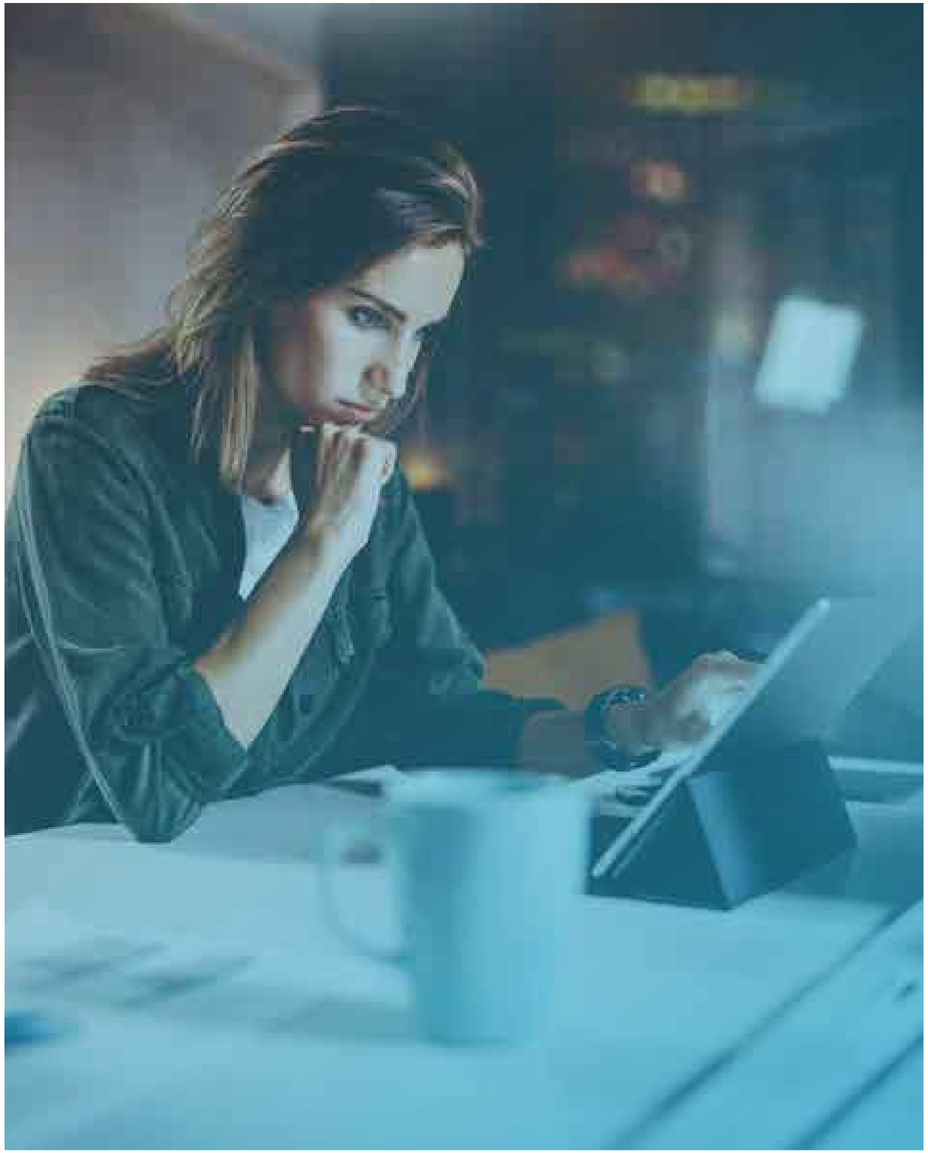
Due to its characteristics, this service is especially suitable for customers who interface with the Company primarily through digital channels. This way, they can count on the help of an expert adviser to answer their questions through the communication channel of their choice.

The customer has a manager to whom to send enquiries, with a commitment to reply within 24 hours. In addition to answering any questions, the customer can also receive specialised product advice and, if they wish, complete the digital contract process.

InTouch has a team of more than **1,944 managers, 26 centres** present in all the autonomous communities, and **3.4 million customers** (Private, Premier and Business).

3.4 m
Customers using inTouch
2.4 m in 2021

1,944
inTouch Managers



_Development of the best digital offer

CaixaBankNow

CaixaBankNow brings all the Bank's **digital services** together in one place.

> # OF DIGITAL CUSTOMERS

11.2 m Spain
11 m in 2021

0.9 m Portugal
0.8 m in 2021

"Leader in digital channels".

> DETAILS OF DIGITAL CUSTOMERS

- 32% 100% digital
- 68% Omnichannel

- 3% Website
- 32% Mobile + Web
- 65% Website

4.6 m of customers connect daily
3.0 m in 2021

2.1 m Customers Top Heavy Users[1]
in Spain

Best Digital Bank for Private Banking in Spain 2021, Global Finance.

Best retail banking mobile app in Western Europe by Global Finance for the third year in a row.

CaixaBank awarded World's Best Bank Transformation 2021 by Euromoney.

Global Innovator 2021 EFMA-Accenture.

> THE CRITICAL MOBILE CHANNEL

Now Mobile is an app with customisation and artificial intelligence that allows transactions to be initiated from a mobile phone.

1.9 m of purchases made with mobile phones
1.2 m in 2021

4.9 m cards downloaded from mobile phones
€3.8 m in 2021

> MARKETING THROUGH DIGITAL CHANNELS

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

% of sales in digital channels

26.7% Pension plans

17% Investment funds and portfolios

14.7% Cards

> BPI NET

55.3% digital customers
51.1 in 2021

400 thousand Regular Digital Banking users

670 thousand Regular users of the BPI App

In 2022, further developments were made in digital channels to improve the customer experience and efficiency for both private and business customers.

[1] Customers with more than 130 days with connection to digital channels for 6 months.

imagin

Imagin, **the digital services and lifestyle platform** promoted by CaixaBank, grew by 36% in new users and consolidated its leadership among the top neobanks and fintechs, **with an active user share of 31%.**

In addition to growing in new users, **imagin has also managed to enhance the loyalty of those who were already *imaginers*** and maintain the sector's highest scores in the Apple and Android stores.

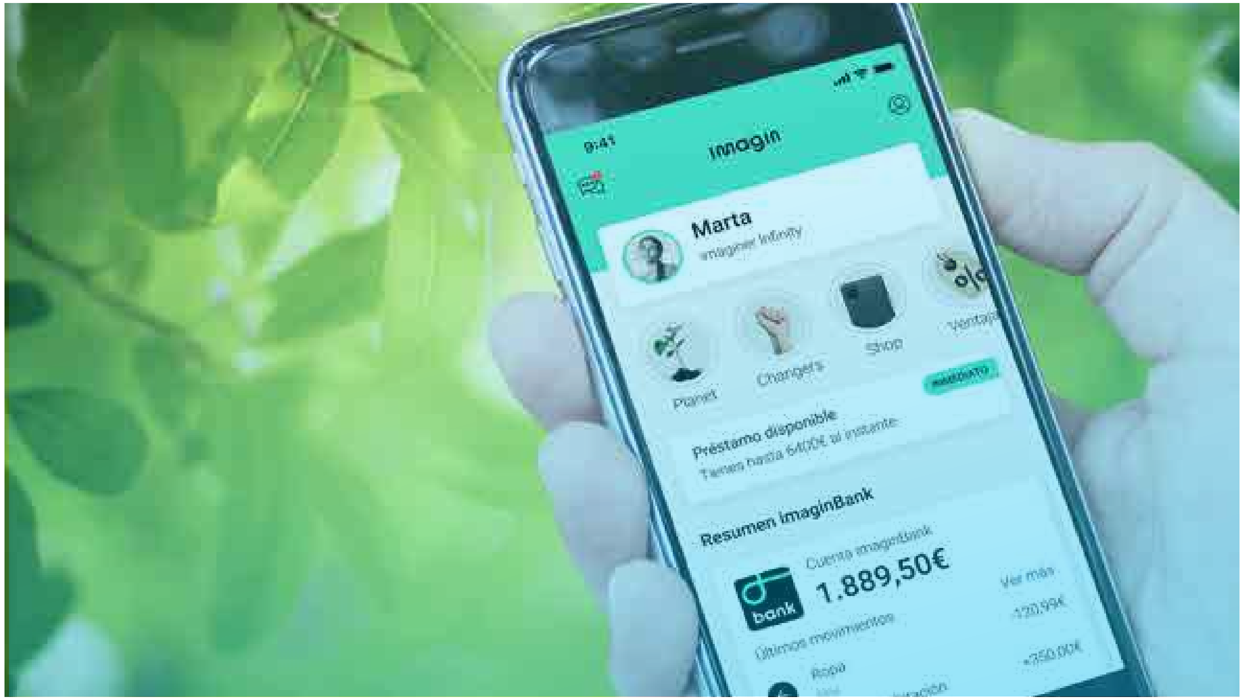
4.2 m → Users

> **Imagin,** a lifestyle community of **100% digital customers**.

60 % → of imagin users log into the app more than 3 times a week

42 m → accesses to the application

7 m → monthly Bizum transactions through imagin



_Three unique value propositions depending on age

imaginKids (0 to 11 years old)

With a focus on financial education through games and designed for parents to decide when and how it is used. It offers all its content free of charge, even if the family is not a CaixaBank customer.

imaginTeens (for adolescents between 12 and 17 years old)

Introduction to managing personal finance and first cards with a free tool for managing allowances and a pre-paid card with parental control so parents can have full knowledge and control of their transactions.

imagin (from 18 years of age)

Digital platform that includes financial and non-financial services, such as digital content and experiences. Part of this offer is available to any user registered on the platform, regardless of their level of banking.

_Consolidation of the value proposition for the imaginers community

In 2022, imagin's value proposition established the brand as a **leading player in digital neobanks** by constantly improving its portfolio of products and services in order to keep covering the entire life cycle of our customers. In this line, the positioning of a 100% digital proposal without commissions has been strengthened, boosting a strategy to capture new customers digitally, growing 36% in the volume of users compared to 2021.

At imagin, we develop and make available to our users a range of digital products that satisfy their main savings and financing needs, which we communicate in a personalised manner through segmented digital campaigns and fully automated customer journeys.

Among its financial products, new products such as mortgages, insurance and mutual funds were launched in 2022, enabling imagin to diversify the age of its customers and broaden its value proposition.

Rounding out imagin's value proposition is the eCommerce shop Wivai, which has continuously expanded its portfolio of technology products this year, including medium and medium-low range items at a competitive price, in keeping with our imagin target audience. Finally, the current partner offering has been complemented with exclusive agreements for imagin customers with new partners committed to sustainability.

Empresa B Certificada

IMAGIN, CERTIFIED B CORP FOR ITS POSITIVE IMPACT ON THE ENVIRONMENT AND SOCIETY

Imagin was B Corp certified in 2020, guaranteeing the company's compliance with the highest standards of social and environmental performance, public transparency and corporate social responsibility

_Our commitment to Sustainability

imaginPlanet encompasses the positive environmental and social sustainability initiatives of imagin and its community, promoting actions that care for the planet and for people, always linked to community actions. These include:

Reforestation of devastated areas: 300,000 trees planted, offsetting more than 400 tonnes of CO2.

300,000 trees
→ planted.

Imagin *Seabins*: installation in nine Spanish ports of an innovative marine device that contributes to the cleaning of seas and oceans by capturing plastics, floating debris and microfibres. Each Seabin is able to collect between 1-1.4 tonnes of plastic every year. In 2022, 3 tonnes of plastics were collected through this device.

21 tonnes
→ of plastics collected from the sea with *seabins*.

Imagin *Planet Challenge:* the 2nd edition of the sustainability entrepreneurship programme took place in 2022, where young university students develop their business ideas, with more than 1,700 participants, more than 500 teams and a winning project, ATOM, which was created with the aim of making the energy sector more sustainable through the generation and accumulation of green hydrogen.

1,700 participants
→ More than 500 teams.

The first **ImaginMetahack** took place in 2022, a new challenge in which 20 teams competed to create video games on the PlayStation platform "Dreams" with a focus on solving sustainability challenges.

_Open innovation model

ImaginLand: imagin's space in the metaverse

In 2022 Imagin opened ImaginLand, which simulates ImaginCafé's space in the metaverse. With the creation of ImaginLAND, **Imagin becomes the first European fintech with an active presence in the virtual world.**

Through this project, ImaginCafé continues to evolve and cross the boundaries of the physical. A place to promote initiatives related to technology and creative industries, the space will use the metaverse to allow users to enjoy experiences in an immersive way from anywhere.

imagin academy

Launch of ImaginAcademy, a new digital content programme to promote knowledge of finance and economic management among young people.

_Product design

The correct design of financial products and services, including financial instruments and banking and insurance products and services, and their proper marketing are a priority. The application of regulations governing different products and services: (i) financial instruments (Markets in Financial Instruments Directive - MiFID); (ii) banking products and services (European Banking Authority Guidelines on product oversight and governance arrangements for retail banking products); and (iii) insurance products (the Insurance Distribution Directive-IDD).

The **Product Governance Policy**, approved by the CaixaBank Board of Directors, and updated in July 2020, establishes the principles for approving the design and marketing of new products and services, and for monitoring the product's life cycle, based on the following premises:

- To meet the needs of customers or potential customers in a flexible manner.
- To strengthen customer protection.
- To minimise legal and reputational risks arising from the incorrect design and marketing of products and services.
- To ensure all relevant areas are involved in the approval and monitoring of products and services, and senior management is engaged in defining and supervising the Policy.

The Policy applies to all companies controlled by the Group that produce or distribute banking, financial or insurance products.

The members of the **CaixaBank, S.A. Product Committee** are drawn from the control, support and business divisions to ensure it has sufficient specialised knowledge to understand and oversee products, their associated risks, and regulations on transparency and customer protection.

In addition, the Product Committees of BPI, CaixaBank Wealth Management Luxembourg and CaixaBank Payments&Consumer analysed 51, 14 and 86 products, respectively.

45 sessions
Held by the product committee[1]
41 in 2021

234 products
Products / services analysed
224 in 2021

2 products
Products / services initially rejected
6 in 2021

[1] 23ordinary sessions and 18 written agreements without a session.

_Sustainable business

_Mobilising sustainable finance

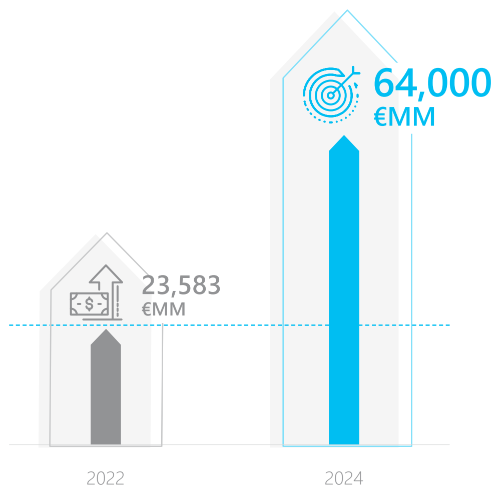
CaixaBank **is committed to sustainability through the design and marketing of products that integrate environmental, social and governance criteria** and promote environmentally sustainable activities that contribute to the transition to a low-carbon economy.

The third strategic line of the 2022-2024 Strategic Plan aims to consolidate CaixaBank as a benchmark in sustainability in Europe. To achieve this, one of the initiatives is to promote and offer sustainable solutions in financing and investments. CaixaBank has set a target of mobilising €64 billion[1] of sustainable production over the period 2022-2024 for its business in Spain.

€64,000 m
→ Obj. 2024

€23,583 m
→ Mobilised in 2022

€20,633 m	€2,950 m
→ Sustainable financing	→ Sustainable intermediation



[1] The amount of sustainable finance mobilisation includes: i) Sustainable mortgage financing (A "or" B "energy efficiency certificate), financing for energy renovation of homes, financing of hybrid/electric vehicles, financing of photovoltaic panels, eco-financing and microloans granted by MicroBank; Sustainable financing for Companies, Developers and CIB&IB The amount considered for the purpose of the transfer of sustainable financing is the risk limit formalised in sustainable financing operations for customers, including long-term, working capital and risk of signing. Tacit or explicit novations and renewals of sustainable financing are also considered; ii) CaixaBank's proportional share of its customers'issuance and placement of sustainable bonds (green, social or mixed); iii) Net increase in Assets under management at CaixaBank Asset Management in products classified under Art. 8 and 9 of the SFDR regulations (includes new funds/mergers of funds registered as Art. 8 and 9, plus net contributions - contributions less withdrawals - including the effect of the market on the valuation of holdings); Gross increase in assets under management in VidaCaixa in products classified under Art. 8 and 9 of the SFDR regulations (including gross contributions - without considering withdrawals or market effect - to Pension Funds (FFPP), Voluntary Social Welfare Schemes (EPSV) and Unit Linked classified as Art. 8 and 9 under SFDR.

_Sustainable financing

During 2022, CaixaBank promoted the financing of sustainable activities, with **a concession of €20,633 million.**

€8,074 m → Green	**€1,645 m** → Retail
€1,016 m → Social	**€2,850 m**[1] → Corporations
€11,543 m → linked to sustainability	**€16,138 m** → CIB&IB

CaixaBank has teams specialising in corporate and international banking for infrastructure, energy and sustainable financing projects, as well as in real estate, agricultural, business banking and private banking business.

REFINITIV

Refinitiv recognises CaixaBank in its league table as:

- **16th** → Global Bank - Global Top Tier Green & ESG Loans
- **3rd** → 3rd Bank in EMEA[1] - Top Tier Green & ESG Loans

Bloomberg

Bloomberg recognises CaixaBank in its League Table as:

- **3rd** → Global bank - Top Tier Green Use of Proceeds
- **1st** → Global bank - Top Tier Green Use of Proceeds

[1] *The property developer activity contributes €1,098m.*

_Green financing

Green finance has a positive environmental impact and is underpinned by eligible projects or assets, including, but not limited to, the following: renewable energies, energy efficiency, sustainable transport, waste treatment, and sustainable building. Green financing modalities include loans that comply with the Green Loan Principles (GLP) issued by the Loan Market Association (*LMA*), so-called "*Green Loans*". In this type of financing, innovative operations stand out such as the financing to Iberdrola with Cesce's Green Guarantee (the first operation with this guarantee), *Aqualia*'s syndicated loan (the largest green financing in Spain in 2022), or the lines of financing for working capital and foreign trade of *Solarpack*, who we have advised on its green financing framework.

Financing by category

- 38.0% (€3,065 m) Renewable energies[1]
- 3.9% (€311 m) Infrastructure
- 43.7% (€3,532 m) Real Estate
- 3.8% (€310 m) Transport
- 9.8% (€791 m) Other
- 0.8% (€65 m) Agricultural

> RENEWABLE ENERGIES

_Project Finance

As part of its commitment to the fight against climate change, CaixaBank supports environmentally friendly initiatives that contribute to the prevention and mitigation of climate change and the transition to a low-carbon economy, mainly through the financing of renewable energy projects. An important part of this is the financing of renewable energy projects through project finance.

Renewable energy exposure represents 82% of Project Finance's energy portfolio.

6
New projects awarded
29 in 2021

Which translates into 5,921 MW
on installed renewable power
6,350 MW in 2021

€948 m
Granted in 2022
1,706 m in 2021

80.7%
of the financing has been allocated to wind power projects

_Corporate loans

In addition to the renewable energy project finance operations, the Bank has also granted finalist corporate financing for investment in renewable energies.

€2,047 m
Granted in 2022

[1] *Includes financing operations for renewable energies - Project Finance and others.*

_Financing for photovoltaic panels.

In 2022, 70 million euros were granted in loans to individuals for the installation of photovoltaic panels.

€70 m
Granted
in 2022

> REAL ESTATE

_Green mortgages

In 2022, 880 million euros in mortgage loans have been granted to individuals on homes with an A or B energy efficiency certificate.

€880 m
Granted
in 2022

_Financing energy-efficient properties

Operations for which there is documentary evidence of an energy efficiency certificate with A or B rating are considered environmentally sustainable. CaixaBank captures information and documentation regarding the energy certificate when operations are formalised.

€1,098 m
Promotions formalised with an expected rating of A or B
in 2022

€1,098 m
Financing of Commercial Real Estate
in 2022

€456 m
Financing of Non-commercial Real State
in 2022

_ECO-FINANCING FOR THE AGRICULTURAL SECTOR

Since 2013, CaixaBank has implemented an EcoFinancing line to make more loans available for agricultural projects related to energy efficiency and water use, organic farming, renewable energy, waste management, and the development of rural areas. CaixaBank has a specialised AgroBank value proposition to adapt products to the specific needs of the agricultural sector.

See AgroBank's value creation model.

611
loan commitments given
606 in 2021

€65 m
loans granted
€56m in 2021

_Social financing

Mainly includes amounts corresponding to microloans and other impact finance granted by MicroBank.

See section Society - MicroBank

€1,016 m
granted and other financing with social

_Loans linked to sustainability factors

These are loans linked to ESG indicators where the financing conditions will vary depending on the achievement of sustainability objectives. In most operations, an external advisor assesses target setting, following the recommendation of the Sustainability Linked Loan Principles. In this area, CaixaBank has led important inaugural transactions such as those of Balearia, Tendam and Hispasat, and has continued to innovate in financing products with solutions such as Endesa's sustainable confirming of the supply chain, renamed the first circular confirming.

115 Operations
Loans granted in 2022
92 in 2021

€11,543 m
Loans granted in 2022
€10,832 m in 2021

_Incentive mechanism for the origination of sustainable operations (green and social)

CaixaBank has a Financing Framework linked to the SDGs[1] under which it issues financial instruments, such as bonds, that finance the bank's green, social and/or sustainable financing activity. To encourage the origination of green/social/sustainable transactions by the Bank's business teams, the Bank has an internal incentive mechanism in place to promote sustainable financing. The application of this incentive for green assets came into force in the financial year 2022 and its extension to social assets comes into force in the financial year 2023.

_Sustainable mediation

€2,950 m

€1,134 m
Participation in the placement of sustainable bonds (excluding own issues)

€1,816 m
Increase in sustainable equity under management

1 Sustainable Development Goals (SDGs) Funding Framework (caixabank.com)

_Participation in the placement of sustainable bonds

CaixaBank is a signatory of the Green Bond Principles established by the International Capital Markets Association (ICMA) since 2015. Since then, the Bank has participated in the placement of green bonds for projects with a positive impact on climate.

In 2022, the Company actively participated in the placement of 7 green bond issues for investment in environmentally sustainable assets with a total volume of €4,700m (9 for €5,536m in 2021). It also participated in the placement of 4 sustainable bond issues for €3 billion (5 issues for €5 billion euros in 2021) and in the placement of 3 sustainability-linked bonds for €2.75 billion (6 bond issues for €6.25 billion in 2021).

Of a total of 14 for €1,134 m

7 for €476 m → Green Bonds (Share amount)

4 for €475 m → Sustainable bonds (Share amount)

3 for €183 m → Sustainability LinkedBonds (SLB) (Share amount)

> GREEN BONDS

IBERDROLA — €1,500 m
Green Snr Unsec
3.125% 6 years €750 m
3.375% 10 years €750 m
ISIN XS2558916693
ISIN XS2558966953
Nov 2022

adif — €500 m
Green Snr Unsec
3.5% 7 years €500 m
ISIN ES0200002071
Oct 2022

suez — €1,700 m
Green Snr Unsec
4.625% 6 years €800 m
5.000% 10 years €900 m
ISIN FR001400DQ84
ISIN FR001400DQ92
Oct 2022

Comunidad de Madrid — €500 m
Green Snr Unsec
2.822% 7 years €500 m
ISIN ES00001010J0
Oct 2022

acciona energía — €500 m
Green Snr Unsec
1.375% 10 years €500 m
ISIN XS2436160183
Jan 2022

> SUSTAINABLE BONDS

Junta de Andalucía — €500 m
Sustainable Snr Unsec
2.40% 10 years €500 m
ISIN ES0000090896
May 2022

Telefónica — €1,000 m
Sustainable Snr Unsec
2.592% 9 years €1,000 m
ISIN XS2484587048
May 2022

Comunidad de Madrid — €1,000 m
Sustainable Snr Unsec
1.723% 10 years €1,000 m
ISIN ES00001010I2
Mar 2022

Gobierno Vasco — €500 m
Sustainable Snr Unsec
1.875% 11 years €500 m
ISIN ES0000106734
Apr 2022

> SUSTAINABLE LINKED - SLB

enel — €2,750 m
SLB
0.250% 4 years €1,250 m
0.875% 9 years €750 m
1.250% 13 years €750 m
Jan 2022

_Increase in managed sustainable assets

In 2022, assets under management classified as article 8 and 9 increased by €1,816 m.

The increase in assets under management classified as items 8 and 9 under CaixaBank Asset Management's SFDR incorporates the market effect, which was negative this year as a result of market trends.

€1,816 m of net increase in assets under management classified as Article 8 and 9 under SFDR

€450 m Net increase in Assets under management at CaixaBank Asset Management (Investment Fund)

€1,366 m Gross increase in assets under management at VidaCaixa (Pension Funds)

See section "Sustainable investment" for more information on assets under management classified as

_Mobilising sustainable finance - Business in Portugal[1]

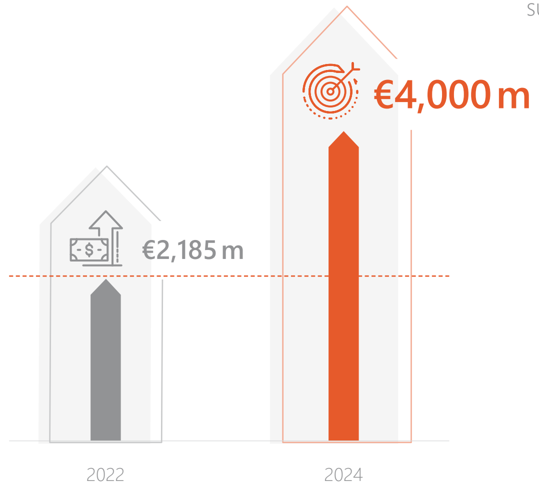
The CaixaBank Group is also committed to **mobilising sustainable finance** in its business in Portugal, through Banco BPI.

€4,000 m
→ Obj. 2024

€2,185 m
→ Mobilised in 2022

€785 m
→ Sustainable financing

€1,400 m
→ Sustainable intermediation



> SUSTAINABLE FINANCE

Aware of the importance of adopting measures to guarantee environmental sustainability in our products, Banco BPI offers different credit lines that promote energy efficiency and support various renewable energy investment projects.

Financing by category

- 46% (€361 m) Promotions with energy rating A or B
- 3% (€22 m) ESG Business Facility
- 41% (€325 m) Bond transactions
- 1% (€8 m) Other
- 9% (€69 m) IFRUF line

[1] Mobilisation of sustainable finances - Portugal business: Includes credit for both Companies (Companies + CIB + Institutions) and Individuals, as well as participation in the placement of sustainable bonds. In relation to sustainable intermediation, Articles 8 and 9 Funds and Insurance are included, under SFDR, both for liquid fundraising and transformation, as well as third party funds.

[2] Includes participation in the placement of sustainable bonds (€325 million).

_Main sustainable credit lines

_Mortgage loan with energy rating A or B.

Operations for which there is documentary evidence of an energy efficiency certificate with A or B rating are considered environmentally sustainable.

BPI captures information and documentation regarding the energy certificate when operations are formalised.

€361 m
Promotions formalised with an expected rating of A or B

BPI also has the **EIB Energy Efficiency Line**, of which BPI is the exclusive distributor in Portugal, which offers financing for energy efficiency projects on very favourable terms for beneficiaries.

€4 m
Granted in 2022

_Financing energy-efficient properties

This is a credit line for the urban rehabilitation of abandoned buildings and industrial sites, with the aim of improving energy efficiency.

€69 m
Granted in 2022

_Participation in the placement of sustainable bonds

In 2022, BIS actively participated in the placement of sustainable bond issues for investment in environmentally sustainable assets amounting to €325 million.

€325 m
Granted in 2022

_ESG Business Facility

Credit line offering a financing solution to support the sustainable transition of small and medium-sized enterprises that prioritise ESG factors in their strategy.

€22 m
Granted in 2022

>SUSTAINABLE INTERMEDIATION

_Change Socially responsible investment

In 2022, assets under management classified as items 8 and 9 have increased by €1,400 million.

€1,400 m
Increasing socially responsible investment

_Responsible Investment

In line with its **socially responsible banking model,** CaixaBank is committed to integrating sustainable criteria into its investment, understood as investment that not only offers economic returns for investors, but also promotes management that is coherent with the creation of value for society at large, pursuing a social and environmental benefit. Over the past few years and following the Ten Principles of the UN Global Compact and the United Nations Principles for Responsible Investment (PRI), ESG criteria, as well as traditional risk and financial criteria, have been considered in the process of analysing investments.

VidaCaixa and CaixaBank Asset Management successfully completed the first monitoring audit for the **Sustainable Finance Certification** under AENOR's ESG criteria.

The new regulatory framework on sustainability-related information, based on Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR), among other regulations, enhances communications involving the application of sustainability criteria in investment decision-making.The integration of sustainability factors into product management, in compliance with the corporate framework for the integration of sustainability risks defined for CaixaBank Group and with the numerous international agreements and standards in this area, have positioned us as a benchmark in sustainable investment.

The implementation of regulatory requirements derived from the European Commission's Sustainable Finance Plan has focused the efforts of VidaCaixa, CaixaBank Asset Management and CaixaBank, in turn fostering significant advances in the Group's role as an agent of change.

> **Article 8:** Financial products that promote environmental or social characteristics and/or a combination of those characteristics.

> **Article 9:** Financial products and services which have sustainable investment as their objective.

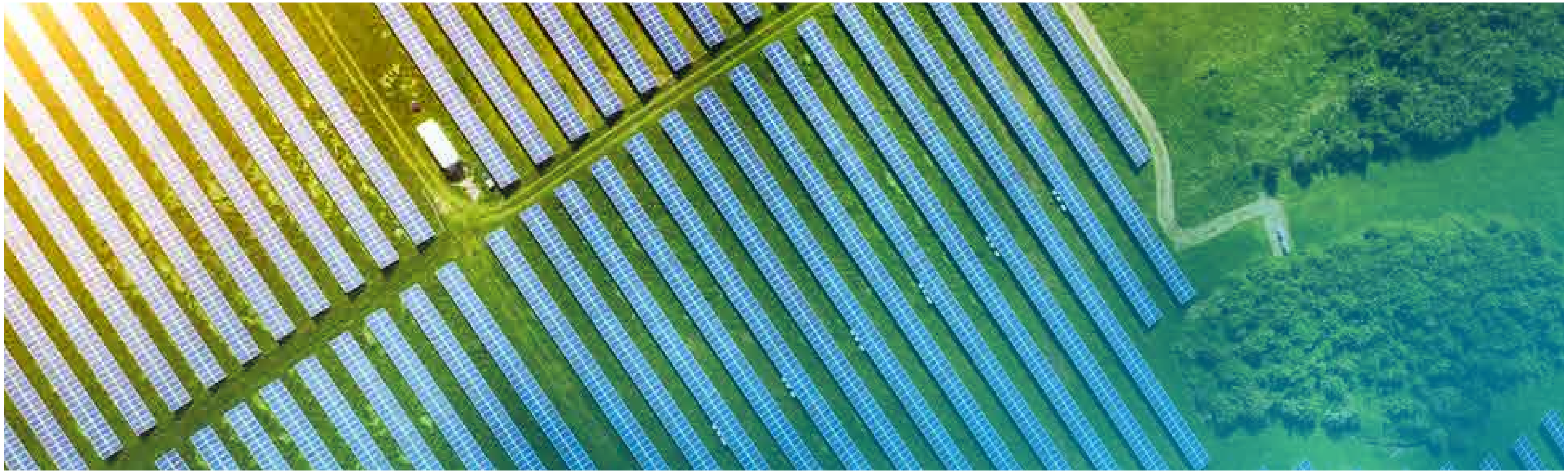
> **Article 6:** Products and services that take into account environmental, social and governance risks in investment decision-making and that are not considered under articles 8 or 9, as well as those that do not include sustainability risks.

AENOR FINANZAS SOSTENIBLES. INVERSIÓN ASG

This certification **endorses the work and efforts made** by the Group's two management companies to integrate these criteria into their investment decision-making processes, and how these processes have provided CaixaBank with the necessary levers for improvement to control and monitor its management in this area.

The pillars on which the integration of sustainability factors is based in asset management, the discretionary portfolio management and advisory services and the distribution of insurance-based investment products are:

- Alignment of strategies between Group companies, and alignment with best practices, supervisory expectations and current regulations.
- Maximum involvement of the Governing Bodies and Management of Group companies.
- Internal control framework based on the three lines of defence model that guarantees the strict segregation of functions and the existence of several layers of independent control.
- The Group will rely on information and data from suppliers specialising in ESG matters in order to establish the necessary criteria, methodologies and procedures that allow integrating the sustainability risks.
- Establishing exclusion criteria in investment processes. The Group is generally opposed to investing in companies or States that engage in reprehensible practices that contravene international treaties such as the United Nations Global Compact.
- The long-term involvement with companies in which it invests through proxy voting and open dialogue actions with the listed companies (known as engagement).
- Establishing procedures and plans, and reporting results with respect to due diligence processes in relation to adverse impacts[1], which is based on: **(i)** identifying actual or potential adverse impacts; **(ii)** taking measures to stop, prevent or mitigate these adverse impacts, **(iii)** monitoring the implementation and results of these measures; and **(iv)** reporting on how the main adverse impacts are addressed.
- Coherence of remuneration policies with the integration of sustainability risks. The general principles of the remuneration policy include guidance on promoting behaviours that "foster the generation of long-term value and the sustainability of results over time" and on ensuring remuneration is consistent with the "management of sustainability risks". The variable remuneration calculation therefore includes metrics linked to this issue, taking into account the duties and responsibilities assigned. The Company has, in this respect, developed specific sustainability targets that impact on the variable remuneration paid to Private Banking managers engaged in providing investment advice.



1 The main adverse impacts are understood as those impacts of investment and advisory decisions that can have negative effects on sustainability factors

_Statement of Main Adverse Impacts Sustainability of investment decisions on sustainability factors

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (known as the "SFDR") encourages financial market participants to provide transparency on how they take into account the Principal Adverse Sustainability Incidents (PIAS) arising from their investment decisions, advice and/or the products themselves on sustainability factors by publishing adverse events by 30 June each year.

In this regard, on 30 June 2022, CaixaBank, CaixaBank Asset Management and VidaCaixa anticipated the regulatory requirement of 2023, when it will be required to provide information on specific and quantitative indicators, publishing information on the most relevant indicators for the Group in order to promote greater market transparency, with the aim of becoming a European benchmark in sustainability in accordance with the Strategic Plan.

In 2022, the Boards of Directors of VidaCaixa[1] and CaixaBank Asset Management[2] approved their respective **Sustainability Risk Integration Policies**. The policy sets out the principles for incorporating Environmental, Social and Governance (ESG) criteria into the processes and decision-making for the provision of investment services.

CaixaBank Asset Management and VidaCaixa **are associated with the following Collaborative Dialogues:**

_VidaCaixa and CaixaBank Asset Management's adherence to the corporate principles of Human Rights, the Sustainability Action Principles and the Climate Change declaration.

> ***Global Investor Statement to Governments on the Climate Crisis* (accession in 2022):** Initiative promoted by institutional investors that urges governments to increase their climate ambition and implement solid transition policies.

> Advance (accession in 2022): Initiative launched by PRI that seeks to promote human rights and address key social challenges.

In the case of CaixaBank Asset Management and *BPI Gestão*, the assets have been associated as a "collaborating investor."

> ***Climate Action* 100+:** an initiative that promotes collective dialogue with companies in carbon intensive sectors with the aim of reducing emissions, improving climate governance and setting financial metrics on climate change.

_Launch of new products:

In 2022, new products with the highest sustainability classification according to European standards (article 9) were launched within the SI Soluciones de Impacto Range. Highlights include:

> the MicroBank SI Impacto variable income investment fund.

> the CaixaBank SI Impacto 5/30RV pension fund, PP

The SI Range is a solution with a positive and measurable impact on people and the environment, and it contributes to achieving the 17 United Nations Sustainable Development Goals.[4]

_Exclusions

> Controversial weapons.

> Key international treaties such as the UN Global Compact.

> Significant activity in:

  > Conventional weapons.

  > Thermal coal mining and thermal coal-fired power generation.

  > Bitumen sands.

  > Oil and gas exploration and production in the Arctic region.

  > Exploration, extraction, transport, refining, coking and electricity generation from oil and that do not promote the energy transition.

See Sustainability Risk Integration Policy - VidaCaixa.[1]
See Sustainability Risk Integration Policy-CaixaBank Asset Management.[2]

[1] https://www.vidacaixa.es/documents/51066/17213586/Pol%C3%ADtica+de+Integraci%C3%B3n+de+Riesgos+de+Sostenibilidad_2022_WEB.pdf/8e0c3b22-45f1-b85a-41a1-f618cfa9ffe6?t=1661945746730
[2] https://www.caixabankassetmanagement.com/sites/default/files/2022-09/Politica%20Integracion%20riesgos.CAS-1.pdf
[3] https://www.caixabank.com/es/sostenibilidad/practicas-responsables/gestion-responsable.html
[4] https://www.caixabank.es/bancaprivada/fondos-de-inversion/gama-si-soluciones.html

VidaCaixa

VidaCaixa is the insurance company that **pays out the most benefits in Spain.**

VidaCaixa, chosen as **"Best Pension Fund Manager"**, thanks to its strategy of diversification, active management and integration of environmental, social and good governance criteria.

VidaCaixa supports the **TCFD recommendations on climate risk management.**

> SPAIN[1]

€107,478 m
Customer-managed resources[5]
€106,032 million in 2021

€4,928 m
Benefits paid
€4,231 in 2021

34.0%
Market share in pension plans[8]
33.9% in 2021

€9,267 m
Premiums and contributions marketed
€10,059 m in 2021[6]

34.7%
Total market share of life insurance[4]
33.9% in 2021

> PORTUGAL[2]

€7,319 m
Customer-managed resources
€7,978 million in 2021

12.5%
Market share of life insurance[7]
12.3% in 2021

> SPAIN + PORTUGAL

- **5.0 m** Individual customers
  4.6 million in 2021
- **1.3 m** Large companies and groups
  1.3 million in 2021
- **0.4 m** SMEs and self-employed
  0.3 million in 2021

First insurance company in Spain to joining the ***Net Zero Asset Owners Alliance,***
committing to move towards a net zero CO2 portfolio by 2050.[3]

In January 2023 VidaCaixa published its **decarbonisation targets.**

[1] Includes the life and pension plan business of VidaCaixa, S.A.
[2] Includes the life and pension plan business of BPI Vida e Pensões, which is fully owned by VidaCaixa, S.A.
[3] For investments in the insurance portfolio.
[4] Technical provisions.
5 Includes the life and pension plan business of VidaCaixa, S.A. and Sa Nostra Vida, S.A.
[6] 2021 includes positive one-off impacts associated with the merger.
[7] Data as at November 2022.
8 The contribution of the integration of Sa Nostra Vida in the fourth quarter of 2022 is included.

2022

> INTEGRATION OF ESG RISKS[1]

VidaCaixa has the highest rating (5 stars) in the Investment Policy and Active Ownership category by PRI.

100% of assets under management take into account ESG aspects as of 31 December 2022 (according to UNPRI criteria)

> DISTRIBUTION OF ASSETS OF PRODUCTS UNDER SFDR

48.6%[2] of equity has a rating in articles 8 and 9 under SFDR €20,615 m

43.9% of equity has a rating in articles 8 and 9 under SFDR €2,777 m

	Spain	Portugal
Assets of products under Article 6 (integral)	51.4% (€21,843 m)	56.1% (€3,549 m)
Product assets under Article 8 (impulsa)	45.0% (€19,108 m)	43.9% (€2,777 m)
Product assets under Article 9 (impact)	3.5% (€1,507 m)	0% (€0 m)

2021

> INTEGRATION OF ESG RISKS[1]

VidaCaixa has an A+ rating in the Strategy and Governance category, the highest possible rating for PRI

100% of assets under management take into account ESG aspects as of 31 December 2021 (according to UNPRI criteria)

47.2 %[2] of equity will have a rating in articles 8 and 9 under SFDR (€22,165 m)

> DISTRIBUTION OF ASSETS OF PRODUCTS UNDER SFDR

Spain

Assets of products under Article 6 (integral)
- 52.8% (€24,770 m)

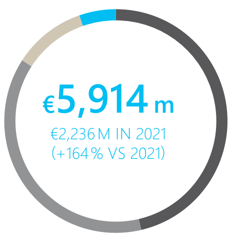
Product assets under Article 8 (impulsa)
- 46.8% (€21,970M)

Product assets under Article 9 (impact)
- 0.4% (€195 m)

[1] *Does not include the information for Sa Nostra Vida.*
[2] *Excludes BPI Vida and Pensoes. Percentage and amount calculated on plans affected by SFDR, including EPSV and Unit Linked. The calculated percentage of plans and insurances affected by SFDR is 43.9%.*

> IMPACT

Exposure to sustainable bonds



2.58%
Exposure of portfolios to economic activities considered to be linked to high CO_2 emissions
2.97% in 2021

- **2,741 m** Green Bonds
- **€624 m** Sustainable bonds
- **€2,235 m** Social bonds
- **€314 m** *Sustainability linked bonds*

> ENGAGEMENT

6
Collective dialogues
6 in 2021

340
ESG due diligence with external management companies
286 in 2021

11%
Investment in companies subject to Dialogue processes
11% in 2021

65
Dialogues with companies on ESG topics
44 in 2021

12
Dialogues with external managers on ESG topics
15 in 2021

117
ESG topics covered in dialogues with companies
82 in 2021

> PROXY VOTING

497
General Shareholders Meetings voted during the year
494 in 2021

16
Meetings where Board members have voted against for reasons of ESG controversy or climate risk
19 in 2021

126
Meetings where votes have been cast in favour of shareholder proposals
117 in 2021

77
Meetings where shareholder proposals on environmental and social issues have been voted in favour.
61 in 2021

CaixaBank ASSET MANAGEMENT

Leaders in asset management.

Creation of the CaixaBank AM - FundsPeople Sustainable Finance Observatory, which will facilitate understanding of the risks and opportunities involved in the transition to a more sustainable society, with an inclusive vision of the sectors involved and affected.

CaixaBank AM is the only European fund manager to obtain the **"EFQM 500 Seal"**

for its strategy focusing on excellence, innovation and sustainability.

CaixaBank Asset Management follows the **TCFD recommendations on climate risk management.**

> SPAIN[1]

24.5 %
Market share of investment funds in Spain
24.5 % in 2021

€81,530 m
Assets under management
€84,507 m in 2021

€43,723 m
Discretionary portfolio management
€44,164 M in 2021

> PORTUGAL[2]

17.1 %
Market share of mutual funds in Portugal
17.2% in 2021

€6,942 m
Assets under management
€7,959 m in 2021

€3,582 m
Discretionary management of portfolios
€4,090 m in 2021

> LUXEMBOURG[3]

€837 m
Assets under management
€967 in 2021

38.8%
of women fund managers among the total
39.8% in 2021

Gender Diversity Awards: CaixaBank AM chosen **"the management company with the best gender representation in the world"** by Citywire.

[1] Includes the funds business, discretionary management portfolio, and SICAV's of CaixaBank Asset Management SGIIC.
[2] Includes the real estate and mutual funds and discretionary management portfolio business of BPI Gestão de Activos SGFIM, which is fully owned by CaixaBank Asset Management.
[3] Includes the funds and SICAVs business of CaixaBank Asset Management Luxembourg, S.A.

2022

> INTEGRATION OF ESG RISKS[1]

CaixaBank Asset Management achieves 5 stars in direct investment equities due to the integration of ESG factors in investment processes BPI *Gestão de Ativos* has been recognised with the highest score (five out of five stars) in Investment and Stewardship Policy.

100% of assets under management take into account ESG aspects as of 31 December 2022 (according to UNPRI criteria)

> DISTRIBUTION OF ASSETS OF PRODUCTS UNDER SFDR

35.9% of equity has a rating in articles 8 and 9 under SFDR
€26,990 m

58.5% of equity has a rating in articles 8 and 9 under SFDR
€2,070 m

	Spain	Portugal
Assets of products under Article 6 (integral)	60.4% (45,376 m)	41.5% (€1,467 m)
Product assets under Article 6 (non-integrated)	3.7% (€2,770 m)	0% (€0 m)
Product assets under Article 8 (impulsa)	32.6% (€24,495 m)	56.4% (€1,994 m)
Product assets under Article 9 (impact)	3.3% (€2,495 m)	2.1% (€76 m)

2021

> INTEGRATION OF ESG RISKS[1]

CaixaBank *Asset Management and BPI Gestao* de activos are rated A+ in the strategy and governance category, the highest possible rating by PRI.

100% of assets under management take into account ESG aspects as of 31 December 2021 (according to UNPRI criteria)

> DISTRIBUTION OF ASSETS OF PRODUCTS UNDER SFDR

34.5% of equity has a rating in articles 8 and 9 under SFDR
€26,539 m

62.5% of equity has a rating in articles 8 and 9 under SFDR
€2,522 m

	Spain	Portugal
Assets of products under Article 6 (integral)	60.1% (46,242 m)	37.5% (1,514 m)
Product assets under Article 6 (non-integrated)	5.4% (€4,118 m)	0% (€0 m)
Product assets under Article 8 (impulsa)	30.3% (€23,325 m)	62.5% (€2,522 m)
Product assets under Article 9 (impact)	4.2% (€3,214 m)	0% (€0 m)

[1] *Dialogues include those active at 31/12, as well as those initiated and completed in 2022.*

> IMPACT

Exposure to sustainable bonds

- 2,315 m Green Bonds
- €309 m Sustainable bonds
- €995 m Social bonds
- €401 m *Sustainability linked bonds*

> ENGAGEMENT

3 → Collective dialogues
2 in 2021

161 → ESG due diligence with external management companies **230 in 2021**

131 → Dialogues with companies on ESG topics
115 in 2021

162 → ESG topics covered in dialogues with companies
172 in 2021

> PROXY VOTING

1,086
General Shareholders Meetings voted during the year
1052 en 2021

17
Meetings where Board members have voted against for reasons of ESG controversy or climate risk
20 in 2021

172
Meetings where votes have been cast in favour of shareholder proposals
138 in 2021

81
Meetings at which shareholder proposals on environmental and social issues have been voted in favour of
61 in 2021

01 Our identity
02 Corporate strategy and materiality
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_Green taxonomy

In 2020, the European Parliament and the EU Council adopted Regulation (EU) 2020/852, hereinafter the Taxonomy Regulation, which establishes transparency requirements for environmentally sustainable economic activities. For the time being, Delegated Regulation 2021/2139 of the community regulation on sustainability is limited to the objectives of **mitigating greenhouse gas emissions and adapting to the vulnerability posed by the effects of climate change.**

The remaining environmental objectives set out by Taxonomy have not yet been implemented. As the regulation is implemented, the Group's commitment is to make it public with the best practices in effect at any given time.

In 2022 CaixaBank continued to make progress in the roll-out of the Taxonomy Regulation. In line with the technical criteria, operational and documentary criteria have been established for the classification of transactions in the most relevant sectors in CaixaBank's portfolio and their implementation in the processes and information systems. The data as at 31 December 2022 have been prepared based on the best effort to adhere to the applicable regulations and will evolve in the future as further information becomes available from counterparties and new regulatory developments. The ratios presented have been prepared using the most representative data of the CaixaBank Group entities, which include 95% of the total assets and are presented separately to allow for a better interpretation:

	CaixaBank		Banco BPI		CaixaBank Payments&Consumers		VidaCaixa[1]	
	Business volume	Capex	Business volume	Capex	Business volume	Capex	Business volume[2]	Capex[2]
% Taxonomy-eligible economic activity exposures out of total assets covered	48.3%	43.0%	48.9%	49.5%	19.4%	19.4%	14.3%	13.3%
% Taxonomy-eligible economic activity exposures out of total assets covered	18.6%	24.0%	24.7%	24.1%	73.1%	74.4%	73.2%	51.6%
% of total assets covered by the GAR that is exposed to companies not required to publish non-financial information, as per the NFRD	32.1%		24.9%		6.32%		23.3%	
% of total assets covered by the GAR that is exposed to the portfolio of interbank demand loans	0.1%		0.3%		0.0%		0.0%	
% of total assets covered by the GAR exposed to derivatives	0.2%		0.1%		0.0%		5.0%	
% of total assets subject to the taxonomy regulation that is exposed to central governments, central banks and supranational issuers	22.9%		22.3%		0.0%		80.0%	
% of total assets subject to the taxonomy regulation that is exposed to the trading book	2.9%		0.3%		0.0%		0.0%	
Assets covered by the GAR in millions of euros	353,335		29,734		9,767		12,878	

[1] Life insurance activities are not among the activities identified as eligible for the European environmental taxonomy.

[2] With respect to investments, those made through third party managers in Unit Linked are not included.

The content of the key performance indicators to be disclosed by credit institutions, as established by the European Commission Delegated Regulation 2021/2078, does not allow the sum of the concepts 'eligible' and 'ineligible' to be equal to 100%, given that there are items that are only counted in the numerator, while others are counted in both the numerator and the denominator.

↗ See details in Glossary - Taxonomy Regulation (EU) 2020/852 and Delegated Regulations.

Regardless of the ongoing developments to comprehensively apply the European Taxonomy, since 2020, CaixaBank internally applies the following criteria for considering loans as **environmentally sustainable:**

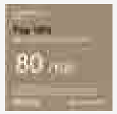
- Assets eligible for a Green Bond, according to the Issuance Framework of Bonds linked to CaixaBank's Sustainable Development Goals. It includes the following types of financing for, among other objectives, improving the environment and/or contributing to a reduction of Greenhouse Gas emissions:
  - Renewable energies and energy efficiency.
  - Certified energy-efficient property.
  - Access to clean mass transport systems.
  - Efficiency in the use and quality of water.
  - Activities that contribute to the prevention, minimisation, collection, management, recycling, reuse or processing of waste for recovery (circular economy).
  - Protection of healthy ecosystems and mitigation of climate change in the agricultural sector (forests and woods).
- Assets certified by a third party in accordance with commonly accepted market standards, such as LMA or ICMA.
- Operations indexed to ESG indices.
- Eco-funding lines for consumer products (household appliances, renovations and energy-efficient vehicles).

_Indices and ratings

Widespread recognition by the **main sustainability rating indices and agencies.**

	CaixaBank	Worse << Scale >> Better	Featured
Dow Jones Sustainability Indices	80	Sustainability score: 0 – **80** – 100	> DJSI World, DJSI Europe. > Included consistently since 2012. Last updated December 2022. > CaixaBank obtained top or above average ratings in categories ranging from financial inclusion, risk management, human rights, cybersecurity and social and environmental reporting. > S&P Global analysts.
MSCI ESG Ratings	A (Average)	ESG rating: CCC, B (Behind); BB, BBB, **A** (Average); AA, AAA (Leader)	> CaixaBank has been part of the MSCI ESG Leader Index since 2015. > First inclusion in 2015. Last updated December 2022. > Leader in consumer finance protection and above average ratings in environmental impact finance, access to finance and corporate governance. > Analyst MSCI ESG.
FTSE4Good	4.1	ESG rating: 0, 1, 2, 3, **4**, 5	> FTSE4Good Index Series. > First included in 2011. Last updated in January 2022. > Above-sector-average rating (4.1 vs. 2.6 sector average); also above average in all aspects: Environment: 3 vs. 1.8 sector average; Social: 4.7 vs. 2.5 sector average; Governance: 4.7 vs. 3.4 sector average. > Analyst FTSE Russell Index.
STOXX / Sustainalytics	Low risk (17.5)	ESG risk rating: Severe (40+), High (30-40), Moderate (20-30), **Low (10-20)**, Negligible (0-10)	> STOXX Global ESG. > First inclusion in 2013. Last updated September 2022. > "LOW RISK" ESG risk exposure below the sector average and those comparable in Spain. Strong Management of risks. > Analyst Sustainalytics.
CDP A List 2022 Climate	A (Leadership)	Climate change rating: D-, D (Reporting); C-, C (Awareness-raising); B-, B (Risk); A-, **A** (Leadership)	> First inclusion in 2012. Last updated December 2022. > Included in the *A list*. > 9th consecutive year in the "Leadership" category for corporate transparency and climate risk action. > CDP Analyst.

CaixaBank		Worse << Scale >> Better	Featured
Corporate ESG Performance Prime ISS ESG	**C** Category: Prime Transparency: Very high Decile rank: #1	ESH corporate rating: D- D D+ C- **C** C+ B- B B+ A- A A+ Level of transparency: Very low Low Moderate High **Very high**	> Corporate ESG, ISS ESG Europe Governance QualityScore Index, Solactive ISS ESG index Series. > First inclusion in 2013. Last updated November 2022. > CaixaBank is in the top 10% of the sector (Public & Regional Banks, which includes 266 companies), PRIME category with a decile: 1. > Analyst ISS ESG.
QUALITYSCORE 1 ISS ESG	**1**	ESG rating: 10 9 8 7 6 5 4 3 2 **1**	> Updated monthly, latest update February 2023 > Highest score (score 1) in all three aspects of the ISS ESG Quality Score: Environmental, Social and Governance. > Analyst ISS.
V.E Moody's ESG Solutions	**60** (Advanced)	Sustainability index: 0 <30 (Weak) 30-49 (Limited) 50-59 (Robust) **60** 100 (**Advanced**)	> Solactive Europe Corporate Social Responsibility Index PR. > First inclusion in 2013. Last updated December 2021. > Advanced category and above the Diversified banks sector average; "Advanced" category in 10 topics, including Environmental strategy, 3 areas in Human resources, Green products and SRI, responsible relationship with customers, Non-discrimination and Financial inclusion. > Analyst Vigeo Eiris.



Included in the S&P Global Sustainability Yearbook 2023 for the eleventh consecutive year and distinguished with the Top 10% recognition, S&P Global ESG Score 2022, for its excellent sustainability performance.

CaixaBank collaborates and maintains an active dialogue with **another of the bank's main stakeholders in ESG matters, namely the leading NGOs,** with a view to ascertaining what issues they value most and their perception of the Company's management in this regard.

The World Benchmarking Alliance has ranked CaixaBank as **Spain's leading bank in terms**

World Benchmarking Alliance

of its contribution to a fair and sustainable economy.

The international Company, founded in 2018 with the objective of helping companies to achieve the Sustainable Development Goals (SDGs), assesses the top 400 financial institutions worldwide.

7th place

among European companies

9th position

Global position

_Technology and digitalisation

CaixaBank continues to focus on improving the **flexibility, scalability, and efficiency of its IT infrastructure**, an approach which enables us to improve cost efficiency, potentially diversify outsourcing, reduce time-to-market, increase timing of versions, and become more resilient.

CaixaBank's constantly increasing investment in technology is a key part of our strategy, as it enables us to satisfy customer demands, ensure growth and adapt to changing business needs. The robustness of the infrastructure and constant innovation work ensure the availability of information with full guarantees of security.

In 2023, the aim is to continue transforming the IT platform, the architecture of which has traditionally been oriented towards robustness and scalability:

> Taking advantage of cloud technologies to modernise applications, increase agility and efficiency.

> Efficiently scaling digital interaction and deploying Machine Learning across the organisation.

> Expanding the use of virtual assistants.

INNOVATORS 2022 GLOBAL FINANCE

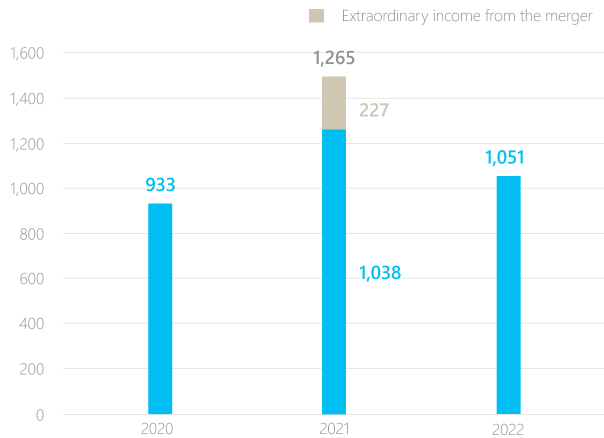
→ Most Innovative Financial Institution in Western Europe 2022 *Global Finance.*

→ Best Private Banking Institution in *Big Data* Analysis and Artificial Intelligence in Europe 2022.

→ Best Bank in *Analytics* 2022.

The largest integration in Spain's history has been carried out successfully, reliably and without service interruption.

>INVESTMENT IN TECHNOLOGY AND >DEVELOPMENT (€M)



_Technological infrastructure

The consolidation of integration at the customer level has also been reflected in the increased use of digital channels by customers, on which we have continued to focus, together with remote management, to achieve greater proximity to customers.

In 2022, emphasis has been placed on increasing resilience measures, focusing on improving channel availability while working to stabilise consumption despite an increase in transactions.

The continuous improvement of IT infrastructure is a pillar of the Group's management. Several high-performance Data Processing Centres (DPCs) are available to cover the needs of the business, and have been developed to increase the level of resilience to new risk scenarios.

We also remain committed to migrating to cloud solutions to reduce operating costs, to be more agile in the development of applications, and to make a fourth copy of our business-critical data.

3.9 m
→ QUALITY AND RESILIENCE CSF indicator.
target 2024 >4

>THE CONTINUOUS IMPROVEMENT OF THE IT INFRASTRUCTURE ENABLES THE PROCESSING OF EVER INCREASING VOLUMES

214,567 m
→ Transactions processed.
153,179 m in 2021.

~ 29,000
→ Transactions per second.
≈25,000 in 2021.

1,035
→ applications managed on the cloud.
612 in 2021.

~ 83%
→ significant incidents resolved in less than 4 hours.
85% in 2021

_Consolidating Technology Integration

In 2022, Technological Integration was consolidated as normal, unifying all the information and operations of two entities of great functional complexity in the banking sector on a single platform. **All the Entity's systems have worked in a uniform manner,** regardless of the source of the information, and without any relevant incidents. The impeccable management of the 2021 Tax Campaign is a noteworthy example of this.

_IT Strategic plan

As part of the definition of the Group's new Strategic Plan, in which technology is a transversal enabler, the Strategic Plan for IT 22-24 seeks to respond to current and future needs to support business, to stay at the forefront of the market, and to take advantage of the opportunities offered by technology. To this end, an aggregate vision of a set of strategic lines, programmes and initiatives to be undertaken over the next 3 years has been developed.

90
→ Operations automated by the virtual assistant
(target 2024 - 330)

39.8%
→ CaixaBank *Tech* staff with *Agile* training
(target 2024 - 80%)

CaixaBank TECH

The Corporate IT Model prioritises the internalisation and availability of key technology capabilities. To this end, **CaixaBank *Tech*** was created in 2021 to be the technology company that accompanies the Group's development, with the aim of promoting digital transformation and devising the technological solutions of the future, positioning the Group as a leader in the sector. All this by implementing a set of role models to enhance careers and move towards agile production models.

_Big Data

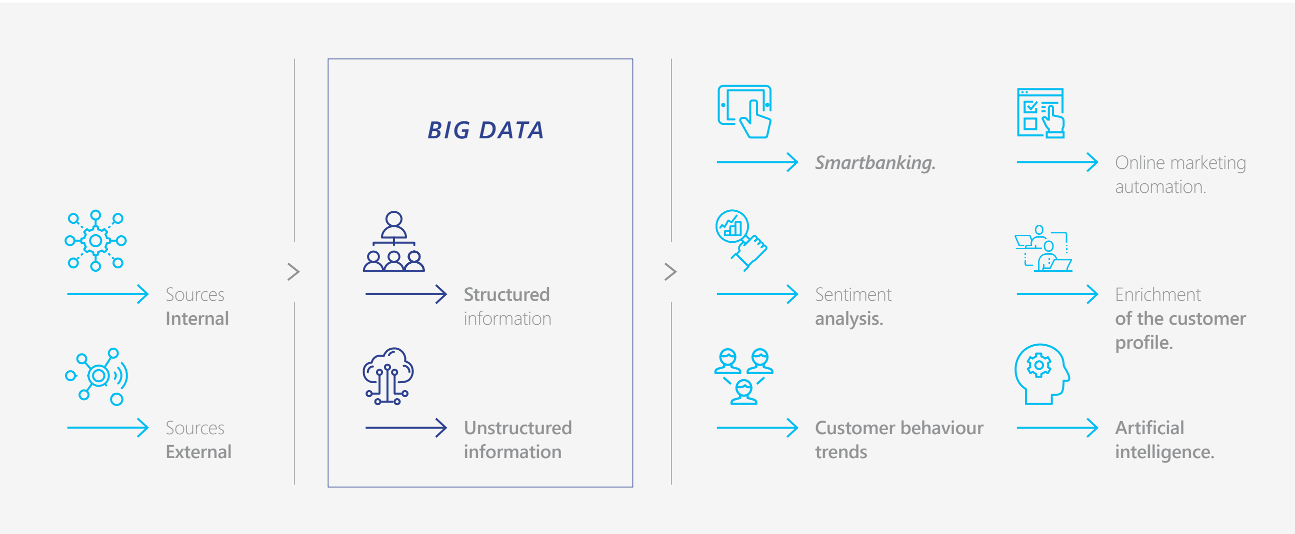
In an era marked by the big data revolution, CaixaBank continues to be committed to having the best Big Data technology to ensure adequate reliability and productivity in data processing.

CaixaBank has an information platform with a centralised repository, with the necessary governance to guarantee the quality and availability of the data, and technological solutions that enable it to extract the maximum value from the data in analytical and artificial intelligence uses.

12,992
Metrics Certified in DataPool.
11,375 in 2021.

20 TB
Of data managed daily.
15 TB in 2021.

>A BIG DATA MODEL THAT ALLOWS FOR GREATER ADAPTABILITY



_Journey to cloud

CloudNow is the CaixaBank system's development program for the public cloud. This program will follow a cloud strategy based on three fundamental pillars:

> ***Cloud first:*** the latest in cloud technology.

> ***Hybrid cloud:*** following a progressive approach by balancing the on-premises infrastructure and cloud services.

> ***Multi-cloud:*** deploying a model that allows us to work with the main cloud providers under an integrated vision of the service.

Within the CloudNow programme and following an agreement with IBM in 2021 to gradually move loads from our middle systems platform to the IBM Cloud, in 2022 the ***Landing Zone*** at the Frankfurt Multi Region Zone **was deployed** as a base platform in IBM Cloud on which to deploy workloads and applications with confidence in the security and infrastructure environment. Around 100 servers have been migrated, and loads from vendor software services have been moved, generating an IBM Cloud load consumption of €2.3 million.

In addition to the migration itself, ***CloudNow*** implies an **evolution of our applications**, which must be ready to be deployed in the cloud from our DataCenters and run in these new "containers" in order to generate efficiencies and reduced operating costs, as well as greater agility in the development of applications.

€4.2 m
Cloudnow savings in 2022. SP 2022-2024, Objective 2024: €85 m

25%
Cloud Absorption in 2022. SP 2022-2024, Objective 2024: 32%

_Implementation of new technologies

The adoption of Artificial Intelligence remains, for another year, strategic, offering scalable and robust services to customers and employees, and optimising financial services with technology. During 2022, the NOA assistant has moved even closer to customers by reaching their usual WhatsApp contact channel and accompanying them by segmenting the customer service response according to the user profile, for a better service.

The new paradigm of interaction with employees, interacting with the financial terminal with natural language and guided by Artificial Intelligence, has been rolled out to the network with the cash management service. The main components have been developed internally so that by 2023 employees will be able to interact with these assistants on the homepage.

>AT CAIXABANK, ADOPTING THE LATEST TECHNOLOGY IS> KEY TO INCREASING PRODUCTIVITY

444
→ cases of robotics implemented.[1]
451 in 2021.

15
→ cognitive assistants for administrative processes.
14 in 2021.

86%
→ automated responses by virtual assistants with employees - Branch Channel.
88% in 2021.

7,260,434
→ conversations initiated by virtual assistant with employees - Branch Channel
5,922,112 in 2021.

>IMPLEMENTATION OF NEW TECHNOLOGIES ARE KEY TO >OPERATIONAL EFFICIENCY

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

88
→ operations automated by the virtual assistant.

[1] *Cumulative data. In 2022, 3 new robots have been created and 10 have been decommissioned.*

_Agreements and partnerships

Adobe agreement

Real Time Customer Data Platform and Adobe Journey Optimizer services have been added to the contract with Adobe. The new platform allows customer data to be centralised (digital behaviour, marketing channels, sales and services) to create a single customer profile and enable real-time marketing actions through any channel. Eliminating information that is irrelevant or duplicated because it comes from different channels, but collecting some identical data to create a complete and unique profile of that consumer.

The Customer Data Platform (CDP) aims to transition to the new product with discontinuation of the current platforms and implementation of the new ULTIMATE product. The market evolution has led to the search for more current and complete solutions in real time, such as the CDP. The new licensing framework will allow for capacity building and infrastructure renewal, progressively decommissioning the current Data Management Platform (DMP) and Adobe *Campaign*.

Salesforce

CaixaBank continues to promote the creation of a network of strategic alliances that will contribute to the advancement of the technological transformation process. This agreement allows us to study how technological innovation allows us to better understand the needs of our customers.

In 2022, in addition to completing the deployment of My Customers to the retail segment based on Salesforce, we have extended the agreements with Salesforce to offer CRM services to the business segment during 2023.

Microsoft

In 2021, a new contract was signed with Microsoft, structured under the EA (Enterprise Agreement), with the objectives of:

> Flexible support in our **strategy towards the *Cloud***.

> Need for a **corporate and scalable vision** to incorporate the needs of Bankia's integration project.

> **Stability in costs** for the coming years.

Palo Alto

We signed a new agreement with Palo Alto, which allows us to bundle all services under a single 5-year partnership contract. The new agreement will provide CaixaBank:

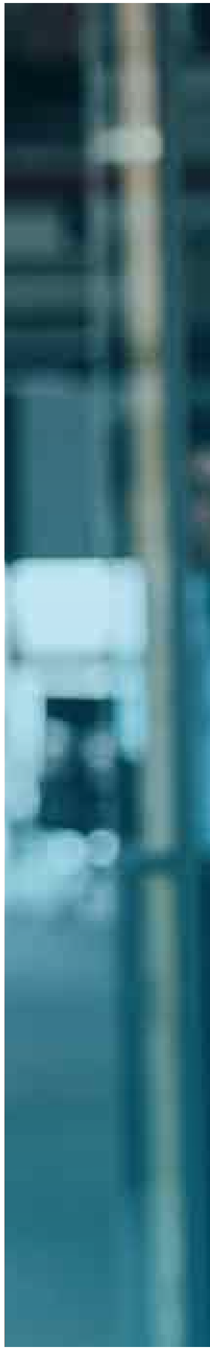
> Greater protection against new cyber threats.

> A dedicated local team with two figures: SAM (Service Account Management) and TAM (Technical Account Manager).

> A first-rate executive sponsor (the CEO or CTO of the company).

> Improved efficiencies and saving costs.

06 Customers



_Our customers

The "**bank of choice**" for individual customers in Spain with a sound and growing franchise in Portugal.

20.2 m → Customers

18.3 m → In Spain

1.9 m → In Portugal

€609,133 m → Customer funds

€361,323 m → Loans and advances to customers, gross

42% → No. 1 Penetration in private customers (Spain)

32% → **No. 1 Main bank** for private customers (Spain)

Customer confidence translates into high market shares.

> SPAIN FEES

Retail Banking

Loans to households and businesses
24.0%
24.2% in 2021

Household and business deposits
24.8 %
25.2% in 2021

Individuals

Direct deposits of pensions
34.2%
33.7% in 2021

Mortgage
25.6%
25.9% in 2021

Corporations

Loans to businesses
23.9%
23.7% in 2021

Asset management

Long-term savings[3]
29.7%
29.5% in 2021

Insurance

Savings insurance policies[2]
35.5%
34.7% in 2021

Life-risk insurance
23.2%
23.3% in 2021

Health insurance[1]
28.8%
28.9% in 2021

Payment methods

Card turnover
30.7%
32.7% in 2021

POS turnover
34.4%
36.7% in 2021

> PORTUGAL FEES

Retail Banking

Loans to households and businesses
11.5%
11.1% in 2021

Household and business deposits
10.9%
10.9% in 2021

Individuals

Direct deposits of salaries[1]
10.0%
9.7% in 2021

Mortgage
13.8%
13.2% in 2021

Corporations

Loans to businesses
11.0%
10.6% in 2021

Asset management

Investment funds[1,4]
11.6%
10.5% in 2021

Insurance

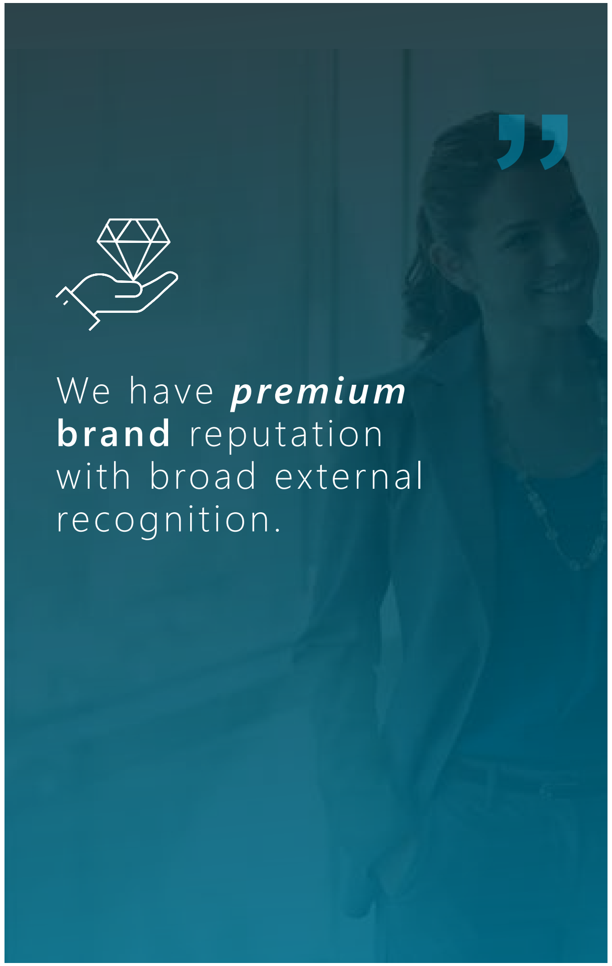
Savings insurance policies[1]
18.2%
18.5% in 2021

At CaixaBank we want to **build loyalty among our customers.**

70.4%
Linked customers out of total

[1] Data as at November 2022.
[2] Includes the contribution from the integration of Sa Nostra Vida in the fourth quarter of 2022.
[3] Combined share of investment funds, pension plans and savings insurance. Data for savings insurance in the sector, estimated from the evolution of total life insurance..
[4] Asset management perspective.

We are starting from a privileged position, with high market shares, with an undisputed leadership in banking and insurance in Spain with a view to **continuing to grow**, which is why we continue to improve the customer experience day after day.



> SPAIN

Euromoney	Global Finance		
Best Bank in Spain 2022	Best Bank in Spain in 2022	Best Bank in Western Europe in 2022	Best Bank for Sustainable Finance in Spain for 2022

> PORTUGAL

Euromoney	The Banker	Five Stars	Selecções Reader's Digest	Superbrands
Best Bank In Portugal 2022	Bank of the Year in Portugal in 2022	Five Stars Awards in the Financial Planning Simulator, Retirement Savings Plans and Five Stars Banking categories	Seal of Most Trusted Bank in Portugal in 2022	2022 Brand of Excellence

_Customer experience

Customising our service, enhancing the user experience, the increasing importance of financial advice, the increased interaction through mobile channels and other innovations, are all **trends that are changing customer behaviour.**

Customer Experience is one of the priorities of the 2022-2024 Strategic Plan. Specifically, the second strategic line seeks to operate an efficient customer service model adapted to customer preferences:

01. → A distribution platform **adapted to suit each profile.**

See Business Model.

02. → **Specific value proposals** for each group.

See Business Model.

03. → **A unique advisory service** model.

04. → A **wide range of products** based on customer experiences.

>UNIQUE ADVISORY SERVICES

- Knowledge and **training**
- Systematic commercial protocol **adapted to customers**
- **Socially responsible investment** proposals
- **Digitalisation** to provide better service to customers
- **Extensive, diverse and customised** solutions

_Customer's life experiences for natural persons

Own factories together with strategic agreements with leading companies **allows us to offer customers the best value proposition in an efficient manner.**

> DAILY BANKING

Day to day
Making the customer's day-to-day life easier by offering our services quickly and easily whenever they are needed

€96,572 m Card turnover €64,214 m in 2021

593,241 Points of sale 713,243 in 2021

7.2 m Bizum customers

Main products
- Accounts
- Payments
- Transfers
- Bills
- Cards
- Donations

Comercia Global Payments (20% stake) #1 Payment methods

CaixaBank Payments & Consumer

Alliances to improve the value proposition with new services

VISA · Apple Pay · bizum · Samsung pay

> INSURANCE AND PROTECTION

Sleep peacefully
Being by our customers' side to take care of what is important to them and help them protect it

€10,208 m Premiums marketed €11,294 m in 2021[1]

€5,179 m Benefits paid 4,815 m in 2021

> ~ 1,044,000 *Mybox* policies marketed >985,000 in 2021

Main products
- Life-risk insurance
- Non-life insurance (health, home, car, funerals, etc.)
- Home and personal protection services

VidaCaixa No. 1 Life insurance

SegurCaixa Adeslas (49.9% share) No.1 Health insurance

> FINANCING

Enjoy life
Making financing easier for customers to help their current and future dreams and projects become reality

>17,700 Car leasing operations >22,700 in 2021

> 356,500 Operations on Wivai (digital channels) >155,000 in 2021

€1,016 m Microcredits granted and other financing with social impact €953 m in 2021

Main products
- Mortgages
- Personal loans
- Consumer loans
- Project Finance
- Guarantees
- Working capital lines
- Microloans

CaixaBank Payments & Consumer · wivai · MicroBank

Agreements with manufacturers to finance and distribute

SAMSUNG · MediaMarkt · ARVAL · YAMAHA

> LONG-TERM SAVING

Think about the future
Helping our customers plan their savings and face their future with certainty

€114,797 m Managed funds (insurance and pension plans) €114,010 m in 2021

€136,614 m Investment funds, portfolios and SICAVs €141,687 m in 2021

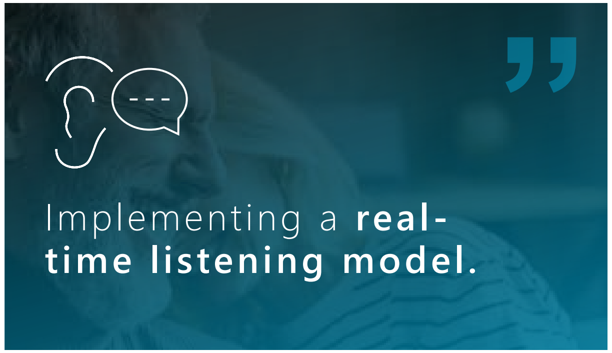
Main products
- Investment funds
- Unit Linked
- Managed portfolios
- Pension plans
- Saving insurance
- Securities and other financial instruments
- Life annuities

VidaCaixa

CaixaBank Asset Management No. 1 Investment funds

[1] *2021 includes positive one-off impacts associated with the merger.*

_Measuring and managing the customer experience



Customer Experience is one of the priorities of the 2022-2024 Strategic Plan.

The second strategic line of the Strategic Plan contemplates the development of an efficient customer service model adapted to suit customer preferences, with the aim of achieving a best-in-class customer experience.

To this end, CaixaBank has implemented, as a strategic tool to set itself apart, a new and innovative Customer Experience model in the banking sector.

It is based on three levers that put the focus on the customer: Listen, Understand and Act, to continuously improve their experience.

This model has led to a change in the culture, technology and management of the customer's voice in CaixaBank.

Listen

Net Promoter Score Model

A new, more personal, omnichannel and immediate (real-time) listening model following customer interaction via the branch, the app, the web, ATMs or the contact centre.

This model allows the customer to give us their opinion quickly and easily, via their phone, by email, or by telephone in the case of those who are less digitally minded.

We are transforming the traditional model of listening to customers in banking, moving away from periodic deferred surveys, where it takes days or weeks to resolve bad experiences, sometimes resulting in the loss of the customer.

Understand

We analyse

We use artificial intelligence tools to generate insights and interpret the feedback we receive from customers:

Comments are classified by type using a Natural Language Processing Model.

This lets us manage different types of customers more efficiently and effectively, offering customised solutions while generating automated internal improvement processes.

Act

Close the Loop

We activate "Close the Loop" management with dissatisfied customers after their visit to the branch or contact with their advisor.

The branch manager's approach is a second chance to get more promoter clients. It's a WOW! experience.

It enables us to close the improvement cycle, interacting individually with each customer (inner loop) or on a global level (outer loop).

The value insights we obtain allow us to generate Action or Improvement Plans aimed at an attribute, a segment, a territory...

> MEASURING THE CUSTOMER EXPERIENCE

24,004,294
Surveys sent
10,034,005 in 2021

Greater granularity and scope

1.7 m/MONTH
NPS *Real Time* surveys sent

19%
Response rate

> CAIXABANK SPAIN

64
Net promoter score Branch (NPS)[1] 54.2 in 2021

NPS Branch Retail
60.7

NPS Branch Private Banking
88.3

CTL Management
72.9%

Improved CTL
4.1 pps

IE Business
86.5
87.4 in 2021

IE Institutions
92.4
93.3 in 2021

IE Corporations
91.6
91.6 in 2021

> BPI PORTUGAL

IE Individuals
90.6
91.4 in 2021

IE Premier
87.1
88.6% in 2021

IE Business
84.8
85.6 in 2021

[1] *The NPS measures likelihood of recommendation by CaixaBank customers on a scale of 0 to 10. The index is the result of the difference between % Promoter customers (assessments 9-10) and Detractor customers (assessments 0-6).*

_Transparent and responsible marketing

> ADVERTISEMENTS OR ADVERTISING CAMPAIGNS REFERRED TO AUTOCONTROL FOR REVIEW

6,015
6,611 in 2021

3,772
Positive:
no issues were found with the content
4,060 in 2021

2,238
With changes:
changes to the advertisement were recommended
2,540 in 2021

5
Negative:
publishing the advertisement was discouraged
11 in 2021

The **CaixaBank Corporate Marketing Communications Policy,** which was updated in November 2022, includes a detailed description of the internal mechanisms and controls in place to minimise the risks related to publicity. The Policy details relevant considerations and the formal requirements that the Group's advertising must meet.

Advertising has a major impact on customer expectations and the resulting decision-making process. The Group's advertising and publicity activities must, therefore, always respect the following principles:

- **Legality:** Advertising must comply with the standards established in Law 34/1988, of 11 November, on advertising, in Law 3/1991, of 10 January, on unfair competition and other general rules applicable to the advertising of products and services.
- **Clarity:** Advertising must help the target customers understand the product without causing doubts or confusion.
- **Balance:** The advertising message must reflect the complexity of the product or service and the channel used.
- **Objectivity and impartiality:** The message must be objective with no subjective assessments.
- **Transparency:** The message must not deceive.

Advertising must also respect the dignity of individuals, any image and intellectual property rights held by third parties, and the corporate image of each of the Group's companies.

CaixaBank is a voluntary member of **Autocontrol,** the association for self-regulation in advertising, which encourages good advertising practices.

> CERTIFIED PROFESSIONALS

Employees' knowledge of products and services is key to ensuring that the information conveyed to customers is clear and complete. Training and awareness-raising help to ensure that employees have adequate knowledge of products and services.

33,512
employees certified in MiFID II
32,088 in 2021

28,792
employees with certification in REAL ESTATE CREDIT LAW
30,664 in 2021

30,440
employees with certification in the INSURANCE DISTRIBUTION DIRECTIVE (IDD)
33,259 in 2021

> RESPONSIBLE LENDING PRINCIPLES

Given the nature of CaixaBank's business, the general principles applicable to responsible lending set out in **Annex 6 of Bank of Spain Circular 5/2012 of 27 June on transparency in banking services and responsible lending are of particular importance.** In particular, with a view to tailoring products and services to customer needs. In this regard, the internal regulations reflected in the **Corporate Credit Risk Management Policy** (updated in February 2023) expressly include the monitoring of the principles of responsible lending in the granting and monitoring of all types of financing.

In addition, the company has incentive plans that incorporate quality scales and best practices, governance and product surveillance procedures, digital files that guarantee the maintenance and updating of financial documentation in order to study the analysis and study of operations, monitoring indicators and internal communications that favour compliance with the principles of responsible lending in the commercial network.

A regulatory course was held in 2022 for all CaixaBank employees on transparency in the marketing of banking products and payment services. **The course included an explicit reference to the principles of responsible lending.**

This course was included as compulsory for access to the bonus for the employees concerned.

100%
of employees of banks or credit financial establishments of the Group in Spain have completed the course

99.55%
employees who have passed the course

Following the entry into force of Order ETD/699/2020, the Entity has adapted its measures on solvency and enacted additional information requirements (DTI).

In particular, those aimed at preventing over-indebtedness in the marketing of revolving credit.

> TRANSPARENT CONTRACT PROJECT

Since 2018, CaixaBank has promoted a project to use clear legal language to its contracts with customers. The objective is to promote transparency in the marketing and communication of our products. **These new contracts are more friendly, more legible, clearer and more understandable**, which translates into a greater sense of peace of mind and trust among our customers. The new format has already been implemented in more than 30 contracts (33 documents in production at the end of 2022), the most common ones in CaixaBank's retail banking offer, such as credit cards, current accounts, CaixaBankNow digital banking, consumer loans and various items in the MyBox range. These changes have not only affected the legal language, but have taken into account the entire contracting process, including aspects such as the design and the reading support used by the client. In this respect, digital reading is of particular relevance as customers nowadays mostly review and sign contracts via screens, be it office terminals, home computers or mobile phones. In the future, the Bank plans to continue extending the implementation of this new type of contract in the commercial offer of both Retail Banking and Private and Premier Banking.

Transparent contract project aims

Transparency
Improving the transparency in the signing of contractual documents by customers.

Clarity
Through clear, comprehensible language.

Security
And legal security for the customer and the Company.

Trust
Improving the customer's experience and inspiring confidence when they sign.

CaixaBank

_Dialogue with customers

The aim is to foster active dialogue with customers and provide them with the necessary channels so that they can send their queries and complaints, and offer them an agile, customised and quality response.

The customer's voice is mainly gathered through:

Customer experience measurement model,

→ which gives rise to indices that allow us to measure their experience and the quality of the service.

↗ See Measuring and managing the customer experience.

GRI (Global Reputation Index)

→ is a dialogue tool through which customer feedback on specific issues and reputation is gathered.

↗ See Global Reputation Index.

The Materiality Study

→ is a strategic tool for defining the Company's strategy and the Sustainability Master Plan, which captures the voice of key stakeholders, including customers. Customers are asked for their insight and vision on the priority aspects for CaixaBank in terms of impact and sustainability.

↗ See Materiality Study.

The *Customer Contact Centre*

→ manages queries, requests, suggestions and incidents from customers and users, reaching it through the channels provided by the Company.

↗ See Customer Contact Centre.

Customer Service

→ are the main channels that the Entity offers customers to attend to their queries and claims.

↗ See Customer Service.

_Customer service

_Customer Contact Centres (CCC)

The Contact Center service manages queries, requests, suggestions and incidents from customers and users, reaching it through the channels provided by the Company: telephone, WhatsApp, web form, email, postal mail, chat, Twitter and Apps comments.

During the year, we have continued to work on strengthening the integrated management of our customers' contacts, in order to avoid as far as possible referrals to in-person channels. Our primary goal is to improve the customer experience. In order to assess the experience and provide ongoing monitoring to enable improvements, we gather customer feedback at the end of the call. The assessment of these opinion surveys makes it possible to form the NPS index, the cumulative value of which in 2022 was 57.9 with a response rate of 49.6.

See Customer experience measurement model section.

Along the same strategic line of improving the customer experience, two new services have been created during 2022: the **senior customer telephone service and the Store branch landline service**.

The senior customer service offers customers an exclusive telephone number, +34 900 365 065, to be attended by staff trained in Gerontology, without previously being attended by a virtual assistant. Senior customers receive the same treatment if they call the existing generic line. In total, more than 500,000 calls have been attended since April.

See Society - Senior Collective section.

The Store branch landline telephone service guarantees telephone service to all our customers.

Initially, calls made by customers to the landlines of the branches are dealt with from the Contact Centre, handling the most operational issues and forwarding those of a commercial nature to advisors.

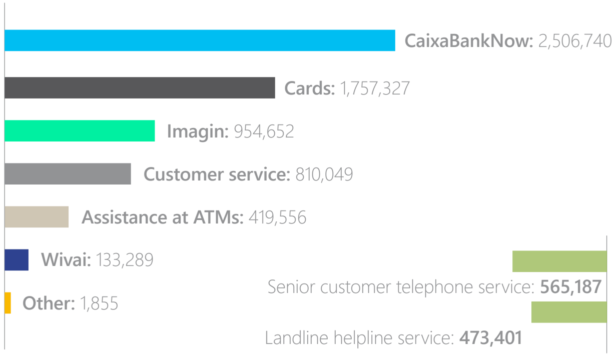
> BREAKDOWN OF CONTACTS IN 2022

93% 7,622,056 Phone

6% 496,858 Written (letter, e-mail)

1% 116,724 Social Media

> REASON FOR THE INTERACTION TELEPHONE



8,235,638 interactions in CCC in 2022.

-14% interactions with respect to 2021.

In the Contact Centre services of BPI and Consumer Finance, the following have been handled

996,238 BPI

1,185,926 Consumer Finance

_The Customer Service Office (CSO)

The Customer Service Office is responsible for **handling and resolving customer complaints and claims.** This office has no connection with our commercial services. It performs its duties based on its independent judgement, with reference to customer protection regulations, regulatory requirements and best banking practices.

Complaints received	2022	2021
	Total	Total
Customer Services	306,548	239,347
Submitted to Supervisor's complaints services	6,875	3,720
Bank of Spain	6,381	3,363
Comisión Nacional del Mercado de Valores (Spanish securities market regulator)	265	183
Directorate-General of Insurance and Pension Plans	229	174

More information in Note 42.2. "Customer services" of the attached consolidated annual financial statements. The complaints detailed here do not include those received by Credifimo (109 in 2022 and 416 in 2021), with a 32.7% favourable resolution rate for the client.

Following the implementation of a new modernisation plan for complaint handling, a sharp reduction in response times has been achieved, promoting quality towards our customers. Likewise, with the aim of mitigating or eliminating potential legal, operational and conduct risks, the SAC has drawn up a compendium of proposals for improvement that result in a better experience for our customers through preventive management of complaints.

Customer Services is also actively involved in the approval process for new products, contributing its expertise and ensuring the bank offers its customers a higher quality of products and services.

The increase in claims recorded in 2022 is partly due to the new criteria established by the judicial bodies, with a reduction in claims related to mortgage transactions and an increase in those related to liabilities and cards.

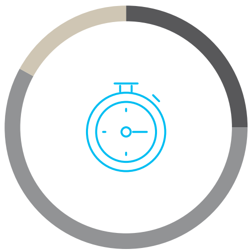
Finally, the average resolution time was reduced to 11 calendar days in 2022.

> BREAKDOWN AND MANAGEMENT OF COMPLAINTS RECEIVED BY THE CSO

> 2022

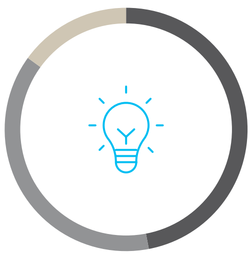
Type of complaint

- 22% Loans
- 23% Cards and POS
- 28% Funding transactions
- 3% Other services
- 6% Insurance and pension funds
- 6% Services for receiving and making payments
- 11% Channel
- 1% Investment services



Average time for resolution

- 64% Less than 10 days
- 29% 10-30 days
- 7% Over 30 days



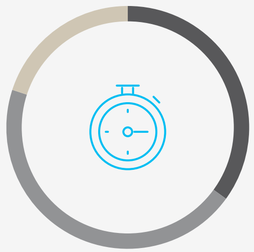
Resolution

- 47% Resolved in favour of the claimant
- 35% Resolved in favour of the Company
- 18 % Other (rejected/unresolved)

> 2021

Type of complaint

- 32% Loans
- 20% Cards and POS
- 26% Funding transactions
- 9% Other services
- 4% Insurance and pension funds
- 5% Services for receiving and making payments
- 3% Channel
- 1% Investment services



Average time for resolution

- 35% Less than 10 days
- 45% 10-30 days
- 20% Over 30 days

Resolution

- 47% Resolved in favour of the claimant
- 38% Resolved in favour of the Company
- 15% Other (rejected/unresolved)

_Engagement with customers to promote sustainability

One of CaixaBank's strategic priorities is **to be a European benchmark in sustainability** and to promote the sustainable transition of companies and society. To this end, the Bank is developing specific services to promote sustainability among its customers.

01

CaixaBank **has an ESG Advisory service** to help its corporate and institutional customers develop their sustainable strategy and positioning at different levels, promoting customer alignment through an engagement process. During 2022, this service helped 20 out of the 75 corporate customers it pitched to.

02

The Entity acts as ESG Sustainable Finance Lending Coordinator, providing ESG advice to corporate clients in the process of structuring financing solutions. In 2022, it acted as sustainable coordinator in 13 operations, out of a total of approximately 80 syndicated financings arranged.

03

During the 2022 financial year, CaixaBank **has developed the "carbon footprint calculator", a tool verified by AENOR** which allows users to calculate their carbon footprint, find out how it is evolving, and obtain a series of recommendations on how to reduce it.

Furthermore, imagin integrates a calculator into its app so users can measure their carbon footprint The project joins a set of initiatives promoted by Imagin through ImaginPlanet. For every new user who calculates their carbon footprint, Imagin will offset 5 kg of CO_2 and contribute to reaching its commitment of offsetting 200 tonnes in 2022.

See section Value creation model - Imagin.

04

CaixaBank is a pioneer in having a **specialised unit that offers its Private Banking customers** a comprehensive solution that responds to their needs with regard to philanthropy and sustainable and impactful investment.

See section Value creation model - Private Banking.

01 Our identity
02 Corporate strategy and materiality
03 Corporate Governance Report
04 Risk management
05 Value creation model
06 Customers
07 People and culture
08 Shareholders and investors
09 Society
10 Environment and climate
11 SNFI
12 Glossary and Group structure
13 Annexes

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_Cybersecurity

Cybersecurity is one of CaixaBank's top priorities. This was the last year of the **Strategic Information Security Plan**, defined in 2020, which was intended to accompany CaixaBank's digital transformation.

The Plan was implemented in a complex environment conditioned by COVID-19, technological integration with Bankia, cyberattacks against third parties, and the Russia-Ukraine conflict, among others.

All these developments have led to an increase in cyberthreats, including a notable increase in fraud, the compromise of technology/critical vendors, denial of service, and ransomware.

In 2022, in order to respond to the increase in cyberthreats, the CaixaBank team has reinforced prevention, detection and response controls to prevent them from materialising, based on the continuous risk review methodology and exhaustive monitoring of global threats.

In the area of prevention, we have reinforced awareness-raising for both customers and all employees of the CaixaBank Group.

All our capabilities are continuously assessed against industry best practices and benchmarks, as well as by the different lines of defence of the entity and other third parties.

In 2023, the **Information Security Strategic Plan** will begin for the next three years.

Sustained investment in cybersecurity (+€60 million invested in information security by 2022).

_Governance framework

CaixaBank has a corporate information security model based on robust governance:

The Security strategy reports to the Innovation, Technology and Digital Transformation Committee, which is a delegated committee of the Board of Directors.

See the section on "Corporate Governance Structure"

The strategy is defined by the Information Technology and Security area (led by the CISO). Operational developments are monitored through various regular first-level committees such as the Information Security Committee.

_Information Security Committee

This is the highest executive and decision-making body for all aspects related to Information Security at corporate level, chaired by a member of the Management Committee alongside the CaixaBank Group's corporate CISO.

Its purpose is to ensure the security of information in CaixaBank Group by applying the Corporate Information Security Policy and the mitigation of any identified risks or weaknesses.

In addition, the Global Risk Committee periodically provides information to the governing bodies.

_Information security policy

Intended to establish corporate principles on which to base actions in the field of information security.

The Policy is reviewed annually by the Information Security Committee. Updated biannually by the Board of Directors.

The Policy was updated in December 2022.

_Corporate model

In recent months, the CaixaBank Group has strengthened its corporate information security model with a qualified team distributed in different locations.

The number of people dedicated internally to cybersecurity has increased, lowering the outsourcing ratio.

+80 employees
→ dedicated to the Group's security.

+90 certifications
→ (of those mployees).

52%
→ Outsourcing

24/7
→ External SOC[1]

_Control Environment

_The three lines of defence

The first line, **Information Security**, is responsible for implementing policies, identifying and assessing risks, identifying weaknesses in monitoring and executing action plans.

The second line of defence, **Control of Non-Financial Risk**, is responsible for regular and independent assessments of information security risk.

The third line of defence, **Internal Auditing**, supervises the two above. Approximately 815 internal audit reviews have been conducted during the last 3 years, indicating a high degree of maturity and control and covering 99% of the NIST cybersecurity control framework.

_Certifications

CaixaBank maintains annual certifications in cybersecurity processes.

We hold recognised and prestigious certification which is updated annually. It includes ISO 27001 certification of all our cybersecurity processes, and CERT, which accredits our CyberSOC 24x7 team and allows us to actively cooperate with other national and international CERTs.

> CERTIFICATIONS

FIRST CSIRT.es

[1] *Security Operations Center.*

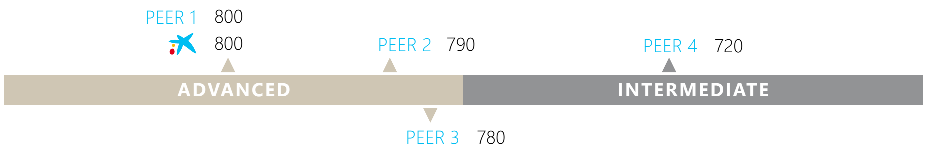
_Capacity measurement

CaixaBank also participates in different exercises in which tests are carried out to **measure certain cybersecurity capabilities**, and is **positioned in the top positions in the banking sector at national level.**

> BENCHMARKS

	BITSIGHT[1]	CNPIC[2]	INCIBE[3]	DJSI[4]
CABK	800/900	9/10	4.6/5	97/100
PEERS	785/900	8.4/10	4.05/5	89/100

BITSIGHT [3]



[1] *Bitsight. Average Spanish financial institutions*
[2] *CNPIC Cyber Resilience Report 2022*
[3] *INCIBE CyberEX Spain 2022*
[4] *DJSI 2022. Information Security.*

_Review of cybersecurity by external third parties

CaixaBank remains proactive and actively defends itself, following the main information security frameworks and having its systems tested by third parties. Of particular note:

> **RED TEAM exercises** carried out based on TIBER-EU guidelines (6 per year)

6 TIBER-E Framework

Red Team exercises per year. The robustness of our systems is tested with controlled real attacks.

CaixaBank was the first Spanish financial institution (in 2020) to implement a Bug Bounty Programme in collaboration with the bug bounty platform (*Yogosha*) and a *Premier Security Testing platform* based on *Crowdsourcing* (*SynAck*).

9 16

_Security culture - Awareness of customers and employees

The CaixaBank Group continues to promote a culture of safety among both employees and customers. To this end, a number of specialised awareness-raising programmes have been carried out during 2022 (some of which were already implemented and have been further developed):

In particular, in order to **increase employee awareness** of information security, the following are in place:

> Simulation campaigns for *phishing* across the entire workforce.

> Information security courses for all staff.

> Last October, coinciding with the awareness month, **a new gamification initiative was launched** which will run until the end of 2023. This involves employees acquiring skills through play.

> Specific training on cybersecurity for the Board of Directors.

> In 2022, the Management Committee was given a cyber exercise (top table).

INFOPROTECT. Think safely

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

59% → *0-Clickers in a phishing campaign*
33% in 2021

12 → Phishing simulations per employee
12 in 2021

99% → Staff who have completed the security course in 2022
99% in 2021

For **customers** in particular, the following should be noted:

> CaixaBank Protect News, a newsletter that includes tips and advice to customers.

> Security notices in different media and a presence on social media.

> Cybersecurity podcast available to clients (Gemma Nierga on cybersecurity, 7 chapters).

_CaixaBank's participation in European projects

CaixaBank is one of the leading banks in terms of innovation and cybersecurity, standing out for its contributions to various European projects where it collaborates with large companies and institutions and European Union funding.

Trapeze

⟶ Improved control of the privacy of customer data in financial services by end users.

Concordia

⟶ Pan-European X-sector Cybersecurity Centre.

Ensuresec

⟶ Improved surveillance of e-commerce services.

Infinitech

⟶ Monitoring based on data analytics for the assessment of security risk and fraud in the financial environment.

Rewire

⟶ Certification of skills for professionals dedicated to cybersecurity in the European financial field.

During 2022, CaixaBank has invested and participated in initiatives to improve information security:

AI4CYBER

⟶ Application of AI to improve anomaly detection and infrastructure protection.

ATLANTIS

⟶ Improved response and coordination between critical infrastructure operators to large-scale attacks or incidents.

GREEN.DAT.AI

⟶ Improved efficiency in Fraud Detection systems with explainable AI tools.

07 People and culture

CaixaBank

The CaixaBank Group is in a historic position of leadership and strength, but external factors such as digital disruption, the energy crisis and rising inflation, and internal factors such as the completion of the merger with Bankia and the launch of the new 2022-2024 Strategic Plan pose major challenges which, among other things, impact on people management. To cope with this challenging context, it is not only important to foster new, more cross-cutting and collaborative ways of working, but new knowledge and skills are also needed.

With this objective in mind, the 2022-2024 Strategic Plan places special emphasis on culture and people, which are key to achieving CaixaBank Group's ambition to be the preferred financial group to work for and, at the same time, **to have the best talent to meet the Group's strategic challenges.**

To achieve the Group's ambition, a **Human Resources Master Plan** has been designed which includes the following levers:

- Promote an exciting, committed, collaborative and **agile team culture** of empowerment and tolerance of error.
- Promote intimate, motivating, non-hierarchical **leadership** with transformative skills.
- Offering **a differential value proposition** to employees.
- **Encouraging new forms of work** with respect for diversity, equal opportunities and inclusion and non-discrimination on the basis of gender, age, disability or any other factor.
- Transforming the management of the **people development model:** more proactive in team training and focused on critical skills.

> CAIXABANK GROUP EMPLOYEES AT 31 DECEMBER 2022

CaixaBank Group

44,625 Employees

- 56.5% Female
- 43.5% Male

- 5,628 Directors
- 7,996 Middle management
- 31,001 Other employees

Indefinite contracts 99.5%

Average age 45.8 years

Average length of service 17.9 years

CaixaBank, S.A.

36,089 Employees

- 57.5% Female
- 42.5% Male

- 5,015 Directors
- 6,796 Middle management
- 24,278 Other employees

Indefinite contracts 99.7%

Average age 45.8 years

Average length of service 18.9 years

BPI S.A.

4,387 Employees

- 56.9% Female
- 43.1% Male

- 296 Directors
- 613 Middle management
- 3,478 Other employees

Indefinite contracts 99.4%

Average age 46.7 years

Average length of service 19.8 years

> GEOGRAPHICAL DISTRIBUTION OF CAIXABANK GROUP STAFF

Spain	39,825
Portugal	4,570
Africa	38
Algeria	3
Egypt	3
Morocco	29
South Africa	3
North America	8
Canada	2
The United States	6
South America	12
Brazil	3
Chile	3
Colombia	3
Peru	3
Asia	20
China	8
United Arab Emirates	4
India	4
Singapore	4
Rest of Europe	150
Germany	18
France	23
Great Britain	25
Italy	10
Belgium	1
Luxembourg	31
Poland	21
Switzerland	17
Turkey	4
Oceania	2
Australia	2

_Corporate Culture

Culture forms p**art of our personality as an organisation**, and is one of the key pillars for the implementation of our strategy, based on the **We are CaixaBank** concept, which incorporates 3 pillars:

People, our priority

- **Committed:** we encourage actions that have a positive effect on people and society as a whole.
- **Close:** we listen and support everyone, providing solutions to their current and future needs.
- **Responsible and demanding:** we act guided by criteria of excellence, thoroughness and empowerment with the aim of adding value to others.
- **Honest and transparent:** we build trust by being upright, honest and consistent.

Collaboration is our strength

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

Flexibility is our attitude

- **Flexible and innovative:** we promote change with foresight, swiftness and flexibility.

_Culture and Leadership Model

To align conduct with the changing reality of 2022, the **Culture and Leadership Model has been updated** throughout the year to support the new Strategic Plan and thus reinforce people's commitment in an environment of exponential change.

The **objectives of the Culture and Leadership Model** are:

> Promote a team culture committed to our purpose and to be proud to work in the CaixaBank Group.

> Strengthen knowledge of the attributes and conduct in line with the corporate culture.

> Promote intimate, motivating, non-hierarchical leadership with transformative skills.

Through a total of **six basic levers or pillars**, the evolution of the Culture and Leadership model is driven by informing our professionals on the **We Are CaixaBank** conduct.

Active listening

> Conducting the 2022 Engagement Survey of the entire workforce to measure Engagement and Culture and Leadership.

> Global action plan focused on the Network and Central Services to improve the Employee Experience.

See more in Engagement Study and Action Plan.

Communication

> Dissemination of the Culture and Leadership model to the management structure. Management Convention.

> Communication plan to make the attributes of the Culture and Leadership Model known to the entire workforce and thus promote cultural integration.

Executive development

> "Leading Leaders" programme for Network managers, in which the Human Resources Department transmits the most important aspects of the Culture and Leadership Model.

> Development programmes (PROA, C1, Management Self-Training Programmes, etc.) focused on developing team leadership skills based on the values and attributes of the CaixaBank Culture.

> CaixaBank Talks: Live, face-to-face and online talks on Culture and Leadership.

Training

> Development and design of training in Commercial Culture for Executives.

> Cultural training for new recruits.

Value proposition for employees

> Review of the Employee Value Proposition to promote the attraction of the best talent and establish a committed relationship with our collaborators.

Ambassadors

> Cultural trainers (internal training). Agents of transformation who contribute to disseminating the We are CaixaBank Culture to all professionals and gather feedback.

> Regional HRBPs and HRD.

_Actions of the Model

The Culture and Leadership model leverages actions aimed at:

> **Trainers of Culture**. For this group, actions are implemented to empower them and provide them with the tools to be agents of transformation and to help spread the We are CaixaBank Culture to all professionals and gather feedback.

> **The entire workforce**, actions are launched to promote knowledge of the We are CaixaBank culture and the behaviours associated with it in order to foster cultural integration and pride of belonging. With a special focus on **Executives**, to turn them into transformational leaders, benchmarks and promoters of the We are CaixaBank Culture and the AHEAD Leadership Model.

_Leadership model (AHEAD)

A Leadership Model where **all employees are leaders in our sphere of influence.**

AHEAD

ALLIANCES	HUMANISM	EMPOWERMENT	ANITCIPATION	DIVERSITY
Leaders able to create **Partnerships** from collaboration and common purpose.	**Humanist** leaders, with ethics and proximity. People who can guide us and who place other people at the centre.	Leaders who are **Empowered** and committed to achieving sustainable results.	Leaders who **anticipate** and promote change, who are flexible and learn continuously.	Leaders with a **Diverse and Inclusive** mindset, open to technology and innovation.

The CaixaBank Leadership Model (AHEAD) is applicable to the entire workforce and seeks **greater self-leadership and responsibility in decision-making**, while promoting proactivity and transversality.

_Value proposition for employees

The ***Employee* Value Proposition** is being designed in line with the Culture and Leadership Model in order to increase commitment and the employer branding to be the best Financial Group to work for.

>THE FOUR PILLARS OF THE EVP

We generate impact

We transform **society** with **responsible and sustainable** actions that bring added value to people and the environment in line with our **purpose**.

We grow

We promote short, medium and long-term professional **development** in CaixaBank Group and facilitate **diverse, inclusive and healthy environments.**

We are a team

We promote **trust** and **collaboration** between professionals by implementing **flexible working** models and **cross-functional projects**.

We innovate

We foster **agility** and **digitalisation, empowering** professionals to address **quality** solutions.

_New ways of working and transformation of the development model

This new look, together with the trend towards a **flexible work model** that requires the management of off-site equipment, has also led to a paradigm shift in each employee's own development. In this regard, the new **"Development by Skills"** concept, where employees are responsible for their own career development, will be in line with the conduct detailed in the CaixaBank Culture and the Leadership Model.

↗ See section on Agile and transversal work models.

_Diversity and equal opportunities

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

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

CaixaBank Wengage

The Wengage programme, **based on meritocracy, equal access, participation and inclusion,** promotes gender, functional and generational diversity.

To address the challenges that we face as an organisation in the coming years, it will be key to have a workforce made up of diverse, empowered and committed people who, through equal opportunities and meritocracy, develop their full potential and talent.

The new **2022-2024 Diversity and Inclusion Plan** has four major goals which articulate all the diversity and inclusion initiatives held in 2022:

> Consolidate gender diversity in managerial and pre-managerial positions and continue to promote women's leadership in the organisation with a focus on senior management.

41.8%

Women in management positions (from deputy managers of large branches) for CaixaBank S.A.

> Foster a culture of inclusivity and diversity (beyond gender) and ensure equal pay for all the people in the Company.

> Be the benchmark financial institution in terms of diversity and inclusion for customers and business segments.

> Continue to promote diversity and equal opportunities in society through awareness-raising actions and strategic partnerships.

_Gender diversity

On an internal level, the gender diversity programme seeks to increase representation of women in management positions, promoting the value of diversity and raising awareness of gender biases and stereotypes. The core initiatives implemented are:

_Strengthening the role of women in the Group

> **Women's Mentoring Programme.**

> **AED (Spanish Association of Executives) and Lead Mentoring for Women Executives by CaixaBank** Closing of the 2nd edition of the online programme aimed at promoting female leadership through a women's Mentoring programme among large corporates. (60 participants in the 2021-2022 programme).

> **Closingap Mentoring Programme** Cross-mentoring aimed at women from organisations that are part of the Closingap alliance.It is based on a benchmark platform used to analyse the economic and social cost of gender gaps and the impact of initiatives aimed at reducing them.

> **III Global Mentoring Walk Madrid,** meeting of emerging women leaders with leaders of a wide trajectory (180 participants).

> **Diversity Advisory Committee.** Creation of a new external body whose objective is to advise CaixaBank on its strategic decisions in the field of diversity and inclusion, bringing new perspectives from its experience and knowledge. The Diversity Advisory Committee meets on a four-monthly basis and is made up of 5 members from different business sectors.

_Contribute from Human Resources processes

- Consolidation of the **internal promotion processes.**
- **Promoting and communicating work reconciliation measures** as a key lever for ensuring gender equality.
- Family support plan: Actions held to empower employees with children and to promote joint responsibility:
  - Opening of **breastfeeding rooms** in corporate buildings.
  - **New online workshop "Welcome mums and dads!"** as part of the "Somos Saludables" programme.A workshop created to support professionals who return to the work environment after birth, adoption or foster care leave.
- **Communication on gender-based violence:**
  - Drafting and dissemination of a compilation of recognised labour rights fo**r victims of gender-based violence.**
  - **Centralised and confidential inbox** for any female victims of gender-based violence to communicate their situation so that the Company can process their complaint, understanding their condition and making all existing legal and internal rights and measures available to them.
- Study of **career paths** in order to identify differences between men and women and propose actions to reduce the gender gap.
- Development of **gender pay equity analysis.**

_Involve and educate all people.

- **Unconscious bias training:** online content available on the *PeopleNow* platform aimed at helping detect and minimise unconscious biases (non-inclusive opinions and behaviours) and providing tools to avoid them. There are two exclusive modules for Human Resources professionals.
- **Courses on diversity and inclusion in Virtaula.Next available for the entire workforce.**
- **Internal dissemination of the equality-based communication guide,** a proposal to promote more empathetic and equality-based communication in the Company and towards customers.
- **Internal CaixaBank talks:** Training our mindset: removing biases to be more inclusive with more than 1,100 live participants.
- **CaixaBank *Corporate Ambassador of Sport & Corporate Hackathon*.**
- **Quarterly meetings of Equality Agents** from each of the Regional Management units.

_Visualising diversity

- Publication of the new ***Wengage* Portal** on ***PeopleNow***, with exclusive and segmented content according to the different instances of diversity and areas of action.
- Creation of a **news channel on *PeopleNow*.**

Externally, we want to contribute to raising awareness of the value of diversity and equal opportunities in society, focusing our efforts into three areas:

_Leadership and entrepreneurship

- Organisation of the 6th edition of the **Women in Business Award** and collaboration with the international IWEC award to support to women entrepreneurs. It is the Bank's acknowledgment, for six years now, of the professional and business excellence of women who maintain an outstanding leadership background in the Spanish business environment.
- IWEC ***Annual Conference***, *"Connecting Women Businesses Globally: The Transformational Power of Women's Leadership"*. CaixaBank as Founding Sponsor with IESE.
- **Professional Self-employed Women's Award.** 2nd edition of the award acknowledging the leadership and talent of self-employed professional Spanish women.
- ***CLOSINGAP Women for a Health Economy***, adherence to the platform of reference for analysing the economic and social cost of gender gaps and the impact of initiatives to reduce them.
- Bolstering of **women's empowerment in the rural world,** including:
  - **Renewed adherence to strategic alliances** with the main associations supporting women in rural areas: FADEMUR (Federation of Rural Women's Associations), AFAMMER (Association of Rural Families and Women) and Spanish agri-food cooperatives.
  - The 3rd edition of the AgroBank Chair, **Women, Business and the Rural Environment Award**, which recognises the best final master's degree project by women (**University of Castilla La Mancha**).
  - **Presence at sector events:** Rural Environment Conference and Excellence Awards for rural women's innovation.

_Innovation and education

- ***WONNOW* Awards.** 5th edition of the awards that recognize academic excellence and talent among STEM (science, technology, engineering and mathematics) students, with 975 candidates enrolled.
- Participation in **#ChicasImparables** from 50&50 and IE Business School.

_Sport

- Support for female sport through the sponsorship of the Spanish women's football and basketball teams and other sports events.

_Communication

- **European Diversity Month:** organised through the European Commission and the 26 organisations that promote the Charter in the European Union. It includes more than 12,000 signatory companies in Europe and 1,195 in Spain. It has the following objectives:
  - Celebrate and promote diversity and inclusion,
  - increase awareness of its benefits and
  - motivate companies and banks to bring visibility to their actions and commitment.
- **Diversity events** in all regional divisions, **at ImaginCafé and at CaixaBank *Talks* for customers**, with more than **700 attendees.**
- **Equality Week:** With the organisation of activities for the whole of society to celebrate International Women's Day (8 March).

For all these **diversity management processes**, CaixaBank:

> AWARDS AND RECOGNITION

→ It has been included for the fifth consecutive year in the **Bloomberg Gender Equality Index**, the international index that acknowledges efforts in transparency and advancing women in the business world, ranking among the world's top five companies.

→ CaixaBank has once again been included in the Gender Diversity Index of the ***European Women on Boards*** (**EWoB**) association, together with **Equileap**'s international gender equality ranking.

→ CaixaBank has also renewed its **Family-Responsible Company (FRC)** certification for the twelfth consecutive year in 2022, keeping its **Level of Excellence A** certification. This certificate is awarded by the Fundación MásFamilia in recognition of the promotion of a balance between business, work and family through the implementation of policies and measures that support it.

→ In addition to these awards, **CaixaBank has also been awarded the DIE label for "Equality in Company".**

CaixaBank is also committed **to national and international principles of promoting diversity:**

> ACCESSIONS

Adherence to the Code of Good Practices for **Talent Management and the Improvement of Business Competitiveness.**

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

Adherence to the new **United Nations Global Compact initiative** to accelerate women's representation and leadership in the company.

Adherence to the STEAM Alliance for female talent "Niñas en pie de ciencia" of the Ministry of Education and Vocational Training, with the aim of **promoting scientific vocation in female children and youth.**

Voluntary agreement with the Women's Institute, which promotes **greater representation of women in management positions.** An initiative that seeks to promote a balanced participation of women and men in decision-making in the business and economic sphere.

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

CEO LA DIVERSIDAD

CaixaBank joined the CEO Alliance for Diversity, the first European alliance to **unite CEOs around innovation in diversity, equity and inclusion.** This alliance was founded in 2019 and is promoted by the CEOE Foundation and the Adecco Foundation. In 2021, it is made up of 75 companies.

closingap

Closingap alliance

Joining this **alliance of companies that acts as a cluster of reference**, in close collaboration between the public and private sectors, and that analyses the economic and social opportunity cost of gender gaps.

↗ More information.

Diversity Leading Company

Diversity Leading Company

As of 2022, CaixaBank has been awarded the Diversity Leading Company seal, a Teams & Talent award in acknowledgement of our commitment to female leadership and talent, and the promotion and management of diversity.

↗ More information.

REDI

REDI Business Network

Since May 2022, CaixaBank has been a member of REDI, a Spanish non-profit association that promotes an **inclusive and respectful environment with LGTBI diversity** in the workplace.

↗ More information.

> GENDER DIVERSITY IN NUMBERS

Employees distributed by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
Male	22,128	19,413	18,303	15,347	1,916	1,892
Female	27,634	25,212	23,299	20,742	2,546	2,495
Total	49,762	44,625	41,602	36,089	4,462	4,387

Employees by contract type and gender

CaixaBank Group	Part-time, fixed or indefinite-term contract full-time		Part-time, fixed or indefinite-term contract part-time		Temporary contract	
	2021	2022	2021	2022	2021	2022
Male	22,056	19,264	26	51	46	98
Female	27,551	25,051	27	53	56	108
Total	49,607	44,315	53	104	102	206

New hires by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
Male	77	496	16	138	21	58
Female	95	453	26	118	40	55
Total	172	949	42	256	61	113

Redundancies by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
Male	43	56	27	38	3	1
Female	39	57	26	39	3	2
Total	82	113	53	77	6	3

The turnover calculated as the redundancies over the average workforce (excluding the restructuring plan and voluntary redundancies) is 0.25% (0.21% in CaixaBank S.A.). Voluntary turnover is 0.71% (0.25% in CaixaBank S.A.).

For further detail, see the section: Restructuring plan and Labour Agreement.

Average remuneration by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
Male	71,872	75,368	75,579	79,846	43,073	46,638
Female	59,082	62,534	62,510	66,453	33,150	35,581
Total	64,754	68,109	68,244	72,140	37,411	40,349

Average remuneration by professional category and gender

Group CaixaBank	Directors		Middle management		Rest of employees	
	2021	2022	2021	2022	2021	2022
Male	109,265	122,809	81,546	86,399	56,331	58,581
Female	91,797	101,737	72,325	77,223	51,888	54,709
Total	102,604	114,432	76,749	81,676	53,650	56,222

Average remuneration of Directors by gender - CaixaBank S.A.[1] (in thousands of euros)

	2021	2022
Male	143	173
Female	143	197
Total	143	182

[1] It does not include the remuneration derived from positions other than those of representation of the Board of Directors of CaixaBank, S.A.

> GENDER PAY GAP

The comparison of salaries is calculated as the average for men minus the average for women over the average of men and is 17.0% (17.8% in 2021).

Salary gap[1]

	CaixaBank Group	CaixaBank, S.A.	Banco BPI
2021	1.2	0.7	2.7
2022	1.1	0.7	2.4

Measures to mitigate wage convergence

The CaixaBank Group has remuneration management policies that include criteria to reduce the pay gap, both in the transmission and application of remuneration management guidelines and in the process of filling management positions.

The gender perspective is assessed in all positions analysed and the evolution of the number of women in management positions is actively monitored.

[1] See review of calculation criteria for 2021 in "Criteria and scope of the Report."

_Functional diversity

The functional diversity programme is based on **respect for people**, their differences and capabilities, equal access to opportunities and non-discrimination.

The measures of the Inclusion Policy include a specific assessment of each job position occupied by a person with a disability to ensure that it is adapted to their needs, as well as various permissions and measures so that employees covered by the protocol can attend to any medical needs related to their disability and can avail of the workplace resources necessary to perform their work, such as sign language, Braille, accessible means of communication or even, if the disability requires it, access with assistance animals.

> PRINCIPLES

- **Non-discrimination**
- **Inclusion**
- Recognition **of capabilities, merits and skills**
- Fight **stereotypes and prejudices**
- Fostering **receptive attitudes**
- **Accessibility**

> EMPLOYMENT COMMITMENTS AND RECRUITMENT OF PEOPLE

- Promote the inclusion and integration of staff with functional diversity.
- Promote the contracting of people with disabilities in the Company.
- Promote the inclusion of people with functional diversity in society through strategic alliances with foundations and associations.

Inclusive policy for people with disabilities.

CaixaBank has an Inclusive policy for people with disabilities in place since January 2020, which was agreed with the workers' legal representatives. Its principles and commitments are geared towards respect for people with functional diversity and fostering their integration into the Organisation under the same conditions as the rest of the workforce, establishing a series of social benefits.

578 Employees with disability

588 in 2021

Internally, the objectives and the main initiatives implemented include:

At CaixaBank we are deeply **committed to functional diversity, equal opportunities and talent**, prioritising respect for people, their differences and abilities, and guaranteeing non-discrimination.

- **New Functional Diversity Plan 2022-2024, which drives two objectives:** Inclusion and full integration of people with disabilities in CaixaBank, improving their experience at the Company.
- Awareness-raising among the entire organisation on functional diversity.

_Objective of inclusion and integration of people with disabilities

- **A new service for guidance and advice on disability and dependency** for employees and their immediate relatives.
- **Fundación Adecco Family Plan**, a programme for children of employees with disabilities (equal to or greater than 33%), aimed at promoting skills and abilities that increase their autonomy and their possibilities of joining the labour market.
- Collaboration with entities such as **Incorpora** to identify professionals with disabilities and integrate them into CaixaBank staff.
- **Recruitment of two professionals with ASD** (Autistic Spectrum Disorder) for software revision projects.

_Objective to raise awareness of disability throughout the organisation

- **New Wengage Diversity.** Creating a section on functional diversity to raise the profile of the group and share relevant information. It brings together all the services and projects related to disability.
- **Training in functional diversity for all staff.**

Externally, the company promotes visibility and support and encourages inclusion of people with disabilities. Some of the initiatives carried out include:

_Promotion of employment and commitment to society

- Collaboration in the **8M Challenge of the Eurofirms Foundation**, the goal of which is to bring 1,000 women with disabilities into the labour market in one year.
- Funding **of a pioneering employment guidance course for young people with ASD by Specialisterne.**
- Funding of **scholarships for young people with disabilities**, in partnership with the Randstad Foundation and the Prevent Foundation.
- Contracting services with **Special Employment Centres** to promote the inclusion of people with functional diversity in the workplace and people's professional development.
- **Donations to entities** fostering the inclusion of people with disabilities in the labour market.

_Services adapted to customers with functional diversity

- **Website with accessibility level AA** (Conformity with the Web Content Accessibility Guidelines).
- **Accessible offices** with access ramps or lifts, as well as ATM accessibility, based on the Apsis4All programme.

_Support for adapted sport

- **Sponsorship of the Spanish Paralympic Committee (CPE)** stemming from a commitment to diversity and inclusion in sport.
- **Support for the Spanish Paralympics team,** a commitment to athletes and their effort, sacrifice and perseverance and creation and promotion of **#INCOMFORMISTASDELDEPORTE.**

_Generational diversity

The generational diversity programme begins with the diagnosis of the situation in the Group, analysing demographic evolution and impacts on structural indicators. Given the ageing of the general population and CaixaBank's workforce in particular, generational diversity will be a key factor to be managed in our organisation, promoting synergies between generations and addressing the different needs and expectations at each stage. It has the following objectives:

- To integrate generational diversity into the corporate strategy and the employee experience.
- To foresee the problems arising from the ageing of the workforce.
- To identify actions that improve the coexistence of different generations in the Organisation.
- To take advantage of the knowledge of each generation to drive and accompany the Company's strategy.

Each generation contributes different lessons learned, knowledge and intuitions. Therefore, **internally, work is being done to create mixed teams and promote the value of generational diversity.**

These are some of the initiatives and actions performed in 2022:

- **We Are Healthy Program** with a generational vision. This program incorporates: content and articles of interest, workshops, webinars, challenges and healthy routines.
- **Ongoing Training plan**, promoting the employability of all people throughout their professional career.
- **Diverse team management module** for management teams in order to integrate and unite teams and individuals inclusively.
- **Raising awareness among the entire workforce** to combat prejudices and eliminate the labels given to each generation.
- **BUDDY GENERACcionando programme** to reinforce culture and knowledge transfer.

Externally, we offer a value proposition geared towards each group and take part in events and forums to promote senior talent and give it the social visibility it deserves.

- **CaixaBank Séniors.** Training in gerontology for senior CaixaBank directors and the creation of the figure of the senior manager to increase the confidence of elderly customers in the bank, and to accompany those who have not adapted to the digital transformation process.

See the Senior collective section.

CaixaBankSēniors

As a result, we have been awarded first prize in the Inside Company category of the IV Generacción Awards granted by the Generation & Talent Observatory, which acknowledge best practices in the awareness and management of generational diversity in organisations.

- **Collaboration with the Generation & Talent Observatory "Generacciona":**
- **Participation in task forces with other companies to champion the value of senior talent and reveal the corresponding social visibility.** Particularly noteworthy is the Libro Blanco del Talento Sénior prepared by the Lab Talento Senior with Fundación Adecco-Fundación Eres, which includes best practices aimed at raising awareness in companies, public administrations and society about the relevance that the senior workforce will acquire in the coming years.
- **Cooperates in the EFR Teamwork Senior Talent.** Group led by Fundación MásFamilia and comprising various companies; the objective is to anticipate and adapt to this new reality, seeking to anticipate the full potential of senior talent.

> GENERATIONAL DIVERSITY IN NUMBERS

Employees by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
<30 years	1,302	1,190	1,021	818	120	139
30-39 years	7,105	5,713	5,566	4,315	623	495
40-49 years	27,423	25,818	23,384	21,726	2,390	2,299
> 49 years	13,932	11,904	11,631	9,230	1,329	1,454
Total	49,762	44,625	41,602	36,089	4,462	4,387

Employees by contract type and age

CaixaBank Group	Part-time, fixed or indefinite-term contract full-time		Part-time, fixed or indefinite-term contract part-time		Temporary contract	
	2021	2022	2021	2022	2021	2022
<30 years	1,211	1,017	5	8	86	165
30-39 years	7,075	5,672	18	20	12	21
40-49 years	27,401	25,757	18	48	4	13
> 49 years	13,920	11,869	12	28	-	7
Total	49,607	44,315	53	104	102	206

Employees dismissed by age

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
<30 years	10	7	6	5	1	1
30-39 years	16	34	12	24	1	1
40-49 years	37	40	24	27	4	1
> 49 years	19	32	11	21	-	-
Total	82	113	53	77	6	3

Average remuneration by age

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
<30 years	34,340	36,878	35,723	38,312	22,688	25,720
30-39 years	49,225	52,117	52,360	54,756	27,799	31,328
40-49 years	64,538	67,435	67,939	71,171	35,075	36,887
> 49 years	75,975	80,285	79,365	85,424	47,446	50,294
Total	64,754	68,109	68,244	72,140	37,411	40,349

See review of calculation criteria for 2021 in "Criteria and scope of the Report."

_Professional Development and Remuneration

_Development of potential

The CaixaBank Group is committed to strengthening the critical professional skills of its professionals and their development. In this sense, the Group has developed a master plan that responds to the challenges of the market, the needs of groups, and the individual needs of its professionals. Practically 100% of CaixaBank employees undergo assessments to obtain a global perspective (performance and skills assessment).

100% of positions

positions covered internally
99.9% in 2021. CaixaBank, S.A.

13,190 participants

in development programmes
(Includes CaixaBank talks programme)
26,470 in 2021 CaixaBank, S.A.

_Managerial and Pre-managerial

Highlights include:

> **Managerial Development Plan** focused on strengthening leadership skills and promoting strategy and transversality in the Company, highlighting the new AHEAD Leadership model.

> **Pre-managerial programmes:** intended for professionals from different areas and Regional Management (branch managers, Central Service managers and Directors of Private Banking and Business Banking) and includes coaching sessions and leadership training.

> **Managerial training** features two stages (inclusion and consolidation) and a third stage for high-potential groups, and offers incremental development through consolidation in a staff member's position and where the concept of "Certification" is incorporated through Universities and Business Schools.

> **Incorporation:** training aimed at developing leadership that is focused on oneself and on laying the foundations of the business. It is proposed for professionals newly accessing management roles. The core programmes include: PROA (Business Area Management), GPS (Central Services and Business Area Management), Leadership Certificate C1 Programme, online self-training and transition coaching assignment processes.

The Entity promotes professional development programmes at management, pre-management and critical group levels.

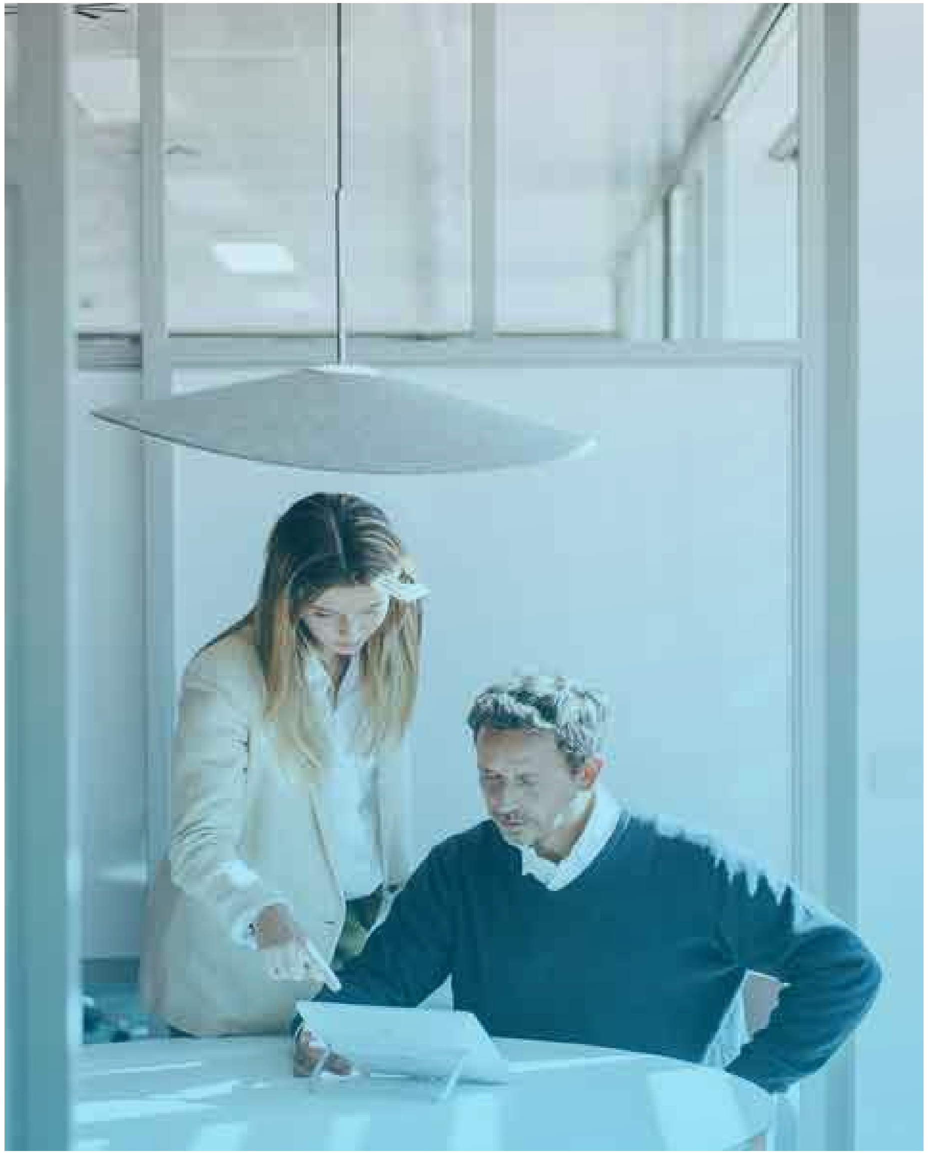
> **Consolidation** (between 3 and 5 years in the position): focused on their role as leaders of others and drivers of change and strategy implementation. The core programmes include: C2 Leadership Certificate (Senior Management), programmes related to transformation in the digital age (IMD), online self-training, and consolidation and mentoring coaching sessions.

> **High-potential development:** proposals to contribute to and promote the development of leadership in executives with high potential. TOP 200 Programme.

- **Management and Pre-Management Self-training** with courses that respond to 5 major critical areas:
  - New forms of work.
  - Digital Transformation.
  - Relationship with customers.
  - Development of potential.
  - Wellbeing.
- **Support process:** online transition coaching, first edition of internal mentoring certification (80 mentors with International Mentoring School), mentoring for development programme (geared towards women in the network), and the Buddy programme of the WonNow collective.

Other featured projects:

- **Business approach programmes:** Leading Leaders and Leading Stores.
- **CaixaBank Talks HR Development:** top-level speakers who will showcase the latest trends and developments in business, digital transformation, skills and sustainability.
- **Training in Hybrid Teams:** programme to optimise work on hybrid and off-site teams.
- **Programme on cognitive biases:** to correct distortions in our reasoning which, although they sometimes help us to make quick decisions, can also lead to misinterpret the people around us.
- **English school:** features online premium content for executives and maintains the one-to-one format for Senior Management.
- ***Strategy***: once the company understands the environment in which it operates at present and internalises the new ways of working, leading and developing the talents present in the organisation, we move on to explore other work methodologies and work on new tools.
- **Launch of the Managerial Community:** launching of a sharing space for the Company's managers.



_Development by skills

Development by Skills, was created to transform the Group's employee development model, the result of the transformation of the banking sector and the need to have new profiles.

It involves the creation of an agile and personalised development model that puts our employees at the centre of their own professional growth, to the extent that each professional is responsible for and an active part of their own learning and development. The project is structured around five major blocks:

> **A unique architecture** of **skills and professional profiles**, designing a catalogue of profiles with their required skills with the involvement of all areas of the bank and Group companies.

> **Conducting upskilling pilots** in Business, specifically for Intouch senior advisors, managers and coordinating managers, and the design of a programme for Business Area Management has begun.

> **Developing the new** skills assessment process for the entire workforce.This process will make it possible to shape the Company's knowledge and skills map and identify development gaps in order to implement upskilling and reskilling programmes in response to the gaps detected.

> **A process of ongoing review and evolution of Human Resources processes**, leading to a transformation of the area as the assessment, development and selection process adapts and evolves.

> **Adaptation and evolution of HR Systems** to incorporate a new skill-based development model. Evolving the systems will enable employees to highlight their skills and knowledge and to compare their professional profile with other profiles in the Company.

_Talent programmes

CaixaBank has Talent Programmes to identify and develop early talent and thus anticipate future needs.

CaixaBank's programmes to attract external talent include:

> ***WonNow***: intended for female STEM (Science, Technology, Engineering and Mathematics) students at Spanish universities. The winners of the internship award will join for six months in strategic positions.

> ***New Graduates* for Central Services:** to identify and incorporate talent for positions that are more difficult to cover internally and for strategic digital positions. A two-year programme with a career plan and the possibility of onboarding into structural positions.

> ***Data Talent Program*.** Programme aimed at incorporating the best Data and Business Intelligent talent in various areas of CaixaBank's Corporate Services and Group companies, collaborating in strategic projects and dynamic environments within the areas of Data Analysts, Business Analysts and Machine Learning.

_Training

CaixaBank is committed to training and boosting **professional skills** as the primary pathway to innovation It does not conceive improving skills without developing people. It must be a self-reinforcing relationship and that adapts to the times.

>OUR LEARNING STRATEGY

Connected and shared knowledge

At CaixaBank, knowledge is not watertight but interconnected, in constant movement.

This interconnectedness is how new ideas emerge, how we evolve, often in ways that are spontaneous. Our way of doing things is based on knowledge sharing, horizontality and transversality.

Promoting business transformation

The world of banking has been overhauled in recent years almost more than in its entire history. Business is transformed, and we must seek new opportunities. This culture, which is so much our own, allows learning opportunities to arise at any time, in any context. With regard to people's development, it is key to the Transformation of Business.

Continuous learning

As we adapt to the times in full, each stage requires specific skills that people need to develop. An uncertain world undergoing constant change requires ongoing training. We achieve this thanks to an open and collaborative culture among professionals.

Learning **drivers** (key people, tools or channels) make it possible to implement the defined strategy and plan.

Virtaula + external platforms

A virtual, accessible, user-friendly and simple platform that can adapt to the potential learning developments that the future has in store.

Capable of acting as a training centralizer with other external platforms.

Virtaula.Next

Trainers

By ensuring the knowledge of Trainers (knowledge leaders who act as internal trainers), we will maintain a shared and connected knowledge throughout the company.

There are 4 types of trainers: Digital, Business, Culture and Risk-Default.

External schools

The country's leading schools offer our staff regulated knowledge through certifications or postgraduate courses.

_Ongoing training

CaixaBank Campus is the teaching approach under which the Company's training is developed, promoting a culture of ongoing learning where the figure of the internal trainer, as a learning facilitator, plays a key role. This model structures training in three main blocks:

CaixaBank campus
Nunca dejes de aprender

01. Regulations

Compulsory training, required by the regulator: short term, as well as certifications in LCI (Real Estate Credit Act), IDD (Insurance Distribution Directive) and MiFID.

02. Recommended

Training recommended by the company to employees according to their role and the segment to which they belong, and which meets business challenges and needs: "My Customers," Digital Transfer, Training for Segments, Default and Senior Managers. In terms of Sustainability (ESG), a training course comprising:

> External certification on sustainable investment (Premium and Private Banking).

> Training for learning the most relevant concepts in this field.

03. Self-training

Self-training that responds to the individual needs of our employees: Virtual Academy of English (Education First), Postgraduate in Risks, Training in Agile Methodologies, Sustainability School training, etc.

_Recognitions of the learning model

We the Humans

Ethics and Artificial Intelligence Award in a consolidated company to Virtaula

Third Meeting on Ethics and Artificial Intelligence organised by We The Humans.Virtaula.Next (CaixaBank S.A.) together with four other projects developed by startups, received the **award in the Consolidated Company category for the integration of AI elements.** A recognition of the work of an entire team that works every day with a clear vocation of service to staff, framed in the company's strategic plan.

Generacción

IV Generation Awards

These awards recognise good practice in raising awareness and managing generational diversity in organisations. **First prize in the Inside Company category for the initiative "Training in gerontology for senior CaixaBank directors".** Through the figure of the senior manager, trained in gerontology, the aim is to increase the trust of elderly customers with the bank, and to accompany those who have not adapted to the digital banking transformation process.

GREF

GREF prizes

The Group of Training Managers of Financial Institutions and Insurers (GREF), an association in which all financial institutions and insurers in the financial sector participate, has awarded the GOLD GREF award to CaixaBank for its Trainers Academy project, which focuses on how to help the more than 1,300 people who form part of this group to learn, communicate and share knowledge better.

PREMIOS 2022* RR HH
A LAS MEJORES PRÁCTICAS EN

XIII Cegos Awards for Best HR Practices with Equipos&Talento

Caixabank has developed the Training Strategy project during the complex COVID period in a remote working format. A learning platform and ecosystem that fosters curiosity, a spirit of continuous improvement, generosity, humility and initiative in employees. Adaptation to new forms of learning and a proprietary model for digital integration are recognised with the Cegos Award with E&T 2022 in the category Development and Learning for the best training strategy.

_Other training carried out in Group companies

_*Red Hat:* Technologies for developers in Kubernetes environments.

Understanding of the workings and underpinnings of many of the technologies surrounding the Kubernete open source ecosystem.

_IMMUNE - *Dialogues*

IMMUNE- Dialogues are events related to women who develop their careers in STEAM disciplines.

_FP Dual Programme

A programme developed with the aim of expanding the number of technology profiles.

_2nd Edition of the Women's Mentoring Programme

Professional development programme through mentoring to empower women and boost their careers. Starring 60 women in total: established female managers in the role of mentors and pre-managers with potential as mentees.

_*New Graduate Talent Program 2022*

Programme for recent university graduates, master's or postgraduate students with a 1-year training contract. This is a development programme of maximum excellence that seeks to incorporate and develop critical talent in Group companies (32 participants this year between VidaCaixa and CaixaBank Tech).

€15.1m investment

in training in total.
€12.7m in 2021

€335 investment

In training per employee.
€263 in 2021

3,178,202 hours

of training in 2022 (96.4% online training)
3,943,021 in 2021 (98.2% online training)

70.2 hours

of training per employee
81.8 in 2021

The training is intended for all staff, regardless of the type of contract they have.

Subcontracted suppliers are requested to understand, raise awareness of, accept and commit to complying with CaixaBank Group's Code of Conduct for Suppliers of CaixaBank Group. In matters of occupational risk prevention, the business activities are coordinated in such a way that it ensures suppliers are aware of CaixaBank's Occupational Risk Prevention Policy.

_Appropriate and meritocratic compensation

In 2019, CaixaBank's Board of Directors approved a revision of the CaixaBank General Remuneration Policy, which specifies and adapts to the main features of each remuneration type. It can be accessed by all employees via the corporate intranet.

Remuneration at CaixaBank essentially features the following pay items:

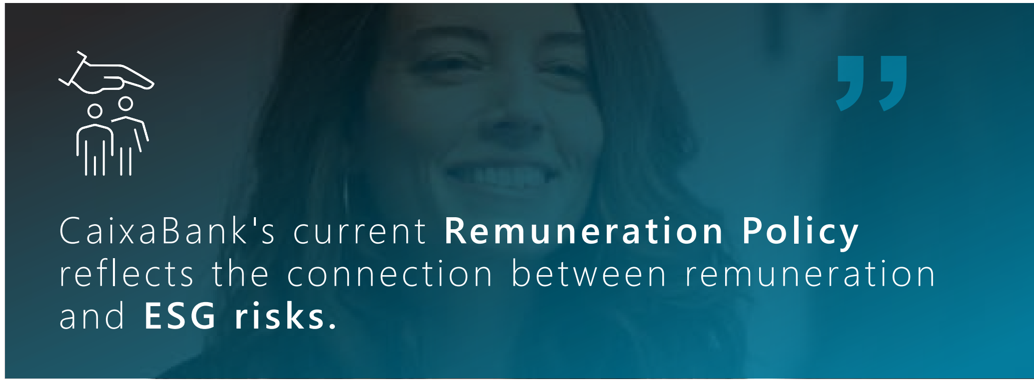
> **Fixed remuneration** based on the employee's level of responsibility and career path. This accounts for a significant part of total remuneration, also includes the different social benefits, and is governed by the collective bargaining agreement and the various internal labour agreements.

> A **variable remuneration** system in the form of bonuses and incentives for achieving previously established objectives and set up to prevent possible conflicts of interest, and, where applicable, to include qualitative assessment principles in line with customer interests, codes of conduct, and prudent risk management.

The principles of the General Remuneration Policy are applicable to all employees of CaixaBank Group and, among other objectives, they seek to encourage behaviour that ensures the generation of value in the long term and the sustainability of results over time. Furthermore, the strategy for attracting and retaining talent is based on making it easier for professionals to participate in a distinctive social and business project, on the possibility of developing professionally and on competitive conditions in total compensation.

From 2021, sustainability risk factors understood as Environmental, Social and Governance are incorporated into the General Remuneration Policy. These have been reinforced with the implementation of the new Multi-Year Variable Remuneration system as specific factors have also been included in this area.

In addition to the remuneration items, CaixaBank's staff enjoy numerous **social and financial benefits**, such as the retirement savings contribution offered in the Pension Plan, risk premium covering death and disability, free health insurance, childbirth benefits, aids for death of a family member and bonus for 25/35 of service.



With the aim of aligning the variable remuneration with the sustainability and good corporate governance goals, the weight of metrics linked to ESG factors (such as Sustainability, Quality and Conduct and Compliance) has been increased in the annual and long-term variable remuneration schemes in 2022. This greater weight provided to the ESG factors affects the Executive Directors (see details in the IARC), Senior Management and a significant portion of the workforce.

Compensa+

As a supplement to the remuneration items, the Company has a **Flexible Remuneration Programme (Compensa+)**, allowing for tax savings and the customisation of remuneration according to each person's needs. The products offered by the Bank with a combined maximum of 30% of gross annual salary are: health insurance for family members, transport card, childcare service, retirement savings insurance, acquisition of CaixaBank shares, language training and, new in 2022, bachelor's, postgraduate and master's degree training. At the end of 2022, a total of 10,839 employees had subscribed to 1 or more products within the Plan.

_Pension plan

The CaixaBank Pension Plan continues to be the leader in assets and return. In 2022, CaixaBank's employee pension fund (PC30) obtained an annual return of **-7.61%**. In a 5-year period, the annualised return of the same was **4.08%** per year (above the investment target of a 3-month Euribor **+2.75%** in the same period). The annual return since the fund was established is **3.83%.**

Fund that promotes **social and environmental initiatives** by investing in companies that follow good governance practices

In 2022, the Pension Plan received the following awards:

> CABK EMPLOYEE PENSION PLAN - PC30

In 2022, the PC30 was awarded the highest rating in the UN Principles for Responsible Investment (PRI). The 5-star rating obtained is more important than in previous years, given that the assessment methodology was modified in order to make it more demanding and differentiate between signatories. In that regard, only 10% of signatories with the best score have been assigned the highest rating.

CaixaBank maintains its commitment as signatory to the UN Principles for Responsible Investment (PRI) in the long term, and is a member of the Task Force on Climate Related Financial Disclosures (TCFD), as the first State Pension Fund that joins the initiative to disclose the risk associated with climate change. CaixaBank's Employee Pension Plan also proved its commitment to Socially Responsible Investment, combining financial criteria with extra-financial, environmental, social and good governance criteria, while complying with the statement "Fund that promotes social and environmental initiatives by investing in companies that follow good governance practices", according to the Sustainable Finance Disclosure Regulation (SFDR).

> OTHER ACKNOWLEDGEMENTS

- **IPE AWARDS 2022.** Award for the best European Pension Plan **in the *Risk Management category by IPE Awards* 2022**
- **PC30 finalist at the 2022 Innovation Awards** Pensions Caixa 30 was nominated as a **finalist** at the Pensions & Investments World Pension Summit Innovation Awards 2022 in two categories.
  - **Innovation in Investments** - PC30 Governance, ESG and decarbonisation projects.
  - **Innovation in Communication** - PC30 Communication Project.

		Annualised returns				
	Assets at 31/12/2022 in €m	15 years	10 years	5 years	3 years	1 year
CaixaBank	**8,121**	**3.84%**	**4.78%**	**4.08%**	**3.48%**	**- 7.61%**
Company 1	2,943	3.08%	3.36%	1.22%	- 0.06%	- 10.80%
Company 2	2,751	- 0.01%	2.12%	0.43%	- 0.62%	- 8.05%
Company 3	2,171	2.26%	1.84%	- 0.50%	- 2.02%	- 8.34%
Company 4	949	1.73%	2.02%	-0.17%	- 1.13%	- 11.20%
Company 5	302	1.59%	1.62%	- 0.65%	- 2.42%	- 9.75%
Ranking (CaixaBank position)		**#1**	**#1**	**#1**	**#1**	**#1**

>2022 MILESTONES

- The first annual event for participants and beneficiaries of the PC30, where they were able to learn first-hand about how the fund works, the outlook for long-term savings instruments, and ask frequently asked questions.
- Successful mobilisation of the Bankia Group's Employment Pension Plan to the CaixaBank Employment Pension Plan and the CaixaBank Employees' Associated Pension Plan.
- Adherence to Advance, a collaborative initiative for human rights.

> PROFESSIONAL DEVELOPMENT AND PAY IN NUMBERS

Employees by job classification

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
Directors	7,489	5,628	6,901	5,015	313	296
Middle management	7,986	7,996	6,771	6,796	643	613
Rest of employees	34,287	31,001	27,930	24,278	3,506	3,478
Total	49,762	44,625	41,602	36,089	4,462	4,387

Employees by contract type and job classification

	Full-time, fixed or indefinite-term contract		Part-time, fixed or indefinite-term contract		Temporary contract	
CaixaBank Group	2021	2022	2021	2022	2021	2022
Directors	7,479	5,617	10	11		
Middle management	7,979	7,984	3	9	4	3
Rest of employees	34,149	30,714	40	84	98	203
Total	49,607	44,315	53	104	102	206

Total number of hours of training by employee category

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
Directors	651,328	415,750	630,349	393,876	13,723	11,232
Middle management	550,759	557,487	500,112	495,209	31,012	36,335
Rest of employees	2,740,934	2,204,965	2,537,998	1,886,787	139,026	176,858
Total	3,943,021	3,178,202	3,668,459	2,775,872	183,762	224,425

No. of dismissals by occupational classification

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
Directors	13	9	11	6		
Middle management	5	9	3	7	1	
Rest of employees	64	95	39	64	5	3
Total	82	113	53	77	6	3

Average remuneration by job classification

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2021	2022	2021	2022	2021	2022
Directors	102,604	114,432	101,698	113,268	94,907	111,416
Middle management	76,749	81,676	79,663	84,654	47,401	50,419
Rest of employees	53,650	56,222	57,149	60,153	30,445	32,526
Total	64,754	68,109	68,244	72,140	37,411	40,349

↗ See review of calculation criteria for 2021 in "Criteria and scope of the Report."

_Employee experience

With the creation of CaixaBank's new brand purpose, **"Standing by people for everything that matters"**, we have continued to work on a series of initiatives geared towards generating a differential employee experience.

>EMPLOYEE LIFE CYCLE

Recruiting and Selection: visualising transparency, optimizing the perception of meritocracy, enhancing brand image and homogenising experience by involving managers. This includes actions such as the publication of all vacancies, the publication of appointments, and the linking of vacancy profiles to the role system. In addition to the analysis of all stages of selection and the agents involved at each stage, as well as the policy and principles of standardised selection.

CaixaBank S.A., awarded the Top Employer Spain 2023, which **recognises excellence** in the professional environment that organisations create for their employees.

People Xperience Hub

A community where innovation, learning and talent intersect, creating an ecosystem that fosters transformation and collaboration on the latest market trends.

Events
Job fairs, master classes, hackathons, webinars, mentorship programmes.

Job opportunities
Active career opportunities in the Group.

Blog
We share the Group's disruptive projects, training content and events we have taken part in.

+5.5k Members

+70 Activities

+115 Collaborations with companies

Welcome and Bonding: accompanying new employees with the CaixaBank First Experience Programme, which facilitates integration and offers high-value training. This programme has a duration of two years and became 100% in-person again in 2022. Optimising accompaniment of changes of position, streamlining relationships and communication, and implementing recognition practices. Highlighted actions include: onboarding and crossboarding (traceability and Buddy support), optimisation of communication between executives and Human Resources Business Partners (HRBPs), a new recognition programme that improves frequency, regularity and systematisation, and a customer relationship model.

The employee's office is a project that aims to bring CaixaBank closer to its employees in their dimension as customers, with a change in the relationship and customer service model, forming close and more proactive relationships, so that the employee has a better experience, perceives greater value in the proposal that CaixaBank makes available to them and so that employees become prescribers through their own experience.

Gaps detected in the customer dimension:

- **Lack of knowledge of** employee benefits and protocols.
- Management: **sluggish, not very transparent,** no privacy.
- **Inefficient communication** and inaccessible information.
- Lack of **specialisation.**
- **Tools** available.

Off-boarding: Off-boarding: optimising the accompaniment at the time of departure and the subsequent association with actions at the time of off-boarding.

_Work Environment

CaixaBank prioritises generating a positive working environment in which teams feel motivated and committed. To achieve this goal, we conduct active listening, pay close attention to the ideas and opinions of our employees, and develop an action plan through this listening to meet their requirements. For this reason, we believe that periodically assessing the social and work environment, the psycho-social factors, the experience of our teams, and the quality of the service provided, helps to generate this positive environment.

The Entity measures the commitment and satisfaction of its employees through internal studies (**Commitment Study, Psychosocial Factors Study, Service Quality Study, etc.**), as well as through external monitors such as Merco Talento, one of the world's leading reputational assessment monitors based on a multi-stakeholder methodology.

Furthermore, during the 2022 financial year, various strategic surveys were conducted to ascertain the opinion of CaixaBank employees:

> Conducting various surveys through qualitative analysis (focus groups) and quantitative analysis (online survey), the objective of which was to gather information on employee experiences during the **implementation of a flexible working pilot** to be able to adapt or define action plans and improve the employee experience. This pilot was launched in several Central Services areas and in three Regional Divisions.

> **Strategic Survey on Occupational Health and Safety at CaixaBank**.Conducting an ad hoc pilot project on a representative sample of CaixaBank employees in order to gather their opinions and ideas on information and channels on occupational health and safety at CaixaBank.

> **Occasional quantitative and tailor-made listening actions based on specific issues,** such as:The adoption of Office 365 tools, the assessment of training, etc.

> **Inclusion of listening in touchpoints of the employee's journey:**

_Agile and transversal work models

With the worst phase of the COVID-19 pandemic behind us, new ways of working continue to take hold at the Company: remote working, the implementation of digital transformation, the application of agile methodologies to increase flexibility and efficiency when delivering solutions, focusing on the customer and breaking down silos through collaborative work, project management and the adoption of specific skills to address strategic challenges.

In 2022, some areas of the Entity committed themselves to a **hybrid and flexible working** model of up to 30% of the working day. The aim is to be close to customers, but with the flexibility allowed by new technologies to reconcile the professional and personal lives of the staff. In the same vein, the remaining CaixaBank Group companies are also committed to models that combine in-person and remote work, a flexible model adapted to the new ways of working that have an impact on improving the retention and attraction of talent, especially in digital profiles.

The Company is committed to an **agile and collaborative structure** and for this reason is developing a project that aims to simplify the number of organisational levels in a single name for managerial positions, thus creating larger and more diverse teams and extending the leadership model (project and initiative leaders and reference leaders for their knowledge and expertise). The goal is to improve the time-to-market and reaction and decision times while leading to an improvement in employee engagement, the possibility of developing internal talent and increasing productivity and delivery quality.

The ongoing evolution of **digital HR services** drives and enhances the user experience by making it more positive, taking market best practices and enhancing time-to-market. After implementing the new Employee and Manager portals, the Success factors mobile app (on Android corporate mobiles) and several performance and objective assessments, 2022 will see a boost in the development and preparation of employee profiles linked to the Development by Skills project. Highlights include redefining soft skills as well as introducing hard skills so that employees will soon be able to undergo assessments that will determine upskilling and reskilling needs based on the previous definition of job profiles.

PeopleNow (corporate intranet) has been strengthened this year as a participative intranet, segmented by areas and regions, where you can find institutional and business information related to the strategic and commercial priorities transmitted by the areas at any given time.

People Analytics, starting in the last quarter of 2021 where this project was launched, Human Resources processes have undergone a major transformation with the progressive implementation of a data-driven culture. It has initiated changes in processes and ways of working that, in coming years, should lead to a greater adoption of data autonomy, which will enable better and more efficient decision-making. In 2022, the creation of the figure of Data Champions in HR is noteworthy. Their mission is to gradually bring all departments closer to this new reality.

In 2022, the ***HRBP (Human Resources Business Partners)*** model was strengthened in Corporate Services, completing the deployment of the HRBP model and assignment in all areas of Central Services, in accordance with the new post-integration organisational structure and for each member of the Steering Committee and their subordinate teams. Finally, the creation of the Middle Office within the team aims to improve the employee experience.

_Labour standards and staff rights

CaixaBank places fundamental importance on compliance with labour standards, the rights of employees and their representatives, and all matters related to consensual frameworks with union representatives. In addition, the Collective Agreement on Savings Banks and Financial Institutions applies to the entire workforce of CaixaBank, S.A. There are also additional agreements to develop and improve the conditions of the Collective Agreement. The workforce of the rest of CaixaBank Group companies in other countries is also covered by a collective agreement.

In general, most staff follow the working hours established in the Collective Bargaining Agreement on Savings Banks and Financial Institutions, and specific working agreements are made with the Workers' Labour Representation when exceptional cases arise. CaixaBank, S.A. forms part of the Joint Standing Committee on the Interpretation of the Agreement, which aims to develop labour standards that are applied to all employees in the sector.

CaixaBank, S.A. maintains and promotes total neutrality with the different union representations in the Company. The union representatives involved in the company committees are chosen every four years by means of an individual, free, direct, and confidential voting system. They are notified of any relevant changes that may arise within the Company. On 30 November 2022, a new election process was held for company committees.

On 30 September 2020, the Collective Bargaining Agreement of Savings Banks 2019-2023 (5 years) was signed and published in Spain's Official State Gazette on 3 December, taking effect from 4 December 2020, which makes it possible to level certain significant inertia of costs not linked to performance (such as wage reviews, three-year bonuses and the agreement bonus) and addressing a period of huge complexity in a better situation. The collective bargaining agreement also specifically regulates matters such as teleworking and digital disconnection.

_Equality Plan

To ensure equal opportunity, CaixaBank, S.A. and other Group entities have different **equality plans** that they share with the aim of promoting, disseminating and contributing to gender equality, incorporating policies to facilitate the work-life balance for their staff.

It should be noted that the Equality Plan of CaixaBank, S.A. presents conditions that improve on those included in the Collective Bargaining Agreement and the Workers' Statute: paid leave for marriage, maternity and paternity, illness or death of a family member, moving house, etc., reduced working hours to look after children under the age of 12 years or children with disabilities, leaves of absence to care for dependents, gender-based violence, family relocations, charity, personal reasons, and study purposes.

The Equality Plan of CaixaBank, S.A. signed in 2020 with all trade unions is being adapted to include any new external regulations. Thus, during 2022, the wage records and audits have been adapted in accordance with Royal Decree 902/2020 of 13 October on equal pay for men and women.

The CaixaBank Group has consolidated its **digital disconnection policy** in 100% of its companies.

The Equality Plan contains substantial improvements in terms of the following:

> **The representation of women in managerial positions,** adopting measures to increase their presence.**Work-life Balance**: extension of leave on the death of a spouse or common-law partner with minor children and extension of paternity leave by 10 days progressively up to 2022, to encourage co-responsibility in the family. Flexibility is also extended to one hour, respecting organisational needs and reduced working hours are allowed on Thursday afternoons until the child reaches twelve years of age. Lastly, holidays can be taken until 31/01 for work-family balance reasons.

> Putting in place a protocol for **preventing and eliminating harassment.**

> Putting place an **equality protocol** for common-law couples.

526
Leaves of absence
615 in 2021

2,326
Workday reductions
2,166 in 2021

3,081
Of employees on paid leave
3,059 in 2021

**Exemptions, reductions and leave that emanate from or are improved by the Conciliation Protocol at CaixaBank S.A.*

For years CaixaBank has invested in disconnection policies that promote work-life balance for employees. The internal employment agreements contain rationalisation measures of training and commercial activity for employees. The number of activities that can be conducted outside of normal working hours established in the Collective Agreement are limited. Priority is always given to the willingness and motivation of employees. Focusing on digital disconnection, CaixaBank has a protocol whose most important aspects are:

- The incorporation of good practices to **minimise meetings and trips** by encouraging the use of collaborative tools.
- No communications from **7 pm to 8 am** the following day, nor on holidays, during leave or on weekends.
- **No meetings** that end after 6:30 pm.
- The right **not to reply** to communications after the working day has ended.

The main conditions that improve upon the conditions set out in the Agreement and the Workers' Statute with regard to maternity and paternity leave are as follows:

>IN TERMS OF PAID LEAVE AND REDUCTIONS IN WORKING HOURS

LEGISLATION	CaixaBank improvements (in the CaixaBank Work-Life Balance Protocol)
01. Article 48 of the Workers' Statute 16 weeks of leave for both the biological mother and the other parent.	**10 calendar days** of **additional paid leave,** and **14 calendar days** for **multiple childbirth** or the birth of a child with **disability.**
02. Article 37 of the Workers' Statute Access to reduced working hours due to caring for a person under 12 years of age, provided that it entails at least 1/8 of the working day.	People who directly care for a child under 12 years of age may request **reduced working hours exclusively on Thursday afternoons** (involving a **reduction of less than 1/8 of the working day).** The collective with **children with a disability** is allowed to take **paid leave** on Thursdays until the child's third birthday, and if the child has a disability of 65% or more, the paid leave is **indefinite**.
03. No legal requirement	**Paid leave of 30 days** for the birth of a child with **disabilities equal to or greater than 65%,** which can be taken within 24 months of the birth.
04. No legal requirement	Two sensitive cases are considered when it comes to giving preference to choosing holidays, to facilitate the work-life balance: > If, **due to divorce or separation**, a holiday date has been assigned to take care of children under 12 years of age. > The case of a disabled child attending **specialist school centres**, and these centres are closed.

>IN TERMS OF ECONOMIC CONDITIONS

LEGISLATION	CaixaBank improvements
01. No legal requirement	**Aid of 5% of salary for children** until the child reaches the age of 18 or 21.
02. Collective Bargaining Agreement for Savings Banks and Financial Institutions **€3,400/year** in aid for people with disabilities.	**Aid for training employees' children:** > Annual benefit of **€5,150/year** in the case of a disability >= 33% and <65%, and in the case of a disability >= 65% will be **€6,300/year**.
03. No legal requirement	**Aid for loans and advances:** > In the event of birth, adoption, and fostering, access to **advances up to 1 year.** > Reductions in working hours due to work-life balance **do not** imply a **decrease in credit capacity.**

_Restructuring plan associated with the merger with Bankia

In 2021, the context of the merger between CaixaBank and Bankia, the need arose for restructuring to resolve the redundancies and overlaps that occur in central services, intermediate structures and in the branch network. To this end, an agreement was reached on 1 July 2021 with 92.8% of trade union representation: a collective redundancy plan (which established a maximum number of 6,452 voluntary departures), the modification of certain working conditions in force at CaixaBank and n merger labour agreement to homogenise the working conditions of the staff from Bankia.

On 1 January 2023, all anticipated employee departures were finalised, which in addition to those of 2021 and 2022, amounted to 6,634. The number of departures is higher than initially planned because relocations among Group companies were exchanged for terminations, as agreed in the monitoring committees with trade union representatives.

In addition, with regard to the merger labour agreement to homogenise the working conditions of the staff from Bankia, progress continued to be made in 2022, including:

> the progressive adjustment of 5% of the fixed remuneration from 01/04/22, of the amounts exceeding the remuneration at source.

> the adjustment to a minimum of 4.2% of pensionable salary in retirement contributions as of 01/04/22 and maintaining the guarantee of pensionability at source.

>EMPLOYEE OUTFLOWS DURING 2022

Outflows by professional classification and gender

	Male	Female	Total
Directors	511	195	706
Middle management	259	196	455
Rest of employees	2,028	2,130	4,158
Total	2,798	2,521	5,319

Outflows by age and gender

	Male	Female	Total
<30	1	2	3
30-39	38	72	110
40-49	183	375	558
>49	2,576	2,072	4,647
Total	2,798	2,521	5,319

_Promoting well-being in a healthy and sustainable environment

The Management team is acutely aware of the importance of reinforcing initiatives and measures to facilitate proper working conditions. Management is committed to:

> Fostering a culture of prevention at all levels of the organisation.

> Ensuring compliance with applicable law and other voluntary commitments to which it subscribes.

> Considering preventive aspects at the source.

> Implementing continuous improvement measures.

> Fostering the identification of psychosocial factors and offering support

> Training and raising awareness among staff.

> Adapting and maintaining an Occupational Risk Prevention management system above what is legally required (OHSAS 18001 and ISO 45001) in accordance with current requirements.

CaixaBank, S.A. has specific committees to guarantee the health and safety of its staff:

Single Occupational Health and Safety Committee. This committee is responsible for establishing the planning of measures to achieve the aforementioned objectives and monitoring preventive actions, placing special emphasis not only on statutory audits, but also on other voluntary standards, such as the OHSAS 18001 and ISO 45001 certification.

Occupational Risk Prevention Coordination Committee. It establishes the policies related to occupational risk prevention, with the aim of improving the control, management, and monitoring of the health and safety requirements and to organise and conduct the pertinent training. At the same time, in accordance with the Occupational Hazard Prevention Management Manual, it defines, establishes and reviews the objectives of safety and health, ensuring that they are achieved, which are presented in the Annual Preventive Plan (monitoring of 38 metrics in 5 differentiated chapters with quarterly reviews).

In 2022, in the prevention and safety of the workforce, the OHSAS 18001 Occupational Health and Safety Management System was adapted to an **Occupational Health and Safety Management System based on the new ISO 45001**. This implies improved integration of prevention and the health and safety perspective in all the Company's processes. Additionally, the processes, protocols and instructions have been analysed and redefined after identifying gaps with respect to the previous model.

In order to **raise awareness and train staff** in matters of Occupational Health and Safety, CaixaBank regularly offers training content on occupational health and safety, emergency measures and first aid.

> RECOGNITION

Prever Award in the Companies and Institutions category. Presented by the General Council of Industrial Relations and Labour Sciences during the 23rd technical conference on occupational risk prevention.

The occupational risk prevention system is regularly reviewed through internal inspections and audits (external regulatory and voluntary).

> WORK ENVIRONMENT IN NUMBERS

	2021		2022	
Accidents at work				
	Not serious	Serious	Not serious	Serious
Total no. of accidents	415	3	424	6
of which Women	286	2	311	4
of which Men	129	1	113	2*
Accident frequency index	0.90		1.57	
of which Women	1.07		2.22	
of which Men	0.70		0.76	
Gravity rate	0.10		0.11	
of which Women	0.11		0.13	
of which Men	0.09		0.07	
Absenteeism				
Hours of absenteeism (manageable)	2,735,533		3,023,140	
Manageable absenteeism rate (illness and accidents)	3.5%		4.2%	

**A fatal accident during commuting.*

_Healthy organisation

CaixaBank is evolving towards a Healthy Organisation environment to achieve the maximum possible well-being of the people at the Company.

The Healthy Company project reaffirms our commitment to the safety, health and well-being of staff, since:

> This has an effect on the productivity and competitiveness of the Company and thus on its sustainability.

> It leads to a healthier, more motivated and satisfied staff, with increased commitment and pride of belonging.

> It improves the corporate image and encourages the attraction and retention of talent.

> It improves the social and work climate and reduces absenteeism.

> MILESTONES 2022

> Conducting an assessment to find out possible points for improvement, which has led to the creation of a **Master Plan that will be completed with annual plans to establish which measures to implement.**

> Creation of a **multidisciplinary Expert Group on Healthy Organisations**. Its responsibilities include: devising the global strategy for Healthy Organisations and a roadmap for the future, as well as defining a General Plan that compiles and prioritises the main lines of action and the global strategy for the development of a new model of Healthy Organisation. The 2022 Action Plan is currently being drafted and will include specific health and well-being actions.

> Conducting a **Comprehensive Study for the Identification of Healthy Organisational Factors** that will make it possible to build a relational explanatory model of the various factors and sub-factors, together with the attributes and characteristics of which they are composed, which have an influence on Health (physical and emotional) and Well-being. This study was conducted in two phases: An initial qualitative approach that included a focus group with both employees and other actors (customers, shareholders and suppliers) and a second quantitative phase. The aim is to establish, implement and maintain a methodology that makes it possible to continuously identify factors that influence a healthy organisation.

The new strategy as a Healthy Organisation that will allow the Company to become a national and international benchmark in health and well-being:

> **Activities and campaigns on the "We Are Healthy" virtual platform**, where we raise awareness and offer benefits geared towards global health and the well-being of employees and their families.

> **Adaptation of content and workshops according to needs and interests**.

> **Creation of a specific "We are Healthy" channel in PeopleNow** (participatory intranet) to share content and directly reach the Company's professionals.

> **"Adeslas Health and Well-being" platform** as a complement to the "We are Healthy" channel, giving access to customised services to take care of and manage our health.

> Conducting a **Psycho-social Factors Evaluation** with the aim of reviewing our assessment and planning improvement actions.

> **Psychological care service**, as well as a **medical care and physiotherapy team.**

In an effort to consolidate CaixaBank in this area and reinforce its commitment to the health and well-being of its professionals, the company mobilised a programme with its own identity linked to our corporate culture. A proactive and ongoing programme that cuts across the entire Company: **"We Are Healthy"**.

The **We Are Healthy** programme shows the commitment towards promoting well-being in healthy and sustainable environments, the improvement of our professional's quality of life and the goal of maturing as a healthy and benchmark organisation in the sector.

The **"We Are Healthy"** programme is based on three pillars:

Safety. Safe and emotionally healthy work environments.

In order to achieve excellence in the preventive culture and safe working environments, in 2022 CaixaBank implemented an Occupational Risk Prevention Management System based on the new **ISO45001**, a voluntary certification that is more demanding than the legal requirements, incorporating well-being as a global concept.

In the **psycho-social area**, CaixaBank has an intervention programme in place to assess psycho-social effects and defines action plans for reducing stress factors. in 2022, a survey was also conducted among the entire CaixaBank workforce. Lastly, the psychological support service initially set up during the pandemic has been extended.

Health. Promoting healthy lifestyles and balancing work and health as a priority.

Through activities and campaigns conducted on its virtual platform, "We are Healthy", we raise awareness and offer benefits geared towards global health and the well-being of employees and their families.

The platform is based on 4 fundamental pillars: **Move, Love, Care, Embrace.**

The Physical Activity pillar ***Move*** offers access to exercises and routines to do at home at any time.

The Personal Well-being Area ***Love*** provides meditation techniques and guidelines for better concentration and relaxation.

The Nutrition and Hydration section ***Care*** offers healthy and simple recipes.

Lastly, ***Embrace*** offers a range of activities related to sustainability, the environment and volunteering.

In 2022, the virtual platform has been improved:

- Physiotherapy **consultation service**
- **Video workshops** featuring a broad range of topics focused on improving physical activity, personal well-being, nutrition and hydration, and content related to volunteering.
- **Schedule of activities** showing the various initiatives proposed to CaixaBank employees.
- **Voluntary questionnaire** assessing aspects such as sleep quality, nutrition and hydration, habits and leisure time, among others. Proposals to improve living habits are then offered.

The following are highlights of the new developments in 2022:

- Creation of the **health observatory**, which will provide an integrated and comprehensive vision from a health perspective. Besides providing a health diagnosis, it will also serve as a good gauge of well-being.
- Implementation of a **new Healthy Organisation Management System (SIGOS),** certified by AENOR, to help guide all initiatives within the framework of a single strategy, order actions and maximise their impact on welfare and thus build confidence among all stakeholders.
- Lastly, the **Health Surveillance protocol** provides regular medical examinations — prior to the start of the employment relationship and after an extended medical leave of absence — and preventive information is also provided about various diseases, such as hypertension, which is available for consultation on the corporate intranet.

Well-being.Forging a culture of flexibility with our work environments that promotes the well-being of staff, with benefits that facilitate their day-to-day work.

The Sustainable Performance School in Virtaula features content that contributes to improving the personal well-being of staff with training in health and nutrition, mindfulness, environment and positive thinking, among other topics. With the expansion of measures to promote new environments and ways of working (remote working, collaborative spaces, agile, etc.) as well as studying formulas to improve the transition of the workforce towards active and healthy ageing (improving the older workforce's motivation, health tips, inverse mentoring, etc.), it will be possible to achieve a more emotionally healthy workforce. This should all help to achieve the Sustainable Development Goal 3 "Good Health and Well-being" of the United Nations 2030 Agenda.

_Internal Communication: Communication channels to encourage participation and collaboration

CaixaBank's internal communication focuses mainly on:

- Promoting and tackling the Strategic Plan challenges and business priorities.
- Transmitting our corporate values as a differentiating factor.
- Promoting the corporate culture and the pride of belonging.
- Recognising and reinforcing good professional practices.

In 2022, action focused on the internal communication plan of the new **Strategic Plan 2022-2024.** In order to achieve this, a **monographic portal** has been created on ***PeopleNow*** which includes the new roadmap for the forthcoming three years, together with all the news related to its strategic axes.

Special attention has also been paid to **executive communication** with managers who promote the projects and strategic messages of the new plan, providing guidelines and materials to involve their teams in achieving the Company's goals.

In May, the **Management Convention** was held, where more than 2,000 Group managers met to learn about the new 2022-2024 Strategic Plan with the Chairman, the CEO and the Bank's Management Committee. The event brought plenty of excitement and served to reinforce the pride of belonging and the recognition of work among the company's professionals.

_Closer to our people

Special mention should be made of the launch of the **new brand proposal**, which has meant a reaffirmation of our main differential value, "**Being close to people for everything that matters**", and which is embodied in the new claim "**You and me.Us.**"

The closeness of the new brand purpose is mirrored in the contents of PeopleNow, giving protagonism to the bank's professionals and offering them spaces to forge links between colleagues, making the cross-cutting work of the teams visible and facilitating the participation of managers focused on recognition.

In addition, various ad hoc internal communication plans have also been implemented in 2022. Of particular note is the **commitment to financial inclusion**, an action plan that makes visible all the initiatives and efforts made by the bank to serve at-risk groups that for one reason or another are at risk of financial exclusion (attention to senior citizens, mobile branches, the agricultural sector and financial education).

Coverage was also provided for the different needs in the **Human Resources** area, including the implementation of the new **AHEAD** leadership model, the start of the **Development by Skills** programme and the **Engagement Study.** Other plans to accompany the area were: The **Psychosocial Risk Assessment**, the **Compensa+** flexible remuneration programme, the **Wengage** diversity programme, **union elections**, changes to the **COVID protocol**, and the resumption of face-to-face activity, among others.

PeopleNow has been consolidated as the bank's **social intranet**

and participation has continued to play an important role through various actions such as coverage and accompaniment of **Social Week, the Tree of Dreams, the Planta Tu Proyecto charity initiative and Equality Week.** Other actions geared towards encouraging participation and creating links between colleagues included the literary recommendations on Book Day, the creation of a joint playlist on **World Music Day**, as well as the awareness-raising actions **World Car-Free Day and My Sustainable Purpose.**

_Dialogue with employees

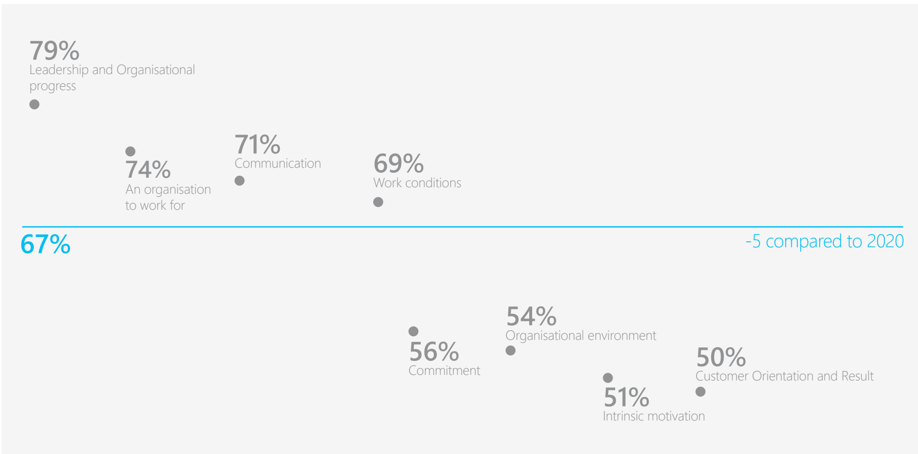
_Engagement, Culture and Leadership Study

In 2022, **more than twenty CaixaBank Group companies conducted the Engagement Study** and established a common point of frequency in how often it is conducted.

In the case of CaixaBank S.A., at the end of May this year, it was rolled out to the entire workforce in order to form closer relationships with employees, this being the first universal study conducted after the merger and integration of Bankia. This has made it possible to identify the current situation regarding the perception of Culture and Leadership, as well as to detect areas of improvement for the subsequent implementation of a corporate action plan focused on the main lines identified. In turn, this will enable the company to make progress on the strategic objectives.

The overall participation was 75% of the workforce (27,425 employees), 5 points more than in the 2020 Engagement Study.

> CLIMATE AND COMMITMENT. TOTAL FAVOURABILITY



_Action Plan associated with the Engagement, Culture and Leadership Study

After the listening period, **a cross-cutting action plan for all CaixaBank Group companies was initiated** in the second half of 2022: **"Being close to people for everything that matters",** with the aim of generating greater staff engagement. This should also enable further progress in our ambition to be the best financial group to work for.

The action plan involves:

- Analysing and looking deeper into the results to generate initial conclusions and detect possible warning points.
- Designing and prioritising actions to be implemented and identify adjustments.
- Escalating and communicating actions accompanied by metrics.

To do this, the factors that matter to employees in their relationship with the company have been identified. The representation of these factors has resulted in the **engagement 360º framework** that allows us to guide both the analysis and the design and monitoring of actions that impact on employee engagement and motivation.

The conclusions of the analysis indicate that the Entity should focus on the following dimensions to improve eNPS:

- Pride of belonging.
- Projecting into the future.
- I perform well in my position.

As a consequence, the following **lines of action** have been established:

Challenges and campaigns

→ It focuses on **seeking excellence** in customer service to generate a direct impact on people's desire to remain.

Work conditions

→ **Work on workload and barriers** and how they affect day-to-day performance to impact customer service and when assessing the feasibility of goals.

Agility, collaboration and proximity

→ Strengthening the purpose of **forming close relationships and working on collaboration and a fear of making mistakes** will have an impact on agility and promote employee motivation.

Professional development and training

→ Promote **development based on meritocracy**, skills and knowledge in an exciting and motivating role and with equitable remuneration that will have a great impact on how career opportunities and the future project are perceived.

The following elements are available to activate the Action Plan:

> **managers**, definition of a sponsor for each line of work and a manager for each area to be developed and implemented),

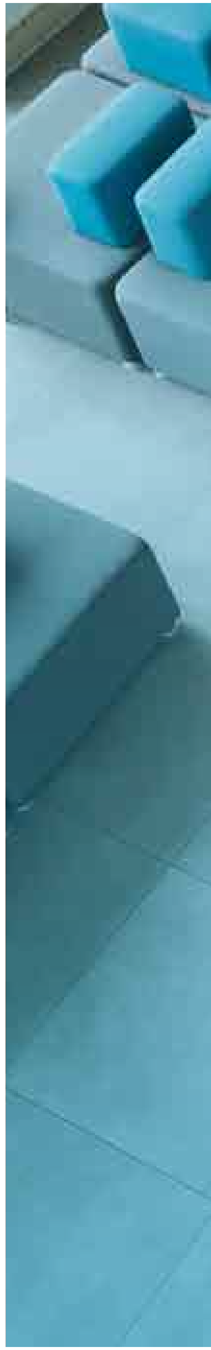
> cross-cutting **work teams** (collaboration between areas is necessary),

> **monitoring and measurement** (standardised monitoring of actions and monitoring of the impact generated with KPIs),

> all this with a **governance model** that will set up regular working sessions, and quarterly status points will be scheduled with the members of the project's Steering Committee who will report to the Management Committee on the progress made.

08 Shareholders and investors

CaixaBank



_Profits and earnings performance

Below is the performance of the results for the last three years is as follows. The 2021 result is impacted by the materialisation of the merger between CaixaBank and Bankia in the first quarter of 2021, which affects the performance of the different items and generates extraordinary impacts.

€ million	2022	2021	M&A one offs[1]	2021 ex M&A	Change %	2020	Change %
Net interest income	**6,916**	**5,975**		**5,975**	**15.7**	**4,900**	**21.9**
Dividend income	163	192		192	(14.9)	147	30.1
Share of profit/(loss) of entities accounted for using the equity method	264	425		425	(37.8)	307	38.5
Net fee and commission income	4,009	3,705		3,705	8.2	2,576	43.8
Trading income	338	220		220	53.8	238	(7.6)
Income and expense under insurance or reinsurance contracts	866	651		651	33.1	598	8.9
Other operating income and expense	(963)	(893)		(893)	7.8	(356)	
Gross income	**11,594**	**10,274**		**10,274**	**12.8**	**8,409**	**22.2**
Recurring administrative expenses, depreciation and amortisation	(6,020)	(5,930)		(5,930)	1.5	(4,579)	29.5
Extraordinary expenses	(50)	(2,119)	(2,118)	(1)			
Pre-impairment income	**5,524**	**2,225**	**(2,118)**	**4,343**	**27.2**	**3,830**	**13.4**
Pre-impairment income stripping out extraordinary expenses	**5,574**	**4,344**		**4,344**	**28.3**	**3,830**	**13.4**
Allowances for insolvency risk	(982)	(838)		(838)	17.3	(1,915)	(56.3)
Other charges to provisions	(129)	(478)	(93)	(384)	(66.4)	(247)	55.6
Gains/(losses) on disposal of assets and others	(87)	4,405	4,464	(59)	47.7	(67)	(12.1)
Profit/(loss) before tax	**4,326**	**5,315**	**2,252**	**3,062**	**(41.3)**	**1,601**	**91.3**
Income tax expense	(1,179)	(88)	614	(702)	67.9	(219)	
Profit/(loss) after tax	**3,147**	**5,227**	**2,867**	**2,360**	**33.3**	**1,382**	**70.8**
Profit/(loss) attributable to minority interest and others	2	1		1	59.9		
Profit/(loss) attributable to the Group	**3,145**	**5,226**	**2,867**	**2,359**	**33.3**	**1,381**	**70.8**
Core income	11,997	10,597		10,597	13.2	8,310	27.5
Cost-to-income ratio stripping out extraordinary expenses (%) (12 months)	51.9	57.7		57.7	(5.8)	54.5	3.3

[1] Breakdown of extraordinary impacts associated with the merger:

Extraordinary expenses: estimated cost of the labour agreement (€-1,884 million) and other integration expenses (€-234 million).
Other allocations to provisions: €-93 million to cover asset write-downs mainly from the plan to restructure the commercial network in 2022.
Gains/(losses) on disposal of assets and others: €+4,300 million due to negative consolidation difference; €+266 million from profits before tax related to the sale of certain lines of business directly pursued by Bankia; €-105 million due to asset write-downs (mainly associated with the commercial network's restructuring) and €+3 million others.

Below is the comparative proforma income statement for 2021, which is presented with the aim of providing information on the performance of the merged entity's results. It has been drawn up by adding the result generated by Bankia before the merger to the result obtained by CaixaBank, without considering the extraordinary aspects related thereto.

€ million	2022	2021	Change
Net interest income	**6,916**	**6,422**	**7.7**
Dividend income	163	192	(15.0)
Share of profit/(loss) of entities accounted for using the equity method	264	436	(39.5)
Net fee and commission income	4,009	3,987	0.6
Trading income	338	230	47.0
Income and expense under insurance or reinsurance contracts	866	651	33.1
Other operating income and expense	(963)	(934)	3.0
Gross income	**11,594**	**10,985**	**5.5**
Recurring administrative expenses, depreciation and amortisation	(6,020)	(6,374)	(5.6)
Extraordinary expenses	(50)	(1)	
Pre-impairment income	**5,524**	**4,610**	**19.8**
Pre-impairment income stripping out extraordinary expenses	**5,574**	**4,611**	**20.9**
Allowances for insolvency risk	(982)	(961)	2.3
Other charges to provisions	(129)	(407)	(68.3)
Gains/(losses) on disposal of assets and others	(87)	(82)	6.9
Profit/(loss) before tax	**4,326**	**3,160**	**36.9**
Income tax expense	(1,179)	(734)	60.5
Profit/(loss) after tax	**3,147**	**2,426**	**29.7**
Profit/(loss) attributable to minority interest and others	2	1	52.7
Profit/(loss) attributable to the Group	**3,145**	**2,424**	**29.7**
Core income	11,997	11,339	5.8
Cost-to-income ratio stripping out extraordinary expenses (%) (12 months)	51.9	58.0	(6.1)

_Breakdown by Business

Below, is the income statement for 2022 by business segment:

		Breakdown by Business		
€ million	2022	Banking and insurance	BPI	Corporate Centre
Net interest income	**6,916**	**6,366**	**544**	**6**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	427	212	29	187
Net fee and commission income	4,009	3,714	296	
Trading income	338	299	27	12
Income and expense under insurance or reinsurance contracts	866	866		
Other operating income and expense	(963)	(918)	(38)	(7)
Gross income	**11,594**	**10,539**	**857**	**198**
Recurring administrative expenses, depreciation and amortisation	(6,020)	(5,505)	(455)	(60)
Extraordinary expenses	(50)	(50)		
Pre-impairment income	**5,524**	**4,984**	**402**	**138**
Pre-impairment income stripping out extraordinary expenses	**5,574**	**5,034**	**402**	**138**
Allowances for insolvency risk	(982)	(976)	(6)	
Other charges to provisions	(129)	(98)	(22)	(9)
Gains/(losses) on disposal of assets and others	(87)	(69)	0	(19)
Profit/(loss) before tax	**4,326**	**3,842**	**374**	**110**
Income tax expense	(1,179)	(1,089)	(101)	12
Profit/(loss) after tax	**3,147**	**2,753**	**272**	**122**
Profit/(loss) attributable to minority interest and others	2	2	0	
Profit/(loss) attributable to the Group	**3,145**	**2,751**	**272**	**122**

For the purposes of presenting the financial information, below is the information related to the Group's different business segments, which have been reconfigured in 2022 (up to present Banking and insurance, Investments and BPI).

> **Banking and insurance business:** 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 statement of profit or loss reflects the reversal of the adjustments derived from the fair value measurement of assets and liabilities assumed in the business combination.

> **Corporate Centre:** includes the investees allocated to the equity investments business in the segmentation effective until 2022, that is, Telefónica, BFA, BCI, *Coral Homes* and *Gramina Homes*. This line of business shows earnings from the stakes net of funding expenses.

In addition, the Group's excess capital is allocated to the Corporate Centre, which is calculated as the difference between the Group's total shareholders' 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.

_Evolution 2022 vs. 2021

Attributable profit for the first 2022 amounts to €3,145 million, versus €5,226 million in 2021 (-39.8%), which included the extraordinary aspects related to the merger (negative consolidation difference for €+4,300 million and extraordinary expenses, charges to provisions and others for €-1,521 million, net of tax).

The **profit/(loss)** in 2022 **stands at €3,145 million**, versus a comparative proforma Profit/(loss) of €2,424 million in 2021: (+29.7%).

Good performance of ***Core income*** (+5.8%), driven by the growth of **Net interest income** (+7.7%), **Income and expenses under insurance or reinsurance contracts** (+33.1%) and **Fee and commission income** (+0.6%), which compensate the lower **Income from Bancassurance equity investments** (-26.2%).

To interpret appropriately the performance of the various lines of core income, Bankia Vida's aforementioned incorporation, which has been integrated by global consolidation following the acquisition of 100% of the company in the last quarter of 2021, should be considered.

Decline of **Dividend income** (-15.0%) and **Share of profit/(loss) of entities accounted for using the equity method** (-39.5%) following the sale of *Erste Group Bank*, which is partially compensated by the greater **generation of Trading income** (+47.0%).

Gross income grew 5.5% and **Recurring administrative expenses, depreciation and amortisation** dropped 5.6%, resulting in the growth of **Pre-impairment income** (+19.8%).

Allowances for insolvency risk remains at similar levels (+2.3%), with decline in **Other charges to provisions** (-68.3%). **Gains/(losses) on disposal of assets and others** includes, in both financial years, one-off impacts in proceeds on asset sales and write-downs.

_Evolution 2021 vs. 2020

The 2021 result amounted to €5,226 million, impacted by the merger with Bankia, which affects the performance of the different items and generates extraordinary impacts. Without considering the impacts associated with the merger, the result amounted to €2,359 million, 70.8% up compared to 2020 (€1,381 million).

The **comparative proforma profit/(loss)** of 2021 stands at €2,424 million. In the same period of 2020, it reached €1,611 million, impacted by the provisions made to anticipate future losses associated with Covid-19. Its performance is impacted by the following:

- **Core income**, €11,339 million, drops 1.0% with respect to the same period in the previous year. Its performance is impacted by the lower net **interest income** (-5.8%) and **income** from **bancassurance equity investments** (-9.0%), the latter affected by one-off income in the previous year, which are partially compensated by the growth of **fee and commission** income (+6.7%) and **income and expenses under insurance or reinsurance contracts** (+8.9%).
- Gross income dropped 2.9% due to lower Core income (-1.0%), lower Trading income (-42.2%) and higher costs recognised in Other operating income and expense (+24.2%), which included €135 million in 2020 due to the recognition of income associated with the final earnout of SegurCaixa Adeslas. Good performance of **income from investees**.
- **Recurring administrative expenses, depreciation and amortisation** grew 1.0%. The core cost-to-income ratio (12 months) reached 56.2%.

The performance of **Allowances for insolvency risk** (-67.5%) is impacted, among others, by the increased provisions for credit risk established in 2020, aimed to anticipate future impacts associated with Covid-19 (€-1,742 million).

Other charges to **provisions** stands at €-407 million in 2021 (+91.0%), following a conservative risk coverage.

Gains/(losses) on disposal of assets and others includes, among other factors, the recognition in 2021 of the gain on the sale of the stake in Erste for €54 million.

_Net interest income

_Evolution 2022 vs. 2021

The Group's **Net interest income** stands at €6,916 million in 2022, versus €5,975 million euros in 2021, impacted by the merger with Bankia.

The change with respect to 2021 in **comparative proforma terms** is of +7.7%. 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.

> Higher contribution of the fixed income portfolio due to an interest rate rise and a higher volume

> Inclusion of the financial margin on life savings insurance products of Bankia Vida, which after acquiring control in the last quarter of 2021 has been integrated by global consolidation in 2022.

These effects have been partially compensated by:

> Lower contribution to net interest income by financial intermediaries mainly due to higher cost of foreign currency 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 that include, among other factors, the increase of the rate curve.

_Evolution 2021 vs. 2020

The Group's **Net interest income** stands at €5,975 million in 2021, versus €4,900 million euros in 2020, impacted by the merger with Bankia.

In **comparative proforma terms**, the Net interest income totalled €6,422 million in 2021 (down 5.8% with respect to the same period in 2020). In an environment of negative interest rates, this decrease is due to:

> Lower income from loans due to the interest rate decline, impacted by the drop of the rate curve, change of structure of the lending portfolio resulting from the increase of ICO loans and loans to the public sector, and the lower income from consumer lending. This rate reduction has been partially compensated by a lower average volume.

> Lower contribution of the fixed-income portfolio due to lower volumes and the reduction of the average rate, mainly as a result of the remeasurement of assets at market value within the framework of the CaixaBank and Bankia integration.

These effects have been partially compensated by:

> Reduction of costs for financial institutions, aided by the increase of financing taken from the ECB at better conditions.

> Savings in the costs of institutional financing due to a lower price, mainly as a result of the revaluation of liabilities at market value within the framework of the CaixaBank and Bankia integration and a drop in the curve. The net interest income is also positively impacted by a lower average volume.

> Lower retail funding costs due to the drop in the rate, which compensate the higher volumes (increase in demand deposits and decrease of time deposits).

ACCOUNTING		2022			2021			2020			Change Income or expense 2022-2021		
€ million		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Total	By rate	By volume
Financial Institutions		127,350	1,037	0.81	97,065	905	0.93	42,313	402	0.95	132	(114)	246
Loans and advances	(a)	336,696	6,254	1.86	309,767	5,189	1.68	223,864	4,448	1.99	1,065	613	452
Debt securities		90,593	426	0.47	70,938	209	0.29	42,616	262	0.61	217	125	92
Other assets with returns		61,699	1,429	2.32	64,274	1,572	2.45	64,954	1,639	2.52	(143)	(84)	(59)
Other assets		82,306	88	-	86,663	18	-	58,959	13	-	70	-	70
Total average assets	**(b)**	**698,644**	**9,234**	**1.32**	**628,707**	**7,893**	**1.26**	**432,706**	**6,764**	**1.56**	**1,341**	**540**	**801**
Financial Institutions		125,848	(699)	0.56	101,809	(428)	0.42	52,390	(203)	0.39	(271)	(137)	(134)
Retail customer funds	(c)	386,597	(136)	0.04	337,183	(4)	-	230,533	(33)	0.01	(132)	(120)	(12)
Marketable debt securities		47,170	(343)	0.73	43,297	(151)	0.35	30,341	(220)	0.73	(192)	(164)	(28)
Subordinated liabilities		9,151	(46)	0.50	9,055	(40)	0.44	5,547	(72)	1.30	(6)	(5)	(1)
Other funds with cost		77,106	(1,028)	1.33	79,388	(1,245)	1.57	73,652	(1,286)	1.75	217	187	30
Other funds		52,772	(66)	-	57,975	(50)	-	40,243	(50)	-	(16)	-	(16)
Total average funds	**(d)**	**698,644**	**(2,318)**	**0.33**	**628,707**	**(1,918)**	**0.30**	**432,706**	**(1,864)**	**0.43**	**(400)**	**(240)**	**(160)**
Net interest income			**6,916**			**5,975**			**4,900**		**941**	**300**	**641**
Customer spread (%)	**(c)**		**1.82**			**1.68**			**1.98**				
Balance sheet spread (%)	**(d)**		**0.99**			**0.96**			**1.13**				

PROFORMA		2022			2021			Chg. in yield/cost		
€ million		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Total	By rate	By volume
Financial Institutions		127,350	1,037	0.81	101,029	968	0.96	69	(145)	214
Loans and advances	(a)	336,696	6,254	1.86	338,352	5,607	1.66	647	674	(27)
Debt securities		90,593	426	0.47	82,175	254	0.31	172	133	39
Other assets with returns		61,699	1,429	2.32	64,431	1,573	2.44	(144)	(81)	(63)
Other assets		82,306	88	-	93,570	19	-	69	-	69
Total average assets	**(b)**	**698,644**	**9,234**	**1.32**	**679,557**	**8,421**	**1.24**	**813**	**581**	**232**
Financial Institutions		125,848	(699)	0.56	111,407	(442)	0.40	(257)	(176)	(81)
Retail customer funds	(c)	386,597	(136)	0.04	366,291	(7)	-	(129)	(130)	1
Marketable debt securities		47,170	(343)	0.73	47,764	(194)	0.41	(149)	(153)	4
Subordinated liabilities		9,151	(46)	0.50	9,785	(55)	0.57	9	7	2
Other funds with cost		77,106	(1,028)	1.33	79,545	(1,245)	1.57	217	185	32
Other funds		52,772	(66)	-	64,765	(56)	-	(10)	-	(10)
Total average funds	**(d)**	**698,644**	**(2,318)**	**0.33**	**679,557**	**(1,999)**	**0.29**	**(319)**	**(268)**	**(51)**
Net interest income			**6,916**			**6,422**		**493**	**313**	**180**
Customer spread (%)	**(c)**		**1.82**			**1.66**				
Balance sheet spread (%)	**(d)**		**0.99**			**0.95**				

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

> According to applicable accounting standards, income resulting from the application of negative interest rates should be reported in the appropriate income classification. Financial intermediaries on the assets side includes the negative interest on the balances of financial intermediaries held on the liabilities side, the most significant being ECB financing measures (TLTROs and MROs). Conversely, 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 expenses for both line items has economic significance.

> The "Other assets with returns" and "Other funds with cost" line items relate primarily to the Group's life insurance business.

> The balances of all headings except “Other assets” and “Other funds” correspond to balances with returns/cost. “Other assets” and “other 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.

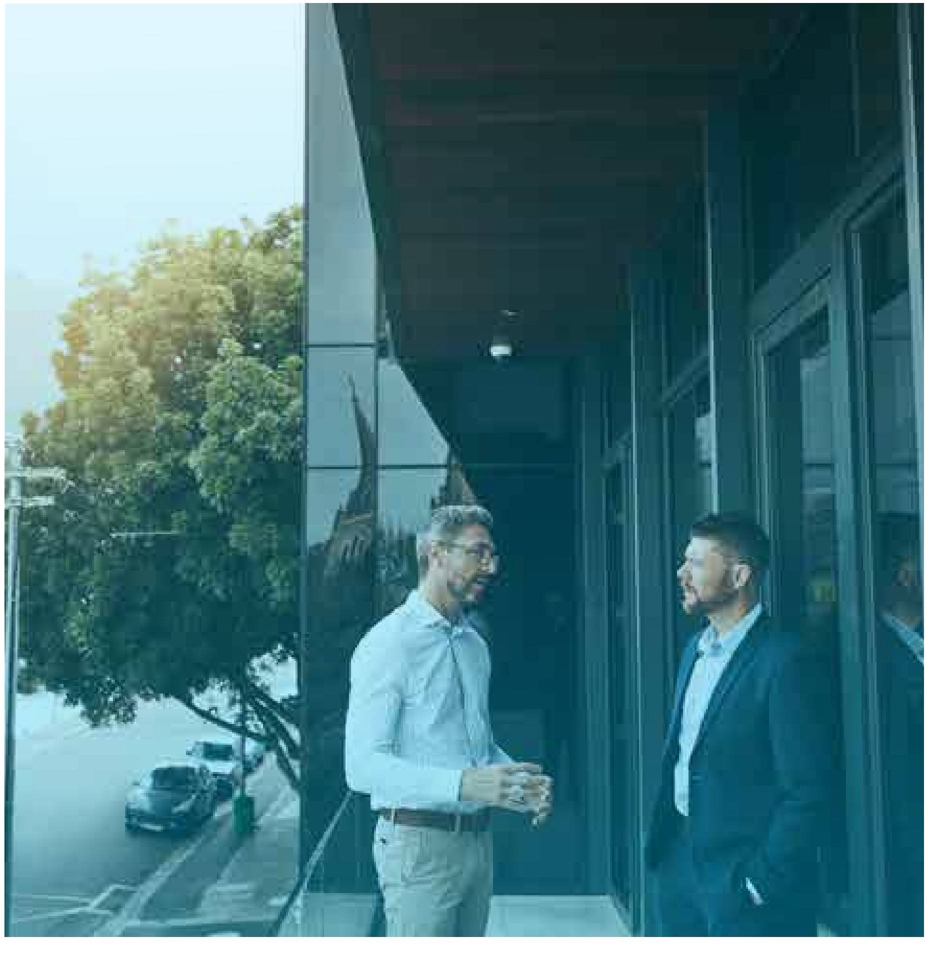
_Fees and commissions

_Evolution 2022 vs. 2021

The Group's **Fee and commission income** stand at €4,009 million, versus €3,705 million in 2021, impacted in 2021 by the merger with Bankia.

With respect to 2021 in comparative terms, the income slightly grew (+0.6%).

- **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 0.3% in the year. The performance is impacted by the elimination of deposit custody fees, as well as the consolidation of the customer loyalty programmes.
  - Fees and commissions from wholesale banking show a good performance, up 20.5%, as a result of higher activity in the year.
- **Fees and commissions from the sale of insurance products** dropped 1.8% when compared to 2021. This decrease is due primarily to the loss of fees and commissions from the sale of insurance products following the effective control of Bankia Vida and positively affected by the accrual of the 10-year phased in income associated with the renegotiation of the agreement to distribute non-life insurance entered with SegurCaixa Adeslas in the last quarter of 2021.
- **Fees and commissions from managing long term savings products** (investment funds, pensions plans and Unit Link) stand at €1,383 million, down 0.6%, impacted by the performance of the market.
  - **Commissions from mutual funds, managed accounts and SICAVs and Commissions from managing pension plans** dropped 2.4% and 4.6% in the year, due to managing lower asset volumes as a consequence of the performance of markets in 2022 and lower success fees with respect to 2021.
  - ***Unit Link fees and commissions*** grew to €233 million, +13.0% on the same period of 2021, driven by the positive net subscriptions that compensate the negative performance of the market.



_Evolution 2021 vs. 2020

The Group's **Fee and commission income** stands at €3,705 million, versus €2,576 million in 2020, impacted in 2021 by the merger with Bankia.

In **comparative proforma terms**, Fee and commission income **grew to €3,987 million**, up 6.7% on the same period of 2020.

> **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 grew 1.4% with respect to the same period of the previous year.

Fees and commissions from wholesale banking drop 13.1% when compared to the same period of the previous year, after a year 2020 year marked by high activity in investment banking.

> **Fees and commissions from the sale of insurance products** grew when compared to the same period in 2020 (+12.9%), mainly due to the higher commercial activity.

> **Fees and commissions from managing long-term savings products** (investment funds, pension plans and Unit Link) stand at €1,391 million, due to managing higher asset volumes following the good performance of both markets and sales in 2021. Growth of 17.9% with respect to 2020:

> **Commissions from mutual funds, managed accounts and SICAVs** came to €860 million, with a year-on-year increase of 18.5%.

> **Commissions from managing pension plans** stand at €325 million, showing a positive performance of 6.5% year-on-year.

> ***Unit Link* fees and commissions** reached €206 million, +38.5% on the same period of 2020.

	ACCOUNTING			PROFORMA	
€ million	2022	2021	2020	2021	2020
Banking services, securities and other fees	2,254	2,036	1,443	2,217	2,220
Recurring	2,005	1,836	1,262	2,010	1,982
Wholesale banking	249	200	181	207	238
Sale of insurance products	373	337	203	379	336
Long-term savings products	1,383	1,332	930	1,391	1,180
Mutual funds, managed accounts and SICAVs	840	817	546	860	726
Pension plans	310	309	235	325	305
Unit Link and other[1]	233	206	149	206	149
Net fee and commission income	**4,009**	**3,705**	**2,576**	**3,987**	**3,736**

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

_Income from equity investments

_Evolution 2022 vs. 2021

- **Dividend income** (€163 million) includes the dividends from Telefónica for €69 million and BFA for €87 million, respectively.
- **Attributable profit of entities accounted for using the equity method** stands at €264 million. Down 39.5% with respect to 2021 in comparative proforma terms, impacted among others by changes in the perimeter. In 2022 there are no results attributed from *Erste Group Bank* (attributed for 9 months in 2021 until its divestment) nor from Bankia Vida, versus the recognition of results throughout 2021 up to its effective control at the end of 2021.

_Evolution 2021 vs. 2020

- **Dividend income** in 2021 was made up essentially of the dividends of Telefónica and BFA, worth €90 million and €98 million, respectively (100 million and 40 million euros in 2020, respectively).
- Attributable profit of entities accounted for using the equity method (€436 million in comparative proforma terms) recovered as a result of an improvement of the economic situation (+19.1% with respect to the same period of the previous year).

	ACCOUNTING			PROFORMA	
€ million	2022	2021	2020	2021	2020
Dividend income	163	192	147	192	149
Share of profit/(loss) of entities accounted for using the equity method	264	425	307	436	366
Income from equity investments	**427**	**616**	**454**	**628**	**515**

_Trading income

_Evolution 2022 vs. 2021

Trading income stands at €338 million in 2022 versus €230 million in the previous year, in comparative proforma terms.

_Evolution 2021 vs. 2020

- **Trading income** stands at €220 million in 2021 versus €238 million in 2020.
- In comparative proforma terms, Trading income stands at €230 million at 2021 year-end. In terms of its change (-42.2%), 2020 included the materialisation of unrealised gains from fixed-income assets.

	ACCOUNTING			PROFORMA	
€ million	2022	2021	2020	2021	2020
Trading income	**338**	**220**	**238**	**230**	**398**

_Income and expense under insurance and reinsurance contracts

_Evolution 2022 vs. 2021

The **income and expense under insurance contracts** stands at €866 million, showing a growth of 33.1% with respect to 2021 in comparative proforma terms, impacted by the organic growth and the consolidation of Bankia Vida.

_Evolution 2021 vs. 2020

The **income and expense under insurance contracts** stands at €651 million versus €598 million in 2020, showing a solid growth of 8.9%.

€ million	ACCOUNTING 2022	ACCOUNTING 2021	ACCOUNTING 2020	PROFORMA 2021	PROFORMA 2020
Income and expenses from insurance and reinsurance contracts	**866**	**651**	**598**	**651**	**598**

_Other operating income and expense

_Evolution 2022 vs. 2021

The **income and expense under insurance or reinsurance contracts** includes, among other items, income and expenses at non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes, where the following stands out:

> Spanish property tax for €22 million (€19 million with respect to 2021 in comparative proforma terms). Contribution to the Portuguese banking sector for €21 million (€19 million with respect to 2021 in comparative proforma terms).

> Contribution to the SRF[1] of €159 million (€181 million with respect to 2021 in comparative proforma terms).

> Contribution to the Deposit Guarantee Fund (DGF) of €407 million (€396 million with respect to 2021 in comparative proforma terms).

_Evolution 2021 vs. 2020

> **Other operating income and expense** amounted to €-893 million versus €-356 million in 2020, and it includes, among other items, income and expenses at non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes. The increase is due to a further contribution made by the company arising from the merger.

> In **comparative proforma terms**, this item stands at €934 million, including:

> Contribution of the Portuguese banking sector for €19 million (€16 million in 2020).

> Contribution to the SRF[1] of €181 million, higher than the contribution recognised in the previous year (€171 million).

> Recording of the Deposit Guarantee Fund (DGF) of €396 million (€417 million in 2020).

> Other real estate operating income and expense included an estimation of Spanish property tax for €19 million (€20 million in 2020).

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

€ million	ACCOUNTING 2022	ACCOUNTING 2021	ACCOUNTING 2020	PROFORMA 2021	PROFORMA 2020
Contributions and levies	(587)	(596)	(370)	(596)	(605)
Other real estate income and expenses (including Spanish Property Tax)	(70)	(56)	(22)	(64)	(64)
Other	(306)	(242)	37	(274)	(83)
Other operating income and expense	**(963)**	**(893)**	**(356)**	**(934)**	**(752)**

[1] *Including BPI's contribution to the Portuguese Resolution Fund of €8.5 million.*

_Administrative expenses, depreciation and amortisation

_Evolution 2022 vs. 2021

With respect to 2021 in comparative proforma terms:

> Drop in r**ecurring administrative expenses, depreciation and amortisation** of 5.6% supported by the synergies associated with Bankia's integration.

> Personnel expenses (-8.1%) mainly shows the savings after the departure of employees within the framework of the labour agreement. General expenses (-5.9%) include the capture of synergies. The increase of depreciation and amortisation (+8.9%) is associated mainly with investment projects and the amortisation of intangible assets related to the acquisition of Bankia Vida.

> Extraordinary expenses in the year stand at €-50 million and include the recognition of €-29 million related to the penalty for early termination of the alliance and acquisition of the stake in *Sa Nostra Vida*, following formalisation and takeover of Sa Nostra on 31 December 2022.

_Evolution 2021 vs. 2020

> **Recurring administrative expenses, depreciation and amortisation** grew 29.5% to €-5,930 million in 2021, versus €-4,579 million in 2020, associated with the integration of Bankia.

> On 1 July 2021, CaixaBank reached an agreement with union representatives representing a broad majority of employees to execute a restructuring process affecting 6,452 employees. The income statement includes the recognition of €1,884 million (€1,319 million, net) associated with the estimate of this agreement's cost.

> In **comparative proforma terms**, it grew 1.0%.

Increase of personnel expenses (+1.7%) and depreciation and amortisation (+4.6%). General expenses dropped by 2.1%.

	ACCOUNTING			PROFORMA	
€ million	2022	2021	2020	2021	2020
Gross income	**11,594**	**10,274**	**8,409**	**10,985**	**11,311**
Personnel expenses	(3,649)	(3,697)	(2,841)	(3,972)	(3,907)
General expenses	(1,564)	(1,538)	(1,198)	(1,661)	(1,696)
Depreciation and amortisation	(807)	(695)	(540)	(741)	(708)
Recurring administrative expenses, depreciation and amortisation	**(6,020)**	**(5,930)**	**(4,579)**	**(6,374)**	**(6,311)**
Extraordinary expenses	(50)	(2,119)		(1)	

_Allowances for insolvency risk and other charges to provisions

_Evolution 2022 vs. 2021

> Allowances for insolvency risk amounted to €-982 million, versus €-961 million in the same period of 2021 (+2.3% with respect to the comparative proforma value).

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 December 2022.

The **cost of risk (last 12 months)** came to 0.25%.

> **Other charges to provisions** includes in 2022 includes the one-off release of provisions for liabilities, which are no longer deemed necessary. It also includes the use of provisions for liabilities established in 2021 for €63 million to cover asset write-downs from the plan to restructure the commercial network.

_Evolution 2021 vs. 2020

> **Allowances for insolvency risk** stand at €-838 million versus €-1,915 million in 2020, the latter impacted by the recognition made to anticipate future impacts associated with Covid-19 for €1,252 million.

> In **comparative proforma terms**, Allowances for insolvency risk amounted to €-961 million, versus €-2,959 million in the same period of 2020.

Throughout 2020, within the framework of the pandemic, provisions were established to anticipate future losses associated with Covid-19 under the forward-looking approach required by IFRS 9. In this context, a provision was recognised for €-1,742 million in 2020, which explains the performance of this item.

The **cost of risk (last 12 months)** came to 0.25%.

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

	ACCOUNTING			PROFORMA	
€ million	2022	2021	2020	2021	2020
Allowances for insolvency risk	(982)	(838)	(1,915)	(961)	(2,959)
Other charges to provisions	(129)	(478)	(247)	(407)	(213)
Allowances for insolvency risk and other charges to provisions	**(1,111)**	**(1,315)**	**(2,162)**	**(1,368)**	**(3,173)**

_Gains/(losses) on disposal of assets and others

_Evolution 2022 vs. 2021

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

The real estate results includes 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 in 2022 the materialisation of asset write-downs within the framework of the aforementioned plan to restructure the commercial network.

_Evolution 2021 vs. 2020

> **Gains/(losses) on disposal of assets and others** includes, essentially, the results of individual operations resulting from the sale and write-off of assets.

> The year 2021 is impacted by the recognition of the negative consolidation difference generated in the business combination for €4,300 million (eliminated in comparative proforma terms), as well as higher results from real estate sales and the gains on the sale of the stake in *Erste*.

In 2020:

> Gains on the partial sale of Comercia (€+420 million).

> Gains on the sale of the deposit business of Bankia to Cecabank (€+155 million).

> A provision, with conservative criteria, associated with the *Erste Group Bank* as a result of the impact of Covid-19 on the economic context and the extended scenario of low interest rates (€-311 million).

	ACCOUNTING			PROFORMA	
€ million	2022	2021	2020	2021	2020
Extraordinary expenses Bankia integration		4,464			
Real estate results	55	23	(134)	13	(190)
Other	(142)	(82)	67	(95)	189
Gains/(losses) on disposal of assets and others	**(87)**	**4,405**	**(67)**	**(82)**	**(1)**

_Business performance

The **Group's total assets** stood at €592,234 million on 31 December 2022 (-12.9% in the year), with a significant impact on the amortisation of the TLTRO III balance.

	Group	Breakdown by Business			Group	
€ million	31/12/22	Banking and Insurance	BPI	Corporate Center	31/12/21	31/12/20
Total assets	592,234	548,045	38,795	5,394	680,036	451,520
Total liabilities	557,972	520,274	36,340	1,358	644,611	426,242
Equity	34,263	27,772	2,455	4,036	35,425	25,278
Total equity assigned	100%	81%	7%	12%	100%	100%

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

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

_Loans and advances to customers

The **gross loans to customers** stands at €361,323 million (+2.4% in the year), driven by the strong growth in loans to companies.

Changes by segment include:

> **Loans for home purchases** fell by 0.5% in the year, although the trend in indicators of new production was clearly positive during the year, although it did not offset the impact of recurring amortisation and portfolio sales.

> **Loans for other purposes** fell 2.7% in the year.

Consumer credit grew by 3.2% with respect to December 2021 thanks to the recovery in production levels.

> **Financing for companies**, which is the main growth vector of the lending portfolio, performed well, up 7.0% in the year.

> **Loans to the public sector** were marked by one-off transactions (-0.1% in the year).

	Group	Breakdown by Business		Group	
€ million	31/12/22	Banking and Insurance	BPI	31/12/21	31/12/20
Loans to individuals	**182,783**	**166,801**	**15,982**	**184,752**	**120,648**
Home purchases	139,045	124,862	14,183	139,792	85,575
Other	43,738	41,939	1,799	44,959	35,074
Loans to business	**157,780**	**146,454**	**11,326**	**147,419**	**106,425**
Public sector	**20,760**	**18,974**	**1,786**	**20,780**	**16,850**
Loans and advances to customers, gross	**361,323**	**332,229**	**29,094**	**352,951**	**243,924**
Provisions for insolvency risk	(7,408)	(6,877)	(532)	(8,265)	(5,620)
Loans and advances to customers, net	**353,915**	**325,353**	**28,563**	**344,686**	**238,303**
Contingent liabilities	29,876	27,747	2,129	27,209	16,871

_Customer funds

Customer funds stood at €609,133 million at the close of 2022 (-1.7% in the year), impacted by market volatility in long-term savings products (+1.1% in the year excluding this effect).

Balance sheet funds stood at €456,115 million (+0.3% in the year).

> **Demand deposits** amounted to €359,896 million (+2.7% in the year).

> **Time deposits** totalled €26,122 million (-22.8% in the year).

> Growth in **liabilities under insurance contracts** (+0.1% in the year). The formalisation and acquisition of control of *Sa Nostra* on 31 December had an impact of +924 million euros on liabilities under insurance contracts (on the balance sheet), resources that since the integration of Bankia were included, for the most part, under the heading of other accounts.

Negative evolution in Unit Link in the year (-5.5%) as a result of the poor performance of the market, although with positive net subscriptions in the year.

Assets under management stood at €144,832 million (-8.3% in the year), largely due to the unfavourable performance of the markets, although with positive net subscriptions.

> The **assets managed in mutual funds, managed accounts and SICAVs** stood at €101,519 million (-7.8% in the year).

> **Pension plans** totalled €43,312 million (-9.6% in the year).

The change in **Other accounts** (+17.2% in the year) due to the change in temporary funds associated with transfers and collections.

	Group	Breakdown by Business		Group	
€ million	31/12/22	Banking and Insurance	BPI	31/12/21	31/12/20
Customer funds	386,017	355,962	30,055	384,270	242,234
Demand deposits	359,896	338,333	21,563	350,449	220,325
Time deposits[1]	26,122	17,630	8,492	33,821	21,909
Insurance contract liabilities[2]	67,467	67,647		67,376	59,360
of which: Unit Link and other[3]	18,310	18,310		19,366	14,607
Reverse repurchase agreement and other	2,631	2,623	8	3,322	2,057
On-balance sheet funds	**456,115**	**426,053**	**30,063**	**454,968**	**303,650**
Mutual funds, managed accounts and SICAVs	101,519	96,009	5,510	110,089	71,315
Pension plans	43,312	43,312		47,930	35,328
Assets under management	**144,832**	**139,322**	**5,510**	**158,020**	**106,643**
Other accounts	**8,186**	**8,104**	**81**	**6,983**	**5,115**
Total customer funds	**609,133**	**573,479**	**35,654**	**619,971**	**415,408**

[1] Includes retail debt securities amounting to €1,309 million at 31 December 2022.

[2] Excluding the impact of the change in value of the associated financial assets, with the exception of Unit Linked and Flexible Investment Life Annuity assets (the part managed).

[3] Includes technical provisions corresponding to Unit Link and Flexible Investment Life Annuity products (the part managed).

_Risk management

NPLs dropped to €10,690 million (€13,634 million in the 2021 and €8,601 million in 2020). thanks to the good trend in asset quality indicators and to the active management of arrears, supported by the sale of portfolios. €2,943 million reduction in the year.

The **NPL ratio** fell to 2.7% in the year (3.6% at the close of 2021), with a reduction in the ratio across all credit segments.

Allowances for insolvency stood at €7,867 million at the close of 2022, while the coverage ratio increased to 74% (€8,625 million and 63% at the close of 2021, respectively).

>NPL RATIO BY SEGMENT

	Group	Breakdown by Business		Group	
€ million	31/12/22	Banking and Insurance	BPI	31/12/21	31/12/20
Loans to individuals	**3.0%**	**3.1**	**1.7%**	**4.2%**	**4.5%**
Home purchases	2.4%	2.5%	1.2%	3.6%	3.5%
Other	4.9%	4.8%	5.9%	6.4%	6.9%
Loans to business	**2.9%**	**3.0%**	**2.6%**	**3.5%**	**2.7%**
Public sector	**0.1%**	**0.1%**	**0.0%**	**0.3%**	**0.1%**
NPL Ratio (loans and contingent liabilities)	**2.7%**	**2.8%**	**1.9%**	**3.6%**	**3.3%**
NPL coverage ratio	**74%**	**73%**	**92%**	**63%**	**67%**

_Liquidity and financing structure

Total liquid assets stood at €139,010 million at 31 December 2022, which is a decrease of €29,338 million during the year, mainly due to changes in the value of collateral and assets due to interest rate movements and the evolution of the commercial gap.

The **balance drawn** under the ECB facility at 31 December 2022 amounted to €15,620 million, corresponding to TLTRO III. In 2022, a TLTRO III balance of €65,132 million has been repaid, of which €13,495 million correspond to ordinary repayments and €51,637 million to early repayments. The return of TLTRO III does not affect the total balance of liquid assets, but it does affect their composition (transfer of HQLAs to other collateral available in the facility).

The ***Group's Liquidity Coverage Ratio (LCR)***[1] at 31 December 2022 was 194%, showing an ample liquidity position (291% LCR average last 12 months) well clear of the minimum requirement of 100%.

The ***Net Stable Funding Ratio*** **(NSFR)** stood at 142% at 31 December 2022, above the 100% regulatory minimum required as of June 2021.

Solid retail financing structure with a loan-to-deposit ratio of 91%.

Wholesale funding amounted to €53,182 million, diversified by investments, instruments and maturities.

The public sector and mortgage covered bond issuance capacity of CaixaBank, S.A. reached €54,659 million at 31 December 2022.

	31/12/22	31/12/21	31/12/20
Total liquid assets (a + b)	139,010	168,349	114,451
Available balance under the ECB facility (non-HQLAs)	43,947	1,059	19,084
HQLA	95,063	167,290	95,367
Wholesale Funding	53,182	54,100	35,010
Loan to Deposits	91%	89%	97%
Liquidity coverage ratio	194%	336%	276%
Liquidity Coverage Ratio (last 12 months)	291%	320%	248%
Net Stable Funding Ratio	142%	154%	145%

[1] LCR ex TLTRO is 162%

> INFORMATION ON ISSUANCES IN 2022

€ million

Issue	Amount	Issue date	Maturity	Cost[1]	Demand	Category
Senior non-preferred debt[2]	1,000	21/01/2022	6 years	0.673 % (mid-swap +0.62%)	1,500	Social bond
Senior non-preferred debt	75	20/07/2022	12 years	3.668%	Banking	-
Senior non-preferred debt	1,000	07/09/2022	7 years	3.86% (mid-swap +1.55%)	1,700	Green bond
Senior non-preferred debt GBP[2,3]	£500	06/04/2022	6 years	3.5% (UKT +2.10%)	£1,250	-
Senior non-preferred debt[2]	1,000	13/04/2022	4 years	1.664% (mid-swap +0.80%)	1,750	-
Senior non-preferred debt JPY[2,4]	JPY4,000	15/06/2022	4 years and 4 months	0.83%	Banking	-
Senior non-preferred debt AUD[5]	AUD 45	20/07/2022	15 years	6.86%	Banking	-
Senior non-preferred debt JPY[2,6]	JPY7,000	20/07/2022	4 years	1.20%	Banking	-
Senior non-preferred debt[2]	1,000	14/11/2022	8 years	5.476% (mid-swap +2.40%)	2,100	Green bond
Senior non-preferred debt JPY[2,7]	JPY5,000	02/12/2022	4 years and 6 months	1.60%	Banking	-
Subordinated debt[2]	750	23/11/2022	10 years and 3 months	6.290% (mid-swap +3.55%)	3,200	-

[1] Meaning the yield on the issuance.
[2] Callable issue, with early redemption option exercisable prior to maturity date.
[3] Equivalent amount in euros on the execution date: 592 million.
[4] Equivalent amount in euros on the execution date: 28 million.
[5] Equivalent amount in euros on the execution date: 30 million.
[6] Equivalent amount in euros on the execution date: 51 million.
[7] Equivalent amount in euros on the execution date: 35 million.

Following the December close, CaixaBank made the following issues:

> Senior non-preferred issuance of $1,250 million maturing in 6 years (callable in the 5th year), at a cost of 6.208%.

> Subordinated debt issuance of £500 million maturing in 10 years and 9 months (callable at 5 years and 9 months) at a cost of 6.97%.

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_Capital management

The ***Common Equity Tier* 1 (CET1)** ratio is 12.8% (12.5% excluding the transitional IFRS9 adjustments), following the extraordinary impact of the "SBB" share buyback programme (-83 basis points, 1,800 million euros).

> The organic growth for the year was +117 basis points, -90 basis points from dividend forecast and payment of the AT1 coupon, and +26 basis points from market evolution and others. The impact from phasing in IFRS9 was +30 basis points as at 31 December.

> The internal target for the CET1 capital adequacy ratio is between 11% and 12% (excluding the transitional IFRS9 adjustments), which implies a margin of between 250 and 350 basis points in relation to the SREP requirements.

The ***Tier 1*** ratio reaches 14.8% (14.5% excluding the transitional IFRS9 adjustments).

The **Total Capital** ratio stands at 17.3% (17.1% excluding the transitional IFRS9 adjustments). In the fourth quarter, €750 million of Tier 2 instruments was issued. In addition, another Tier 2 issue was made in January 2023 for GBP 500 million (additional +26 basis points in total capital, raising the ratio to 17.6%).

The leverage ratio stands at 5.6%.

As at 31 December, the **subordinated MREL** ratio stood at 22.5% and the **total MREL** ratio was 25.9%. Based on LRE, the total MREL ratio is 9.9%. Two issues of senior non-preferred (SNP) debt were made in the fourth quarter, totalling 1,035 million euros: one for €1 billion and another for ¥5 billion. In addition, in January 2023, an SNP issue of $1,250 million was made, an additional +54 basis points. The pro-forma MREL ratios with the two issues made in January stand at 23.4% in terms of subordinated debt and at 26.8% in total.

Similarly, **CaixaBank is subject to minimum capital requirements** on an individual basis. The CET1 ratio in this perimeter reached 12.9%.

BPI is also compliant with its minimum capital requirements. The company's capital ratios at a sub-consolidated level areas follows: CET1 of 14.8%, Tier1 of 16.4% and Total Capital of 18.9%.

For the purposes of regulatory requirements, the Group's domestic systemic risk buffer for 2022 stands at 0.375% (0.50% in 2023). The estimated countercyclical buffer for December 2022 is 0.03%.

Accordingly, the capital requirements for 2022 and 2023 are as follows:

	2022	2023
CET 1	8.34%	8.46%
Tier 1	10.15%	10.27%
Total Capital	12.56%	12.68%

As at 31 December, CaixaBank has a margin of 445 basis points, equating to €9,565 million, until the Group's MDA trigger.

In relation to the MREL requirement, in February 2022, the Bank of Spain informed CaixaBank of the minimum requirements for Total and Subordinated MREL that it must meet at the consolidated level:

	Requirement in % RWAs (including CBR)		Requirement in % LRE	
	2022	2024	2022	2024
Total MREL	22.24%	23.95%	6.09%	6.19%
Subordinated MREL	16.41%	18.72%	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 2 February 2023, the Board of Directors proposed to the General Shareholders' Meeting to pay a dividend of €23.06 cents per share against the 2022 Fiscal Year profits, representing a payout of 55%, to be paid during the second quarter of 2023. In the same session, the Board of Directors approved the Dividend Policy for the 2023 Fiscal Year, consisting of a cash distribution of 50-60% of consolidated net profit, to be paid in a single payment in April 2024, and subject to final approval from the Annual General Meeting.

€ million and %	31/12/22	31/12/21	31/12/20
Common Equity Tier 1 (CET1)	12.8%	13.1%	13.6%
Tier 1	14.8%	15.5%	15.7%
Total Capital	17.3%	17.9%	18.1%
MREL	25.9%	26.2%	26.3%
Risk-weighted assets (RWA)	215,103	215,651	144,073
Leverage ratio	5.6%	5.3%	5.6%

_Key Group figures

€ million and %	January-December 2022	2021	2020	Change 2022 - 2021[2]	Change 2021 - 2020[2]
PROFIT/(LOSS)					
Net interest income	6,916	5,975	4,900	15.7%	21.9%
Net fee and commission income	4,009	3,705	2,576	8.2%	43.8%
Core income	11,997	10,597	8,310	13.2%	27.5%
Gross income	11,594	10,274	8,409	12.8%	22.2%
Recurring administrative expenses, depreciation and amortisation	(6,020)	(5,930)	(4,579)	1.5%	29.5%
Pre-impairment income	5,524	2,225	3,830		(41.9%)
Pre-impairment income stripping out extraordinary expenses	5,574	4,344	3,830	28.3%	13.4%
Profit/(loss) attributable to the Group	3,145	5,226	1,381	(39.8%)	-
Profit/(loss) attributable to the Group ex M&A impacts	3,145	2,359	1,381	33.3%	70.8%
MAIN RATIOS (last 12 months)					
Cost-to-income ratio	52.4%	78.3%	54.5%	(26.0)	23.9
Cost-to-income ratio stripping out extraordinary expenses	51.9%	57.7%	54.5%	(5.8)	3.3
Cost of risk[1] (last 12 months)	0.25%	0.23%	0.75%	0.02	(0.52)
ROE[1]	8.3%	6.4%	5.0%	1.8	1.4
ROTE[1]	9.8%	7.6%	6.1%	2.2	1.5
ROA[1]	0.4%	0.3%	0.3%	0.1	0.1
RORWA[1]	1.3%	1.1%	0.8%	0.3	0.2

[1] The ratios of 2021 do not include in the numerator the results generated by Bankia before 31 March 2021, which is the recognition date of the merger for accounting purposes or, for consistency, the contribution of the incorporated RWAs or balance items in the denominator. They neither consider the extraordinary impacts associated with the merger.
[2] The change is carried out at an accounting level.

€ million and %	December 2022	December 2021	December 2020	Change 2022 - 2021	Change 2021/2020
BALANCE SHEET					
Total assets	592,234	680,036	451,520	(12.9%)	50.6%
Equity	34,263	35,425	25,278	(3.3%)	40.1%
BUSINESS ACTIVITY					
Customer funds	609,133	619,971	415,408	(1.7%)	49.2%
Customer funds, excluding the Bankia integration	-	458,980	415,408		10.5%
Loans and advances to customers, gross	361,323	352,951	243,924	(2.4%)	44.7%
Loans and advances to customers, gross, excluding the Bankia integration	-	231,935	243,924		(4.9%)
RISK MANAGEMENT					
Non-performing loans (NPL)	10,690	13,634	8,601	(2,943)	5,032
Non-performing loans (NPL), excluding the Bankia integration	-	8,207	8,601		(394)
Non-performing loan ratio	2.7%	3.6%	3.3%	(0.9)	0.3
Provisions for insolvency risk	7,867	8,625	5,755	(757)	2,870
Provisions for insolvency risk, excluding the Bankia integration	-	5,006	5,755		(748)
NPL coverage ratio	74%	63%	67%	11	(4)
Net foreclosed available for sale real estate assets	1,893	2,279	930	(386)	1,349
Foreclosed available for sale real estate assets, ex. Bankia integration	-	1,096	930		166
LIQUIDITY					
Total liquid assets	139,010	168,349	114,451	(29,338)	53,898
Liquidity coverage ratio	194%	336%	248%	(142)	88
Net Stable Funding Ratio (NSFR)	142%	154%	276%	(12)	9
Loan to deposits	91%	89%	97%	2	(8)
CAPITAL ADEQUACY					
Common Equity Tier 1 (CET1)	12.8%	13.1%	13.6%	(0.3)	(0.5)
Tier 1	14.8%	15.5%	15.7%	(0.7)	(0.2)
Total capital	17.4%	17.9%	18.1%	(0.5)	(0.2)
MREL	25.9%	25.7%	26.3%	0.3	(0.1)
Risk weighted assets (RWAs)[1]	215,103	215,651	144,073	(1,220)	71,356
Leverage ratio	5.6%	5.3 %	5.6%	0.3	(0.3)

[1] At 31 March 2021, €66,165 million have been integrated from Bankia.

_Ratings

	Issuer Rating						
Agency	Long Term	Short Term	Outlook	Senior Preferred Senior Preferred Debt	Last review date	Mortgage covered bonds	Last review date mortgage covered bonds
S&P Global Ratings	A-	A-2	Stable	A-	25.04.2022	AA+	28.03.2022
FitchRatings	BBB+	F2	Stable	A-	30.06.2022	-	-
Moody's	Baa1	P-2	Stable	Baa1	16.02.2022	Aa1	04.11.2022
DBRS	A	R-1 (low)	Stable	A	29.03.2022	AAA	13.01.2023

_Shareholder returns

On 20 April 2022, the company paid its shareholders an ordinary dividend of €0.1463 per share charged to the profits from FY 2021, as approved by the CaixaBank Ordinary General Shareholders' Meeting on April 8. The total amount of this dividend payment was €1,179 million, which was equivalent to 50% of the consolidated net profit for 2021, adjusted for the extraordinary impacts from the merger with Bankia.

Furthermore, on 27 January 2022, the Board of Directors approved the Dividend Policy for the 2022 Fiscal Year, consisting of a cash distribution of 50-60% of consolidated net profit, to be paid in a single payment in April 2023, and subject to final approval from the Annual General Meeting.

The Board of Directors, on 16 May 2022, following the relevant regulatory authorisation, agreed to approve and initiate a share buyback programme for a maximum amount of €1.8 billion in order to bring the CET1 ratio closer to the internal target. At the General Shareholders' Meeting of April 2022, it was approved to reduce CaixaBank's share capital by up to 10%, after receiving the relevant regulatory authorisation, by redeeming the treasury shares acquired under the buyback programme. As a result, on 22 December, after completing the share buyback programme, CaixaBank's Board of Directors agreed to reduce the company's share capital by redeeming all of its 558,515,414 shares (6.93% of the share capital) purchased as part of the buyback programme, for the amount of 1.8 billion euros, leaving the share capital resulting from the capital reduction at 7,502,131,619 euros, represented by 7,502,131,619 shares with a par value of one euro each.

On 2 February 2023, the Board of Directors proposed to the General Shareholders' Meeting to pay a dividend of €23.06 cents per share against the 2022 Fiscal Year profits, representing a payout of 55%, to be paid during the second quarter of 2023. In the same session, the Board of Directors approved the Dividend Policy for the 2023 Fiscal Year, consisting of a cash distribution of 50-60% of consolidated net profit, to be paid in a single payment in April 2024, and subject to final approval from the Annual General Meeting.

_Dialogue with shareholders and investors

CaixaBank works to live up to **the trust that shareholders and investors have placed in it** and, to the extent possible, meet their needs and expectations.

To do this, it seeks to offer tools and channels to facilitate their involvement and communication with the Group, as well as their ability to exercise their rights.

It is essential to provide clear, complete and truthful information to markets and shareholders, including financial and non-financial aspects of the business, and to promote **informed participation in the General Shareholders' Meetings.**

Customised support is provided through the **Shareholder Service and the Institutional and Analyst Investor Services**, in accordance with the Policy on Information, Communication and Contact with Shareholders, Institutional Investors and Voting Advisers.

CaixaBank develops different **training and information initiatives for shareholders** and its voice is also reflected through **annual opinion surveys** (Global Reputation and Materiality Study Index, among others). Shareholder information is structured through the monthly newsletter and corporate event emails (with a scope of more than 200,000 shareholders), SMS alerts or other subscription materials available on the corporate website.

_Shareholders

_Shareholders 2022 General Shareholders' Meeting (GSM2022)

The GSM2022, on second call, was held on 8 April 2022. Considering the relevance of holding the Annual General Meeting for the regular functioning of CaixaBank, in the interests of the company and in protection of its shareholders, customers, employees and investors in general, and with the aim of guaranteeing the exercise of the rights and equal treatment of shareholders, the Board of Directors agreed to enable telematically the attendance in the GSM2022.

76.1% Quorum of total share capital with a

94.8% of average approval at the Annual General Meeting of 8 April 2022

CaixaBank, **best shareholder service for a listed company** 2021 at the 7th Rankia Awards.

_Shareholder Advisory Committee

Non-binding advisory body created to learn first-hand about the assessment of initiatives aimed at the shareholder base, and contribute to the continuous improvement of communication and transparency.

12 Members

4 Meetings

_Corporate meetings

CaixaBank's management sessions explain results and other relevant corporate information to shareholders first-hand.

7 Meetings

2,464 attendees

_Shareholder service (telephone, email and video call)

In addition, specific courses are conducted, and financial education materials are prepared for shareholders.

2,141 Contacts

See Financial culture section

_Investors

_Roadshows and talks with institutional investors

492 meetings with national and foreign institutional equity and fixed-income investors

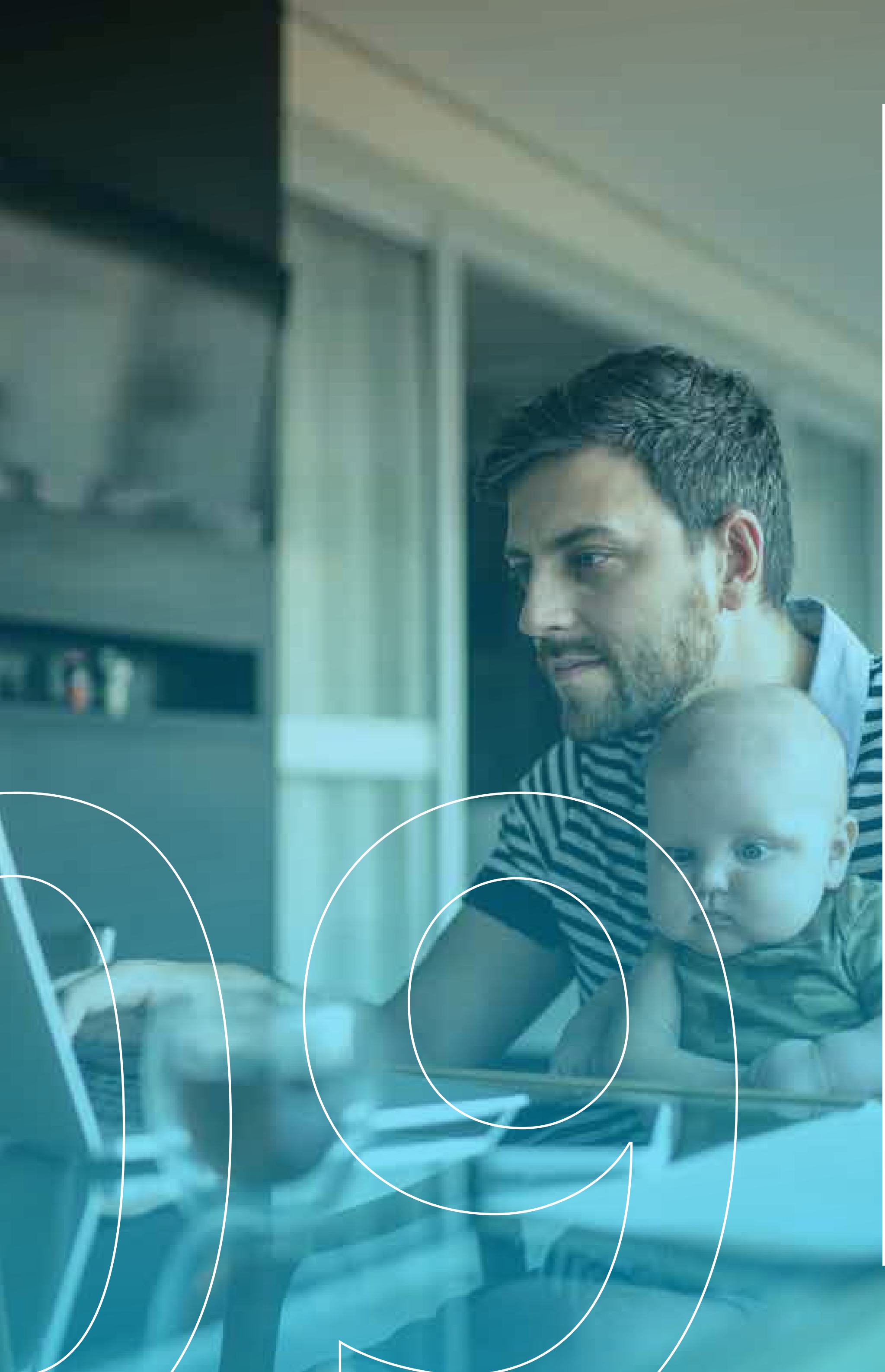
911 attendees

16 meetings with specific investors on ESG topics

44 attendees

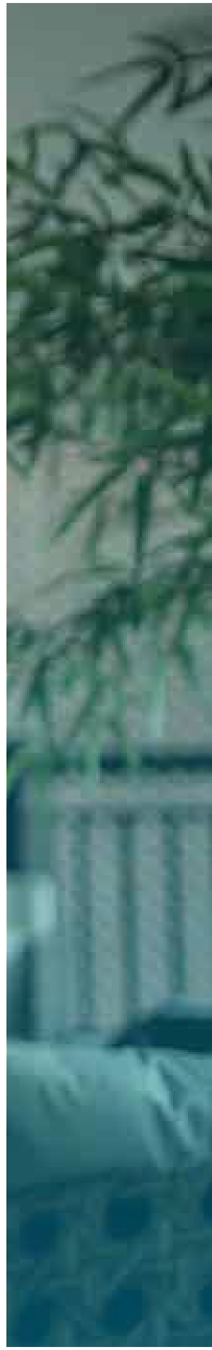
_Meetings with analysts

333 analysts' reports published on CaixaBank, including sector reports with analysis of CaixaBank



09 Society

CaixaBank



_ Financial inclusion

Financial inclusion is a key factor in reducing poverty and promoting shared prosperity. Promoting financial inclusion is in CaixaBank's DNA and is one of its strategic priorities.

CaixaBank understands and promotes inclusion from the following perspectives:

Access

Access to financial services through microfinance and other impact finance from the social bank MicroBank.

Capture

Raising funds through the issuance of social bonds and directing them towards projects that promote social cohesion.

Presence

in most municipalities in Spain through a wide network of branches.

Products

and services for vulnerable groups.

Adoption

of physical and technological accessibility measures for groups with physical or cognitive difficulties.

Programme

social housing and Impulsa programme.

Contribution

to improving financial culture.

8 10

_MicroBank

MicroBank, the Group's social bank, **is a leader in the field of financial inclusion,** using micro-loans and lending with a social impact.

MicroBank combines the contribution of value in social terms, satisfying needs that are not sufficiently covered by the traditional credit system, with the generation of the resources needed so that the project can continue to grow at the pace required by existing demand, following the parameters of rigour and sustainability of a banking institution. This establishes a social banking model that facilitates access to credit through quality financial services, with the following objectives:

Job creation

→ through the launch or expansion of businesses through granting micro-credits to business people and social enterprises.

Financial inclusion,

→ promoting equal access to credit, especially to those without collateral, as well as equal access to banking services for new customers through CaixaBank's extensive commercial network.

The promotion of productive activity,

→ granting financial support to self-employed professionals and micro-enterprises as an instrument to stimulate the economy, encouraging the start-up and consolidation of businesses.

The generation of environmental and social impact

→ providing financial support to projects that have a positive and measurable impact on society.

Personal and family development,

→ meeting the financial needs of people on low incomes through micro-credits and helping them to get through difficult periods.

The direct, indirect and induced contribution

→ to the Spanish economy in terms of impact on GDP and job generation.

_What is a micro-credit?

Micro-credits are small amount collateral-free loans to individuals whose economic and social circumstances make access to traditional bank financing difficult. Its purpose is to promote productive activity, job creation and personal and family development.

>MICROBANK IN 2022

€808 m → Micro-credits granted. **€743 m in 2021**

€1,016 m → Micro-credits granted and other loans with social impact. **953 in 2021.**

€2,289 m → Outstanding portfolio balance at 31 December. **€2,075 m in 2021.**

5,876 → New businesses created with support to entrepreneurs. **6,672 in 2021.**

17,455 → Jobs created with support to entrepreneurs. **17,007 in 2021.**

1.17% → ROA **1.94% in 2021.**

6.18% → Accumulated non-payment of matured loans matured at 31 December 2022. **6.07% in 2021.**

103,181 → MicroBank beneficiaries **PE metric 2022-2024**

_ Institutional support

The support of leading European institutions in the promotion of entrepreneurship and micro-businesses is key to the achievement of MicroBank's goals.

Banco Europeo de Inversiones

European Investment Bank (EIB)

→ MicroBank became the first European bank to receive financing to grant micro-credits in 2013.

European Investment Fund

European Investment Bank (EIB)

→ 2008 start of the collaboration

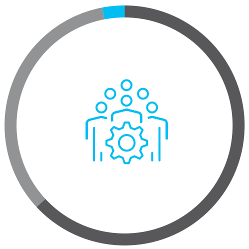
CEB

Council of Europe Development Bank (CEB)

→ 2008 start of the collaboration

8

> DISTRIBUTION BY SEGMENT



- 63% Families. 58% in 2021.
- 34% Entrepreneurs and businesses. 39% in 2021.
- 3% Other local businesses. 3% in 2021.

_Business microcredit

Intended for: entrepreneurs and micro-enterprises with fewer than 10 employees and with a turnover not exceeding two million euros a year that need financing to start, consolidate or expand the business, or to meet working capital needs.

Main features:

> Fixed-rate loan with personal guarantee.

> Business Microcredit is granted based on trust in the applicant and their business project, and without collateral.

> The maximum repayment period is 6 years, with an optional grace period of 6 months.

2022

13,118	€171 m	€13,046
Transactions	Amount of the operations.	Average amount.

2021

15,221	€196 m	€12,870
Transactions	Amount of the operations.	Average amount.

The 291 active entities, with which a collaboration agreement has been signed to promote self-employment, are an essential part of the programme. Collaborating entities allow for a better assessment of operations, because of their knowledge of customers, provide technical support to entrepreneurs and contribute to the expansion of the distribution network of MicroBank products and services.

101	100	40	9	41
Town councils	Non-profit organisations	Other Public Administrations	Universities and business schools	Chambers of commerce

1 10

_ Microcredit for families

Intended for: people with limited income, up to 19,300 euros/year[1], who want to finance projects linked to personal and family development, as well as needs arising from unforeseen situations.

The income criterion is reviewed periodically, in order to always keep the focus on groups that continue to have greater difficulties in accessing credit, assuming on many occasions the impact that decisions of this type may have on growth, the risk profile of the portfolio and the generation of profit.

Main features:

- Fixed-rate loans.
- Family Microcredit is granted without collateral.
- The maximum repayment period is 6 years, with a grace period of up to 12 months.

2022

81,985	€636 m	€7,764
Transactions.	Amount of the operations.	Average amount.

2021

86,859	€547 m	€6,296
Transactions.	Amount of the operations.	Average amount.

> PROYECTO CONFIANZA

MicroBank signed a collaboration agreement with the Asociación Proyecto Confianza in 2016, to contribute to the social and financial inclusion of people in situations of extreme vulnerability.

In 2022, 136 loans were granted for a total amount of approximately 383,000 euros to people in extremely vulnerable situations, who had previously received support through group dynamics aimed at improving self-esteem and dignity.

[2] Each year, MicroBank carries out a study to measure the impact of its financing on improving the well-being of families, economic development and contributing to the whole of society in general.

[1] To determine the income level, the Income Indicator (IPREM) has been taken into account.
[2] https://www.microbank.com/impacto-social_es.html

3 4 9

_Other financing with a social impact

Loans that generate a positive social impact on society, in sectors related to the social economy, health, education and innovation.

2022	2021
5,220 Transactions.	5,142 Transactions.
€208 m Amount of the operations.	€210 m Amount of the operations.
€39,882 Average amount.	€40,837 Average amount.

>SKILLS *AND EDUCATION PROGRAMME*

MicroBank signed in 2021 an agreement with the European Investment Fund (EIF) to **improve the access to financing of individuals and organisations** that wish to invest in training and education with the aim of improving their employability.

_Skills & Education Loan for Students

Loans for people who want to expand their training or improve their professional skills:

> **Up to €30,000**

> **With no guarantee**

> Maximum repayment period **10.5 years**

In April 2022, MicroBank, along with imagin, launched the first "end to end" digital loan.

€4 m Granted in 2022 **(682 transactions)**.

55% Of the operations granted were processed digitally (through imagin)

Implemented in 2022

_Skills & Education Loan Business

Loans aimed at schools and training centres to finance infrastructure, intangibles and working capital:

> **Up to €500,000** per transaction and **€2 m** per customer

> Legal forms belonging to **CNAE 85**

> Companies with a maximum of **499 employees** and a maximum turnover of **€50 m**

€11 m Granted in 2022 **(80 operations)**. **€13.2 m** since its launch.

Implemented in **2021**

Highlights include

_Innovation loan

Differential characteristics:

- **Amount:** Up to 50,000 euros.
- **Purpose:** start-up or expansion of innovative business projects.
- **Term:** the maximum repayment period is 7 years, with a grace period of up to 24 months.

_Social Enterprise EASI Loan

Differential characteristics:

- **Amount:** Up to 50,000 euros.
- **Purpose:** financing for the creation and development of social enterprises. Social enterprises are considered to be those that specialise in labour insertion, as well as environmental activities, those that develop their activity in sectors such as the promotion of personal autonomy and care for disabled and dependent persons, the fight against poverty, social exclusion, interculturality and social cohesion.
- **Term: up to 10 years** (with optional capital grace period of up to 12 months).

_Health loan

Intended for: Loan to finance medical treatments and temporary assistance to people with mental health disorders (eating disorders, behavioural disorders, etc.), with the aim of helping to improve their quality of life and personal autonomy.

Differential characteristics:

- **Amount:** up to 25,000 euros.
- **Purpose:** expenses arising from treating these people.
- **Term:** up to 6 years.

_Social bonds

CaixaBank is one of the leading entities in the issuance of sustainable debt, an activity it began in 2019 as the first Spanish bank to issue a social bond in support of the United Nations Sustainable Development Goals (SDGs).

CaixaBank has promoted the issuance of its own social bonds through which it undertakes to promote investments that generate a positive social impact, in line with the United Nations Sustainable Development Goals (SDGs). With the funds raised, CaixaBank promotes projects that contribute to fighting poverty, promoting education and welfare, fostering economic and social development in the most disadvantaged areas of Spain, generating a positive impact on employment and promoting the construction of basic infrastructures.

During the previous Strategic Plan (SP 2019-2021), CaixaBank issued 3 social bonds (including a Covid-19 social bond), within its framework of bonds linked to the SDGs for an amount of €3,000 M, which were used to finance activities and projects that contributed to fighting poverty, promoting education and welfare, and fostering economic and social development in the most disadvantaged areas of Spain.

In January 2022, CaixaBank issued **its fourth social bond** (first of the year 2022)

In January 2022, CaixaBank issued its first social bond of 2022:

1ST SOCIAL BOND OF 2022

Issue: 21 January 2022

Type: Senior Preferred Debt

Nominal amount: €1,000 m

Maturity[1]**:** 21 January 2028

Coupon: 0.625 %

The purpose of the social bond issued by CaixaBank is to finance activities and projects that contribute to fight poverty, boost education and well-being and promote financial and social development in the most disadvantaged areas of Spain.

More details on the corporate website.

[1] With an early repayment option in the last year by the issuer.

> IMPACT OF SOCIAL BONDS

The third impact report on social bonds was published in December 2022.

The report has been verified by an independent third party, with limited scope of guarantee. Part of the impacts have been calculated through surveys and the input-output model has been used with the collaboration of an independent external consultant.

> SOCIAL PORTFOLIO AT 31 MARCH 2022

€6,300 m

307,808 transactions

- €5,035 m — 80%
- €1,094 m — 17%
- €130 m — 2%
- €29 m — 1%

97% → Of the beneficiaries state that the **financing has enabled them to meet their objectives.**

82% → Of **beneficiaries state that the financing has had a positive impact on their life.**

€117 m → Granted to **families living in rural areas.**

1.2 m → **Number of beneficiaries due to residing** in the area where a hospital or centre has been financed.

2,609 → **Financed beds in hospitals / medical centres.**

15,445 → **Students enrolled** in financial education centres.

3 → **Financed educational centres.**

1 → **Financed educational foundation** that operates 8 schools benefiting from the financing.

€4,400 m → Loans granted in **areas with high potential to generate social impact.** Represents 88% of the total amount financed by micro-enterprises and SMEs.

€302 m → Loans granted **to companies in rural areas.**

89% → **Of self-employed beneficiaries,** who have improved or maintained their quality of life since the granting of the loan.

50% → of **companies that have been reinforced since receiving the loan.**

90% indicates that its business has remained stable or grown

13% → **Beneficiary companies** in the first two years of its creation.

View on corporate website. https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/CaixaBank_Social_Bonds_Report_2022.pdf

_Inclusive finance

CaixaBank, as part of its vocation towards service quality and closeness, has designed financial services and products to meet the specific needs of the most vulnerable social entities and groups.

In this line, it has value proposals for financial services aimed at vulnerable social groups.

> PRODUCTS FOR VULNERABLE GROUPS

Social Account

Solution aimed at people at risk of social exclusion that receive social benefits (individuals receiving Subsistence Income, Guaranteed Income from regional governments, among others) or are in a situation of severe poverty.

Free demand deposit + free access to basic financial services.

Inclusion Account

Solution for individuals without access to banking due to being located in high risk jurisdictions and not being able to provide evidence of income (refugees) and people who need a bank account to receive social benefits or to access a first job.

Account + inclusion debit card + CaixaBankNow free of charge with transactional limitations.

324,685 Social / inclusion accounts

+53.6% with respect to 2021

> EMERGENCY UKRAINE

CaixaBank collaborated by providing the following services (to Ukrainian refugees):

- **Free transfers** to Ukraine and neighbouring countries.
- Free use of **ATMs** for customers of Ukrainian banks.
- **Specific measures to speed up the process for** Ukrainians to open accounts.
- **Simultaneous translation service in branches.**
- **Specific training materials.**

_Meeting the needs of the society we operate in

_Assistance to the senior group

CaixaBank **strengthens its commitment** to customer service for the elderly, with the most extensive measures in Spain's financial sector.

CaixaBank reaffirms its commitment towards the senior group by launching ten initiatives, including plans to create a team of 2,000 senior advisers (2023 target), the extension of the service hours offered by its in-branch staff, and the strengthening of its communication channels with these users. All of these are already operational or in the process of being implemented.

The Bank will expand its global product and services offering for these customers, with a view to providing high quality service and maintaining its leading position in the sector, in which it has over 4.1 million customers and a market share of over 34.2% in direct-deposit pensions.

€50m
Budget committed to measures to assist senior citizens

>WE ACCOMPANY PEOPLE

1,233 advisers
specialised exclusively dedicated advisers.
2,000 in 2024

Strengthening of
1,882 people in branches for personal service.
1,350 in 2024

Accompaniment
in the use of ATMs.

>WE ADAPT TO SUIT THEIR WAY OF INTERACTING

100 %
user-friendly ATMs adapted for passbook use.
100% in 2024

Personal service
by telephone and WhatsApp.
900 365 065
Direct assistance by a specialised agent, with no automated filters.

Unrestricted
opening hours.

Advance payment
of monthly pension payments on the 24th day of the month.

>WE WORK TOGETHER TO PREVENT FINANCIAL EXCLUSION

3,000 sessions
training sessions.
3,000 in 2024

The most extensive
(4,081 in Spain, of which 3,818 retail branches) and ATMs (11,608 in Spain) broadest in Spain.

We do not abandon
towns and cities and we are expanding the *ofibus* service (626 municipalities with 17 *ofibus*).

See section on Accessibility.

CaixaBank now offers an extensive portfolio of **products that blends protection solutions with savings solutions.**

> **SENIOR SOLUTIONS**

€26,443 m
in Life Annuities and VAUL

133,000
Customers MyBox *Protección* Senior

Main products

- MyBox Protección Senior
- MyBox Salud Senior
- MyBox Decesos Senior
- VAUL
- Lifetime Annuities
- MyCard Senior

AENOR COMPROMISO CON LAS PERSONAS MAYORES

CaixaBank, **the first institution to be certified by AENOR** as an organisation committed to the elderly.

AENOR has identified the following as strong points of the Bank's value proposition for the senior segment priority service at branches; high level of employee involvement with such customers; and training of specialist advisers, in addition to other points.

Our senior customers matter to us

4 days
No. of branch visits per senior customer (annual average)

77 %
Senior customers who used digital media

64.1 %
NPS senior customer (scale 0-100)

15,105
Registered in the training sessions, with a session rating of **9.68** (scale from 0 to 10)

See Financial culture section.

_An active support policy for housing problems

CaixaBank has an **active support policy for housing problems**, structured around two focuses:

> On the one hand, early and specialised care for customers with difficulties.

> And on the other, the promotion of social housing programmes.

The Bank is a signatory since 2012 to the **Spanish Government's Code of Good Practice** on the viable restructuring of mortgage debt on the main home of families at risk of exclusion. CaixaBank has been the most active entity in granting aid under the Code of Good Practice and has carried out 35% of the operations in the sector.

In November 2022 the CaixaBank Board of Directors approves adherence to the new support measures for mortgage borrowers in difficulty. As a result, the bank will adhere to the extension of the current Code of Good Practice as well as to the new one, which will have a two-year transitional period.

CaixaBank becomes the first bank to commit to applying this package of measures, which are intended to anticipate and alleviate possible future difficulties some households may face in paying mortgages on first homes as a result of the rise in interest rates.

CaixaBank has a specialist team providing solutions to customers who are struggling to meet their home mortgage repayments. In 2013, it set up a **Mortgage Customer Service**; a free telephone service for customers whose property is affected by a foreclosure suit.

CaixaBank Group has a **social housing programme** with an impact throughout Spain, mainly for former debtors and Group tenants who are in a situation of vulnerability and at risk of residential exclusion.

For all these people, rental amounts are adapted to their ability to pay, with special consideration being given to: families with a member with disabilities, single-parent families with dependent children and family units in which there is a victim of gender violence or elderly people.

Within the framework of the social housing programme, CaixaBank maintains its commitment to the **Government's Social Housing Fund** and has signed collaboration agreements with various public administrations in the field of housing, making a total of 6,755 homes available.

Impulsa Programme

Its purpose of which is to help **improve the socio-economic situation of tenants.** The main implications for tenants are social support to help them get back into work (through referrals to the "la Caixa" Incorpora programme and other existing labour programmes) and to process benefits and energy aids.

CaixaBank, the first bank to adhere to the new Code of Good Practice.

2,443

Files reviewed by the Mortgage Customer Service in 2022.

29,322

Since it was initiated in 2013.

Within the framework of the social housing programme, CaixaBank maintains its commitment to the Government's **Social Housing Fund** and has signed collaboration agreements with various public administrations in the field of housing, **making a total of 6,755 homes available.**

CaixaBank maintains its commitment to be close to people in order to contribute to their financial well-being, particularly in times of greater difficulty. Since 2009, CaixaBank has implemented a series of measures to support its customers:

Help
→ **360,000 customers facing difficulties in meeting payments for their mortgages** in the Help Plan for individuals.

419
→ Payment in kind in 2022. **340 in 2021.**

35 %
→ **Of the operations covered by the Code of Good Practice** of the entire financial sector.

500,000
→ ***Moratoria* in the payment of the mortgages and consumer loans** during the Covid pandemic.

Rental
→ **Rental waiver in 4,800 homes** during the Covid pandemic.

In addition, since 2017, CaixaBank has a team specialising in **social housing management**, whose main function is to detect and manage cases of vulnerability and social emergency in primary residences.

- **7,161** Properties without a subsidy (€226.7 amount average rent) **7,996 in 2021**
- **3,360** Properties with a subsidy (€279.9 amount average rent) **4,160 in 2021**

11,105 homes in social rent programme
→ 13,235 in 2021 (includes 584 contracts for the centralised programme of "la Caixa" Foundation, 1,079 in 2021).

_Financial culture

CaixaBank is committed to **improving the financial culture** of its customers and shareholders and, in general, of society as a whole, including the most vulnerable sectors.

Through initiatives aimed at different audiences, the Company aims to improve people's financial knowledge in order to encourage decisions that improve their well-being.

With this aim in mind, it makes available to society various resources in different formats adapted to the needs of each group.

>IN 2022, CAIXABANK CARRIED OUT THE FOLLOWING IN DIFFERENT FORMATS:

Conferences

363 → Conferences

59,873 → attendees

Courses, workshops and training sessions

13 → Courses

2,193 → Workshops

3,000 → Sessions

43,641 → attendees

Digital content (*Webinars, podcasts* and videos)

15 → *Webinars*

23 → *Podcasts*

52 → Videos

>12.5 m → Views

>FINANCIAL CULTURE DISSEMINATION

mucho por hacer

Educational and awareness-raising content disseminated in collaboration with the main digital media. Connects financial concepts such as savings, investment or insurance with real life stories of famous people in our society.

141 m → **impressions** number of impacts on digital media.

€11 m → **webinar** of audiovisual content.

CaixaBank*Talks*

Talks on savings, protection and financial planning in different vital situations.

363 → **Conferences** held

59,873 → **attendees**

_Funcas-Educa Programme

Since 2018, CaixaBank has been part of the Funcas-Educa Financial Education Stimulus Programme, promoted by CECA and the Funcas Foundation. It aims to improve the level and quality of financial culture in Spanish society.

https://www.caixabank.es/muchoporhacer

>SPECIFIC CONTENT FOR GROUPS

_Shareholders

Aula Training Programme. Training on economics and finance.

7 on-site courses → with 405 attendees and 810 hours delivered.

11 *AULA webinars* → online seminars with 10,427 views

12 new chapters → of the financial training podcast with a total of 2,562 views

Wheelchair Training Programme. A new educational resource in video format that aims to focus on those economic, financial and sustainability concepts that may seem complex at first, but that we will cover using language that is accessible to everyone. With the participation of different experts, we talked during a short car drive about everyday economic issues.

43 chapters issued → With 49,265 views

_Young people

Finances for young people[1].

33,304 → attendees

1,453 → Workshops

Financial tips for young people.

Short videos aimed at the young audience through the imagin app and social media.

3 videos → **Number of** published in-app videos.

1,617,647 → **Webinar.**

_People in vulnerable circumstances

Workshops for **adults at risk of exclusion**[1].

5,504 → attendees

433 → Workshops

Workshops for **people with intellectual disabilities**[1].

1,149 → attendees

92 → Workshops

_Seniors Group

The sessions include training on the use of WhatsApp, Bizum or computer security.

3,000 sessions → **training for seniors** with 15,105 attendees

Talks on financial education for seniors[1].

2,824 → attendees

215 → Workshops

_Customers in the catering sector

elBullifoundation

On-site courses for caterers. Courses for customers in the catering sector, conducted in collaboration with elBulliFoundation.

6 courses → **Number of intensive courses** for caterers.

455 attendees → **total.**

96 hours → of training delivered.

[1] *Courses delivered by the CaixaBank Volunteer Association.*

>KNOWLEDGE GENERATION AND ANALYSIS

CaixaBank *Research*. Creation and dissemination of knowledge through research and economic analysis

205 conferences held | **1,241 articles** held | **11 *podcast*** held

Economía en tiempo real

CaixaBank Research **launches the "Real-Time Economy Website"**, a pioneering tool to monitor trends in the Spanish economy

6,100 views

IESE Cátedra CaixaBank de Sostenibilidad e Impacto Social

Research and dissemination of knowledge and trends in the areas of sustainability and social impact, aimed at the business sector.

4 notebooks published | **4 *webinars*** published | **1,303 *views*** webinar of the *webinars*

1 11

_Local accessible banking

Mobile branches are essential to CaixaBank's strategy to prevent the financial exclusion of rural areas.

CaixaBank's understanding of financial inclusion also means local, accessible banking, with an unwavering commitment to stay close to its customers.

_Proximity

CaixaBank has 1,501 rural branches located in towns with under 10,000 inhabitants.

With the aim of enhancing its service in rural areas, CaixaBank has **17 mobile branches (ofibuses)**, which serve more than 300,000 people in **626 municipalities** in twelve provinces: Ávila, Burgos, Castellón, Ciudad Real, Granada, Guadalajara, La Rioja, Madrid, Palencia, Segovia, Toledo and Valencia.

Each mobile branch covers different daily routes and, depending on the demand, visits the locations where it provides service once or several times a month. In addition to preventing the financial exclusion of rural areas, this service preserves the direct relationship with the customers who reside in these locations and upholds the Company's commitment to the agricultural and livestock sectors.

> CaixaBank aims not to abandon **municipalities in where it is the only bank**

2,233
→ Spanish towns where CaixaBank has presence.

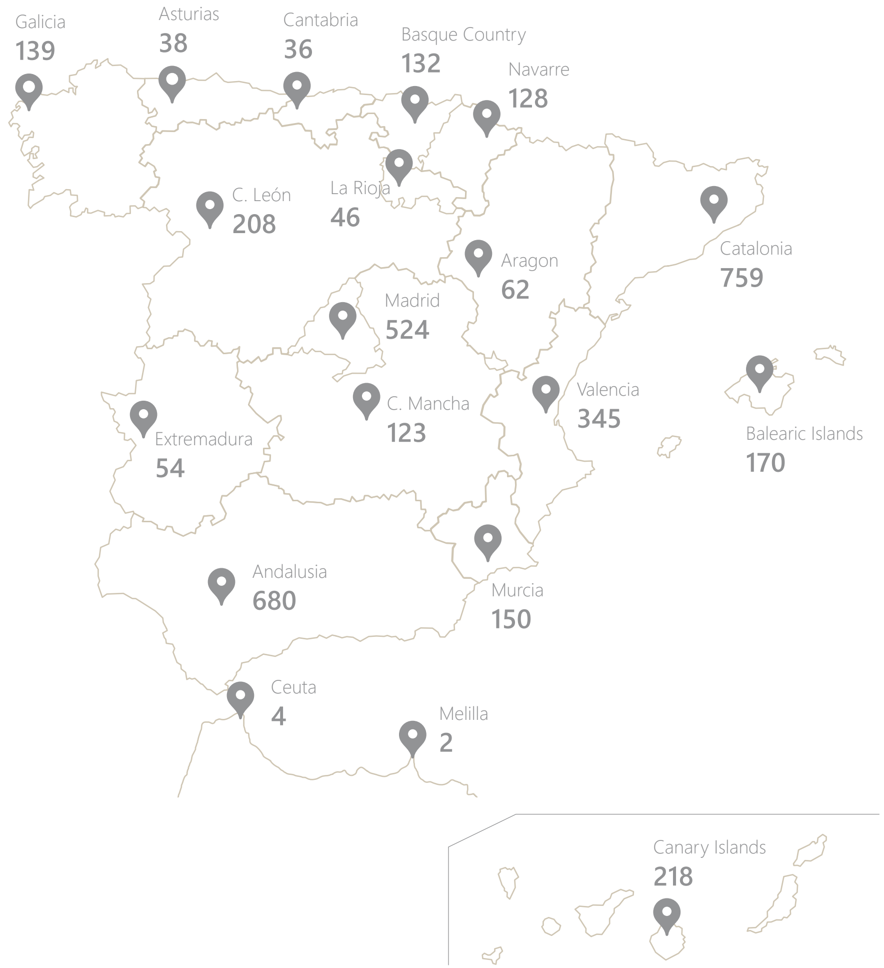
92%
→ Citizens with a branch in their municipality.
(Spain) 92% in 2021.

99%
→ Spanish towns and villages with > 5,000 inhabitants with the presence of CaixaBank.
99% in 2021.

471
→ Spanish towns and villages CaixaBank is the only banking institution.
420 in 2021.

61%
→ Portuguese towns and villages > 5,000 inhabitants with BPI presence.
63% in 2021.

3,818 branches
→ Retail in Spain



_ Accessibility

CaixaBank aspires to become the **bank of reference and choice of various people**, in line with the Company's values. To that end, it has begun working on the different aspects that will help it achieve this. Its goal is to create an accessible omnichannel experience, eliminating any physical or sensory barriers.

CaixaBank uses a broad definition of accessibility, which means not just offering the greatest range possible of channels for accessing its products and services, but also striving to ensure that these channels can be used by as many people as possible. CaixaBank therefore works to eliminate any physical and sensory barriers that could prevent people with disabilities accessing its premises, products or services.

CaixaBank incorporates the WCAG 2.1-W3C1 **guidelines in its accessibility model**[1].

>OUR ACTION PLAN

01.
Global Vision

→ Centralise accessibility efforts with a unique and expert view that coordinates and enhances its scope and impact on customers and employees, using an omnichannel approach.

02.
Methodology

→ Define or implement an accessibility framework applicable to any type of project in such a way that it facilitates the development of accessible products and services.

03.
Communication and Training

→ Carry out communication and training actions on accessibility and the defined framework, to guarantee awareness, knowledge and application by the teams.

04.
Monitoring

→ Continuous monitoring of the accessibility, using an omnichannel approach, that allows identifying room for improvement and prioritising efforts.

>PRINCIPLES IN THE DESIGN OF PRODUCTS AND SERVICES

Perceivable
→ That the content can be perceived by different senses.

Operable
→ That it can be used with the usual peripherals or with specialised support products.

Understandable
→ That the content is easy to understand, and avoids or helps solve mistakes.

Robust
→ Technology, the content can be used with different devices.

[1] *Web Content Accessibility Guidelines del World Wide Web Consortium.*

Directive (EU) 2019/882 of the European Parliament and of the Council of April 17 on **accessibility requirements for products and services on accessibility**, which will be transposed in Spain, will increase the requirements for entities in this area.

The new standard aims to make all products and services available to European citizens accessible, regardless of individual circumstances.

In this regard, the directive stipulates that from 2025 all products and services launched on the market must comply with the Directive. From 2030 onwards, all products and services must be adapted to accessibility requirements.

In this regard, CaixaBank has a **plan to guarantee the accessibility** of all our products and services.

In **2022,**

work has been done to create the technological bases that will significantly enhance the accessibility of all products and services that are marketed through any of the channels with which the Bank operates.

Of particular note in this regard is Omnia, CaixaBank Group's new corporate design system that has been built to be 100% accessible.

_Accessibility in branches

At CaixaBank branches the idea of "zero level" is applied. This consists in the elimination of the differences in height between the inside of branches and the pavement outside or, if this is not possible, linking the two with ramps or lifts.

88%
Accessible branches
86% in 2021.

62
Branches where barriers have been removed in 2022
16 in 2021.

48 Spain
14 Portugal

_ Accessibility at ATMs

100%
Accessible ATMs

8,139
ATMs with video screens providing help in sign language

Accessibility at ATMs is based on, among others:

- **Visual facilities:** By typing Operation 111, a simplified contrast and operating screen is activated so users can adapt it to their needs, enabling them to view the different operations.
- **Acoustic and tactile facilities:** By typing Operation 2 2 2 and connecting headphones to the jack connection, you can enjoy a full guide of operations. The ATMs feature a digitally generated Avatar that helps deaf people understand the operation shown on the customer's screen. In addition, the inputs, outputs and keyboard have *Braille*.
- **Motor facilities:** The main elements, such as the operating screen and the keyboard, are placed in such a way to facilitate their viewing both in height and tilt. In addition, the contactless system facilitates the operation for people with difficulty using their upper limbs.
- **Facilities for the senior segment:** The Caixafacil easy menu is designed to facilitate navigation through the different operations' screens by the senior segment, including larger buttons and their habitual operations.

ONCE has conducted an expert analysis, with very positive results.

_ App accessibility

It is an **accessible native application** for people with diverse capacities, designed under mobile accessibility standards and making use of all the technical possibilities offered today by iOS and Android operating systems.

> It has been developed from the outset under the **Accessibility Guidelines, WCAG 2.0.**

> ILUNION regularly **reviews and audits** the mobile application, helping us to identify points of improvement and ensuring its accessibility.

> At the same time, there is a continuous compilation and management of isolated points of improvement, identified from user complaints or internal reviews.

It takes into account, among others:

> At a design level, the **colour contrast and font size** has been approved to make it accessible and allow people with low vision to read correctly.

> In terms of content, plain and simple language is used, adding explanatory elements when more technical or legal language is required.

> The flows are designed to simplify the experience as far as possible, guiding users at each step and offering information on where they are and where they are heading.

> This includes *VoiceOver* (iOS) and *TalkBack* (Android) for people with total blindness for browsing design so that our *apps* allow voiceover of all screen information and actions.

_Web accessibility

The following, among other aspects, are taken into account in Accessibility on the internet:

> The colour contrast and font size are suitable for optimal viewing of the portal.

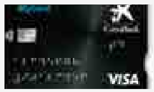
> The images do not contain embedded text (text images), which would not allow users with a screen reader to view the text appearing in the image.

In our case, the text has been programmed as text links, where users can access the content.

> Audiovisual elements are accompanied by subtitles.

> The layout structure of the page helps in reading by using screen reader software for visually impaired users (*JAWS*).

ILUNION **audits** the entire sales portal every six months. These audits detect possible errors arising from the constant update of content.



Launch of the Braille card

In 2022, CaixaBank launched a financial card with the *Braille* system, developed in collaboration with ONCE, which makes it easier for **visually impaired people to have total autonomy** when making purchases in all types of channels, whether physical or online.

The corporate portal complies with the **AA accessibility level**

of the W3C-WAI Web Content Accessibility Guidelines 2.0. It is the only commercial banking portal with this certification.

_Social action

Social commitment is one of CaixaBank's main assets and differential values, which has been integrated into its banking activity, but goes beyond it, **through solutions that meet the needs of people and the world in which we live.**

To act as an agent of this social transformation, CaixaBank focuses on:

01. Promote the participation and dissemination of the impact of the "la Caixa" Foundation programmes by transferring the main initiatives to the regional network in order to expand their scope.

02. Create alliances with third parties: (other local foundations, customers and institutions) to foster change and social commitment.

03. Develop social programmes tailored to the needs of each territory: (employability or rural development) and that have an impact, especially on priority groups (youth, the elderly and vulnerable people).

04. Promote solidarity and citizen involvement in social causes: led by social entities throughout the country via CaixaBank's Volunteer Association.

€9.6 m Provided by CaixaBank[1]

€49.4 m Channelled by CaixaBank, from the "la Caixa" Foundation and customers

Contribution Intermediation

The social action model has professionals that are relevant at a territorial level and in subsidiaries that promote capillary initiatives throughout the country.

[1] *In addition to the various contributions to other notable programmes and to programmes with other foundations within the territorial scope, the contribution to the CaixaBank Volunteer Association is included, as well as an extraordinary contribution to help refugees from Ukraine.*

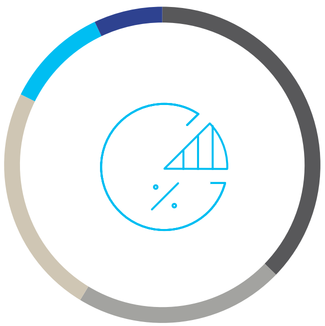
_"la Caixa" Foundation programmes

_Decentralised Social Action

Local projects

Fundación "la Caixa"

Thanks to its capillary nature and proximity to people, CaixaBank's branch network is a very effective means for detecting need, thus enabling "la Caixa" to allocate resources to great effect in all the areas where CaixaBank is present.



Projects distributed by type

(number of projects and allocated investment in €m)

- 2,093 (€8.96 m) Illness and disability
- 597 (€2.08 m) Senior citizens
- 1,207 (€5.64 m) Multiculturalism and social exclusion
- 396 (€2.60 m) Labour integration and others
- 1,331 (€5.72 m) Poverty

€25 m → From the Foundation, aimed at social entities have been channelled through the branch network

5,624 → Activities related to projects set up by local social organisations

5,041 → Beneficiary entities

_Other collaborations with "la Caixa" Foundation

_Charitable formulas

Local projects

Initiatives promoted by the CaixaBank network together with CaixaBank Payments & Consumer that complement the Decentralised Social Action funds with contributions from companies and individuals.

77 → Solidarity formula agreements

€0.48 m → Extra amount. Contributed by companies and individuals

_No Home Without Food

Vulnerable groups

Funds raised for 54 food banks throughout Spain.

€1.7 m → Total collected

Of which:

€0.7 m → Donations collected by CaixaBank on the donation platform

€1 m → Contribution "la Caixa" Foundation

1,854 Tn → Of basic foods intended for vulnerable groups

Contribution Intermediation

_Programmes with other national foundations

_Social announcements

Vulnerable groups

Social announcements with local foundations in areas such as work placement for vulnerable groups, improving quality of life and in-person support of the elderly.

€2.04 m → destined to social calls with local foundations

476 → Projects with support

_Environmental announcements

Environment

Agreements with local foundations and CABK's own announcements throughout the country in support of projects in the area of biodiversity, as well as environmental innovation, the circular economy and the demographic challenge.

€1.00 m → destined to environmental calls

101 → Projects with support

_ Sociocultural projects

Vulnerable groups

Courses, seminars and charity and cultural actions in the headquarters of the Foundations, and agreements with third parties for actions with an impact on their territories

€1.70 m → Amount assigned

>11 LOCAL FOUNDATIONS

Contribution   Intermediation

_Other notable programmes

_Tree of Dreams

Childhood

Programme aimed at poor children, where children write a letter requesting a gift for Christmas. Customers and employees participate by sponsoring a child and buying the gift, thus making their dreams come true.

27,429 → Children in Spain who have received a gift

_Full of life

Senior citizens

Programme aimed at the elderly, prioritising areas with the highest depopulation, with the aim of promoting physical, mental and social well-being and encouraging a healthy lifestyle.

€0.42 m → in investment

6,961 → Direct

_Land of opportunities

Demographic challenge

A collaborative programme to create employment, promote entrepreneurship and repopulate rural reas. It is implemented through direct entrepreneurial grants or employment and training projects, rural incubators and entrepreneurship marathons.

€0.62 m → in investment

1,200 → Beneficiary entrepreneurs

_ReUseMe

Social/Environment

Donation of surplus materials in good condition to non-profit entities.

46,184 → Donated items

36 % → Of customer companies

64 % → of CaixaBank Group

437 → Donations

359 → Beneficiary entities

26 → Participating businesses

Contribution Intermediation

_Support to the Third Social Sector

_Donation platform

Platform for NGOs, where CaixaBank makes available to them its branch network and its various electronic channels, free of charge, to collect funds from customers and society in general, who wish to collaborate with the different causes of these social entities.

€22.9 m Amount collected

319 Causes launched

191 Social entities supported

_Emergency Ukraine

€5.6 m has been raised via the Donations Platform for various NGOs for causes related to the emergency in Ukraine.

€5.6 m Collected via the Donation Platform.

_Basic transaction bonus

CaixaBank has a value proposal in place for social entities, through which it develops specific products and incentivises the basic transactions of social solidarity entities

12,130 Social Entities with basic transaction bonus

Contribution Intermediation

> NGO CARDS

By means of NGO cards, customers are able to support the social entities they sympathise with. CaixaBank makes annual contributions to the social entities linked to the card for a fixed amount per active card or a percentage of the annual amount of purchases made by the customer, **depending on the card chosen by the customer.**

Voluntariado CaixaBank

_CaixaBank Volunteering

Since 2005, employees and former employees of the CaixaBank Group, "la Caixa" Banking Foundation and Criteria, as well as their customers, family and friends, have shared an **interest in improving society and have got involved in volunteering activities** focused on **Education, Digitisation and Support**, both in the workplace and through *mentoring* and care for the elderly, and the **Environment.**

14,000 → Volunteers

482,247 → Direct

1,991 → Collaborating entities

27,692 → Activities carried out

5,263 → Volunteers without Social Week

Activities carried out by CaixaBank volunteers

Strategic programmes

- 24% Education
- 1% Digitisation
- 24% Accompaniment
- 1% Environment
- 47% Local activities
- 2% Emergency situations

Contribution · Intermediation

_Social week

Social Week is the Association's largest annual corporate volunteering mobilisation. In 2022, 26% of the CaixaBank Group's staff, together with their family members and customers, took part in one of the 1,828 volunteering activities carried out throughout the country between 15 and 23 October, **totalling over 10,000 volunteers**.

_International Partners

CaixaBank volunteers, in collaboration with the "la Caixa" Foundation, promote this action aimed at international NGOs that undertake support programmes for vulnerable groups to promote their inclusion in the labour market. This year, the programmes took part in India, Ethiopia, Mozambique and Peru.

30 → Partners

10 → Projects

4 → Countries

_Pitch your project

Programme to support and acknowledge the links and collaboration of CaixaBank Group employees with social entities. Participatory programme in which employees vote to make donations to social projects of entities where employees participate as volunteers.

€0.51 m → Amount assigned

80 → Winning projects

_Emergency Ukraine

CaixaBank volunteers, through the Santa Clara Convent Foundation (with Sister Lucía Caram as an intermediary), responded to the humanitarian refugee crisis in Ukraine, providing support by hosting displaced families in our country.

9 → Humanitarian corridors set up

548 → Refugees transferred

75 → Vehicles delivered for medical use

Collection of humanitarian aid and logistics of donated material.

dualiza by CaixaBank

CaixaBank Dualiza reinforces its commitment to the promotion of vocational training, guidance and action-oriented research to **provide a real and detailed picture of the state of vocational training.**

CaixaBank Dualiza is CaixaBank Dual Training Foundation's commitment to the promotion and dissemination of Vocational Training. CaixaBank Dualiza supports the demands of teachers and educational centres and works with companies to train future professionals and improve their employability.

From the start:

27,801 → Students

2,641 → Corporations

1,563 → Educational Centres

6,864 → Students in 2022

484 → Companies in 2022

2,143 → Teachers in 2022

316 → Education Centres in 2022

_Dualiza en 2022

CaixaBank Dualiza **has strengthened its commitment to promoting vocational training** and its dual mode during the year 2022, so that it has increased the number of beneficiaries reached by its actions.

The foundation has maintained its work around the strategic lines:

> promotion and dissemination of vocational training,

> improvement of research

> orientation

This work has helped to bring **numerous educational centres and companies** closer together, through the multiple alliances woven by CaixaBank Dualiza with the public administrations or other entities. All with the aim of promoting the development of joint projects that serve to give companies contact with students with the training required by the labour market and to show the centres the latest developments with which the companies are working.

Most of the students, more than 4,100, have been able to participate in **training programmes** to improve their skills in the health sector (SANEC), in the digital sector (DITEC), in foreign trade (COMEX), in the agricultural sector, and in training designed to help improve so-called soft skills, which are in great demand in the new economy.

All of this without losing sight of initiatives aimed at promoting innovation such as the "24 hours of Barcelona," various hackathons aimed at promoting entrepreneurship, and the InnovaTec project aimed at providing knowledge nodes among vocational teachers in the Valencian Community.

Call Dualiza promoted together with the association of FPEmpresa Vocational Training Centres. This call has helped to develop nearly 200 educational projects between vocational training centres and companies, which CaixaBank Dualiza has financed with over two million euros.

Call for Orientation, aimed at supporting the actions that educational centres carry out to raise awareness of vocational training among relevant audiences.

This call is part of actions aimed at improving guidance for people throughout their educational and working life.

"**Ambassadors**", through which dozens of professionals have been invited into classrooms to speak about their professions.

All this work has continued to be underpinned by results obtained in the **various research projects developed by the Knowledge and Research Centre**, which address various aspects of Vocational Training, such as employability, the gender gap, and its impact on the Sustainable Development Goals.

This research has been carried out with the aim of providing useful and action-oriented knowledge, hoping to serve as a basis for decision-making that various vocational professionals have to face on a day-to-day basis, based on real and updated figures.

2,378

Students during 2022 in orientation

_BPI's social commitment

BPI's firm social commitment **is developed in collaboration with the "la Caixa" Foundation in 4 areas of activity** - Social Programmes, Research and Health, Culture and Science and Education and Grants.

_Social programs

> BPI "LA CAIXA" FOUNDATION AWARDS

Five Awards that support projects by social solidarity institutions to improve the quality of life of people in situations of social vulnerability.

€4.6 m → Investment in 2022

120 → Supported projects

19,000 → Direct

The following prizes are awarded:

- **Training Prize**, Autonomy for people with disabilities
- **Solidarity Prize**, Labour integration and combatting exclusion
- **Seniors Prize**, Active and healthy ageing
- **Childhood Prize**, Minors living in poverty

> DECENTRALISED SOCIAL INITIATIVE - ISD 2022

The purpose of the ISD is to support, through the BPI's Commercial Networks, social projects at a local level in all the districts and municipalities of the Azores and Madeira by selecting the best local social projects that seek to improve the quality of life of socially vulnerable individuals.

€1.4 m → Investment in 2022

48,000 → Direct beneficiaries

224 → Projects

_Research and health

BPI, together with the "la Caixa" Foundation, has sought to support talent and the gradual development of scientific knowledge that has an impact on society.

> CAIXAIMPULSE PROGRAMME

Its aim is to promote the transfer of knowledge and technology to society and the creation of new research-oriented companies.

Within the Programme's framework, the CaixaResearch *Validate e Consolidate* competitions were launched in research centres, universities and hospitals to promote the transformation of scientific knowledge in the field of life and health sciences.

€0.3 m → Investment in 2022

4 → Projects selected

> CAIXARESEARCH RESEARCH AND HEALTH COMPETITION

The sixth edition of this competition was launched in 2022, and its aim is to support research centres operating in the areas of neurodegenerative, oncological, cardiovascular and infectious diseases and working on enabling technologies in these areas.

€8.9 m → Investment in 2022

13 → Projects supported

_Supplier management

CaixaBank has a procurement area specialised by category (*Facilities&Logistics*, Works, IT, Professional Services and Marketing) with a transversal view and management of Group purchases[1]. Its objective, in line with our business strategy, is to obtain the goods and services required in a responsible and sustainable manner subject to the time limits, quantity and quality required, at the lowest total cost and with the minimum risk for our business, according to unified performance criteria for the entire Group.

CaixaBank seeks to establish quality relationships with suppliers who share the same ethical principles and social commitment, having established criteria and control mechanisms, such as carrying out audits to ensure compliance with them. The continuous improvement of relations with suppliers is key to creating value in CaixaBank.

>PRINCIPLES OF PROCUREMENT

They establish a balanced framework for cooperation between CaixaBank and its suppliers, which promotes stable business relationships, consistent with our values.[2]

01. Efficiency: Optimise the impacts of purchases with an emphasis on quality, service, cost, security of supply, sustainability and innovation.

02. Sustainability: Disseminate ethical, social and environmental considerations in CaixaBank's network of suppliers and partners and promote the contracting of suppliers who implement best practices in ethical, social and environmental matters, as well as good corporate governance.

03. Integrity and transparency: Guarantee equal opportunities, applying objective, transparent, impartial and non-discriminatory selection criteria. Totally reject corruption in any form, direct or indirect.

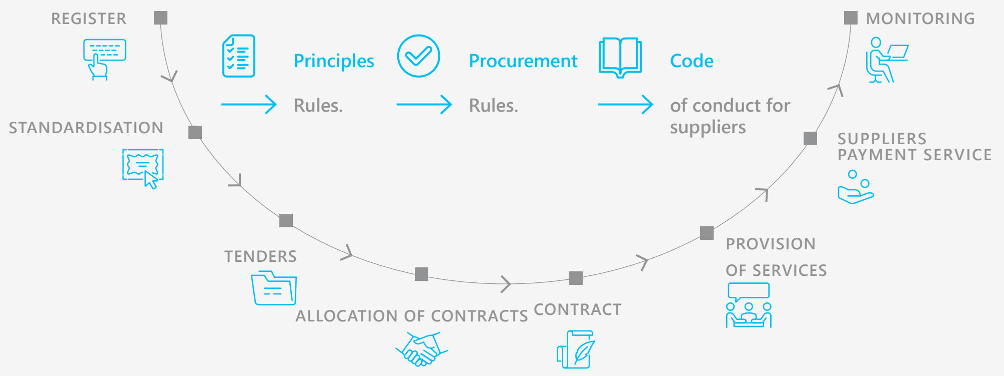
04. Compliance: Formalise the terms of procurement by means of a contract that seeks a fair balance between the rights of CaixaBank and those of the supplier, to ensure that they are fulfilled in time and form by both parties.

05. Proximity and monitoring: Implement mechanisms for ongoing assessment of supplier performance and promote dialogue, through an institutional communication channel.

[1] *Applicable to Group companies with which it shares a corporate procurement model.*

[2] *View on corporate website. https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/responsabilidad_corporativa/Principios_de_Compras_ESP.pdf*

> SUPPLIER AND PROCUREMENT MANAGEMENT PROCESS



_Supplier Code of Conduct and Procurement Rules

The **Supplier Code of Conduct** aims to disseminate and promote the values and ethical principles that will govern the activity of CaixaBank's suppliers of goods and services, subcontractors and third parties working with CaixaBank.

This Code sets out guidelines for the conduct of companies that work as suppliers will follow in relation to compliance with current legislation, ethical standards and measures to prevent bribery and corruption, security, the environment and confidentiality.

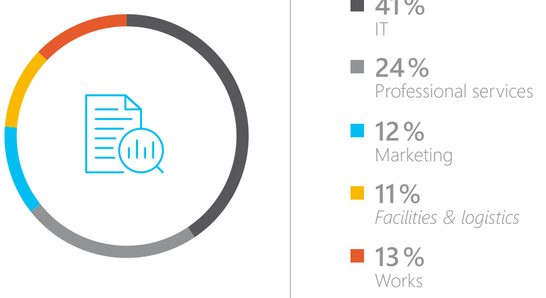
In 2022, the new **Procurement standard** was developed and published, which establishes the reference framework for Procurement Management in the CaixaBank Group, which includes best practices and optimization of the Purchasing processes in the bank, including ESG criteria.

> PROCUREMENT INDICATORS[1]

	2022	2021
Number of active suppliers[2]	3,323	3,390
Volume invoiced active suppliers (€M)[2]	3,011	2,979
Suppliers approved at the end of the year[3]	1,949	1,157
New active suppliers	502	882
Average payment period to suppliers (days)	16.8	22.1
Volume negotiated through electronic trading (€m)[4]	1,287	636
Volume negotiated through electronic trading	1,223	851
% volume corresponding to local suppliers - Spain	93%	97%

[1] Applicable to Group companies with which it shares a corporate procurement model. Includes suppliers whose billing in 2022 exceeds €30,000. Excludes suppliers, official bodies and property owners' associations.
[2] An active supplier is defined as one that meets any of the following conditions: has an active contract in Ariba with an agreement date in the last 3 years; has invoiced in the current or previous year; or has participated in a negotiation in the last 12 months.
[3] According to the current standard-approval process, it includes centralised purchasing suppliers that have passed the financial qualification process and centralised purchasing suppliers that have completed the registration process.
[4] Total amount negotiated (multi-annual), in 2021 the amount was reflected on an annual basis.

% OF PROCESSES NEGOTIATED BY CATEGORY OF PURCHASES



€7 m

Volume awarded to SEE (Special employment centres)
€7.3 m in 2021

249

Suppliers certified in social and environmental management. **Of which: 186 Suppliers have provided the ISO 14001 certification[1]**

100 %

Of purchase categories with an environmental impact have environmental requirements

The bank has a Supplier Audit Plan which, through an on-site validation process, seeks to gather evidence to ensure that CaixaBank has the information necessary to generate a risk map for our main suppliers. As well as reducing risk, with on-site evaluation, we seek continuous improvement in the management of our suppliers and aim to provide them with added value by assisting in their development.

In 2022, 30 audits (30 in 2021) were carried out, including all the categories of procurement (*Facilities&Logistics*, Works, IT, Professional Services and *Marketing*). Corrective measures have been defined. Additionally, the management of procurement processes through electronic trading is an indication of CaixaBank's efforts to guarantee traceability and integrity in the contracting process. Electronic negotiation begins with the approval of all the suppliers involved in the process and ensures that, during the process, information will be the same for all participants and the selection will be based on objective criteria.

Since 2020, new supplier certifications have been taken into account in the registration and approval process with regard to corporate social responsibility: OHSAS18001/ISO45000 certification and social audit and/or certification SA8000/BSCI/*Responsible Business Alliance*.

In 2022, as part of CaixaBank's Sustainable Development project, the supplier's development plan was implemented to help our strategic suppliers achieve a better sustainability position. In 2022, 10 development plans were carried out and the objective is to double this figure in 2023.

In addition, supplier contracts include a specific clause on Human Rights.

[1] In 2021, all the suppliers that were asked to provide the ISO 14001 certificate were included. However, in 2022, the criterion was updated to include only the suppliers that provide the certificates. Limitations in the tool make it impossible to recalculate the suppliers that provided the certificates in 2021, and thus the data for 2021 and 2022 are not comparable.

_Dialogue with society

In the course of its activity, CaixaBank maintains **dialogues with different stakeholders of the Company.**

>REGULATORS AND SUPERVISORS

The financial sector is a key area for the economy due to its connection with savings, investment and financing, which is why banks, insurance companies and management companies are subject to specific regulations and supervision, where regulators and supervisors become CaixaBank stakeholders.

CaixaBank is in constant dialogue with the various supervisors, which involves a high level of coordination between the different internal teams and those of the Single Supervisory Mechanism (SSM), as part of the ongoing Supervisory Review and Evaluation Process (SREP). Furthermore, it works towards meeting the requirements and expectations of the Single Resolution Mechanism (SRM). An ongoing dialogue is also held with the various local supervisors.

CaixaBank shares its opinions on regulatory processes with public authorities through position papers and impact analysis documents, either at their request or on its own initiative.

>ADVOCACY AND TRADE ASSOCIATIONS

CaixaBank participates in and collaborates with various trade associations, such as chambers of commerce, as well as entities that foster economic and social development.

€4.6m

paid in 2022 to trade associations.

€4.1m

paid in 2022 to lobbying, interest representation

>SPONSORSHIP OF CULTURAL AND SPORTING ORGANISATIONS

CaixaBank's works towards establishing a close relationship with the territories in which it operates. As a result, in terms of sponsorships, it focuses on activities that reflect the nature of the brand and the values it represents, from both a global and local perspective.

Furthermore, CaixaBank's sponsorships are geared towards cultural, social and economic progress, which is in line with the founding values of commitment towards society.

Effort and teamwork:

Our sponsorships are closely related to the world of sport, through which we connect with some of our most representative values, such as effort and teamwork.

Making history:

We are pioneers in sports sponsorship in Spain.

Our involvement with sport goes back 25 years, when we started supporting Olympic activities, top level competitions and several of the best football clubs.

Our DNA:

Both our sports and institutional sponsorships convey and transmit the Company's corporate culture.

CaixaBank partakes in the sponsorship of major cultural and sporting organisations within the scope of Football, Basketball, Adapted Sport, *Running*, Music and Innovation and economic and social development.

10 Environment and climate

CaixaBank

_Green bonds

In 2022, CaixaBank issued two green bonds for an amount of €2 billion, in addition to the four green bonds previously issued since 2020 for an amount of €3,582 million.

The portfolio of eligible green assets consists of loans mainly intended for solar and wind renewable energy projects.

> GREEN BONDS

1ST GREEN BOND OF 2022

Issue: 7 September 2022

Type: Senior Preferred Debt

Nominal amount: €1,000m

Expiry: 7 September 2029

Coupon: 3.75%

2ND GREEN BOND OF 2022

Issue: 14 November 2022

Type: Senior Non-Preferred Debt

Nominal amount: €1,000m

Maturity[1]: 14 November 2030

Coupon: 5.375%

The funds raised between the two bonds issued in 2022 have been earmarked to **finance projects that advance two of the Sustainable Development Goals (SDGs):**

6 CLEAN WATER AND SANITATION → Availability, sustainable management and sanitation of water.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE → Energy-efficient buildings

7 AFFORDABLE AND CLEAN ENERGY → Guaranteeing access to affordable, secure, sustainable and modern energy.

11 SUSTAINABLE CITIES AND COMMUNITIES → Sustainable transport systems

[1] *Callable issue, with early redemption option exercisable prior to maturity date.*

_Climate Change

_Net Zero Banking Alliance

In April 2021, **CaixaBank signed, as a founding member, the Net Zero Banking Alliance** (NZBA) promoted by the UNEP FI, by means of which it commits to achieving net zero emissions by 2050 and setting intermediate decarbonisation targets by October 2022. **Signing the NZBA represents a higher ambition with respect to the previous commitments assumed by the Company, such as the** Collective Commitment to Climate Action, as it requires aligning with the target of limiting the temperature increase by 1.5ºC with respect to pre-industrial levels.

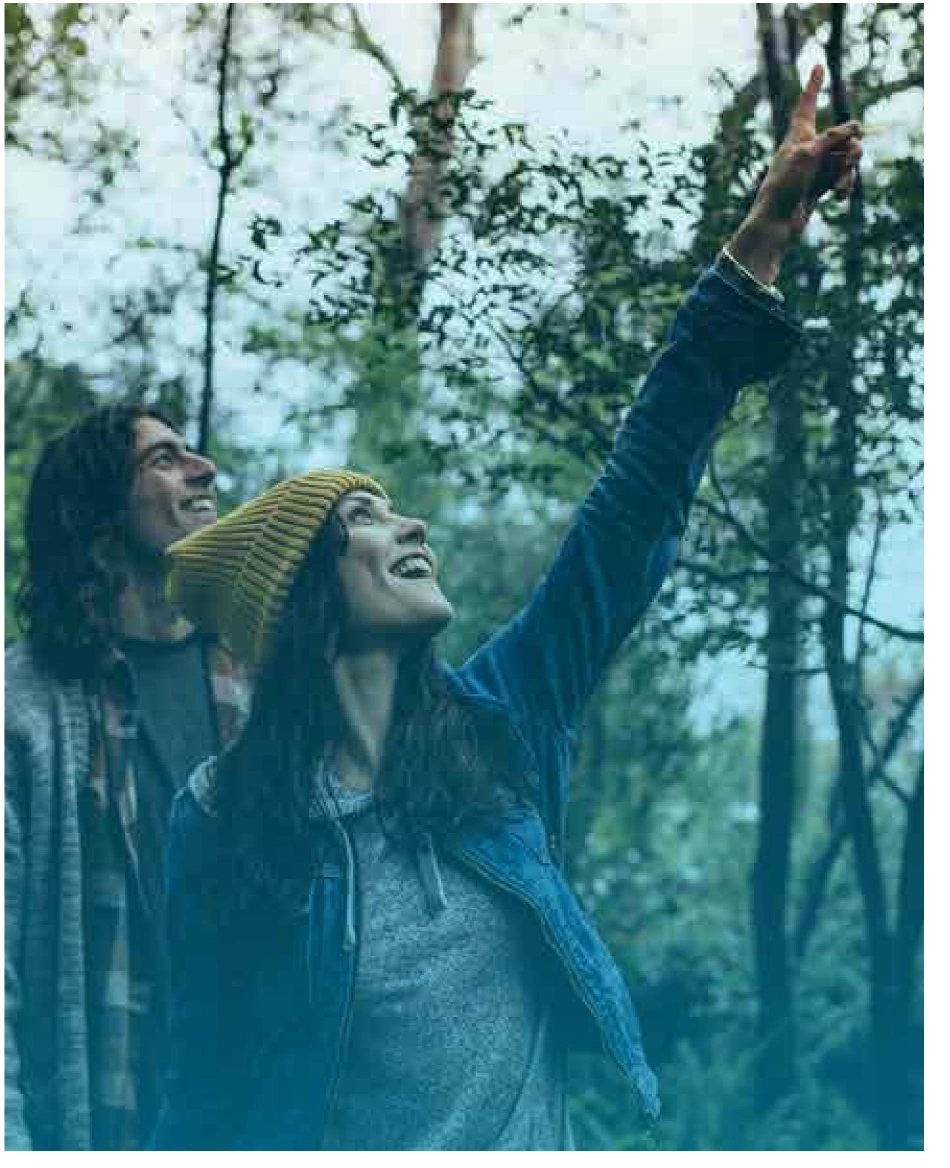
The Company is currently working to set and publish the decarbonisation targets for 2030 by October 2022. In 2021, the following milestones were reached:

> Adherence to the Partnership for Carbon Accounting Financials (PCAF). PCAF is a global partnership of financial institutions whose goal is to establish an international standard for measuring and disseminating financed greenhouse gas (GHG) emissions.

> Estimate of the financed emissions (Scope 3, category 15 of the GHG Protocol). Progress has been made in estimating the financed emissions based on the PCAF methodology for mortgage portfolio assets, debt securities, equity instruments and corporate loans and advances.

> Assessment of the materiality of ESG risks with a focus on the transition climate risks of the potentially most affected segments, based on detailed heatmaps. This analysis, together with the calculation of emissions and its breakdown by sectors, will determine the sectoral portfolios to be prioritised.

The targets will be set by taking a phased approach, starting with the most intensive sectors indicated in the UNEP FI Guidelines for Target Setting and prioritising, among these, the most relevant in the CaixaBank portfolio.



_Financed footprint and decarbonisation targets

Taking as a reference the guidelines defined by PCAF in its accounting and reporting standard (The global GHG accounting & reporting standard for the financial industry), **CaixaBank has calculated the emissions financed** (scope 3, category 15 as defined by the GHG Protocol[1]) at 31 December 2020 for its loan portfolio[2] and has focused its efforts on publishing data for the electricity and oil and gas sectors.

The calculation was based on carbon footprint information (scopes 1, 2 and 3 for oil and gas and scope 1 for the electricity sector) reported by the companies financed, or from sectoral proxies when such data is not available.[3] The allocation of issues financed by CaixaBank is based on the attribution factor defined by PCAF for each type of asset.[4]

>GHG EMISSIONS FROM THE FINANCING PORTFOLIO

CaixaBank 2020	Capital granted (in €M)	Balance covered by the analysis (in %)	Absolute emissions ($MtCO_2e$)[5]	Emission intensity ($ktCO_2e$/€M)[5]		Data quality (Score)
			Scope 1+2+3	*Scope* 1+2	*Scope* 1+2	*Scope* 3
Oil & Gas	5,179	99.8%	26.9	0.5	1.7	2.1

CaixaBank 2020	Capital granted (in €M)	Balance covered by the analysis (in %)	Absolute emissions ($MtCO_2e$)[5]	Emission intensity ($ktCO_2e$/€M)[5]	Data quality (Score)
			Scope 1	*Scope* 1	*Scope* 1
Electricity sector	17,111	99.5%	4.0	0.2	2.0

> The calculation has been performed under an operational control approach following the methodology developed by PCAF and described in the "Global GHG Accounting and reporting Standard
> for the Financial Industry" for corporate finance (excluding SMEs) and project finance and using the limit granted for the calculation of the attribution factor.
> The "Capital granted" data include information on CaixaBank, S.A. and Bankia at 31/12/2020. The investment portfolio (fixed income and equity) is not included. At the end of 2020, equity and private fixed-income exposures represent less than 5% of the total assets.

> Information on issues and financial data of the companies that form part of the Bank's portfolio corresponds to the end of the financial year 2020.

> Exclusions: The calculation of those assets for which no financial data were available for the companies has not been covered.

> PwC has performed a limited assurance of GHG financing portfolio based on the International Standard on Assurance Engagements 3410 (NIEA 4310) "Assurance Engagements on Greenhouse Gas Emissions".

> The funded emissions included in the table include only companies within the perimeter of the decarbonisation targets set under the NZBA.

> Data quality is calculated as the weighted average of the DQ Score PCAF for Project Finance and Corporate Finance.

[1] More information available at https://ghgprotocol.org/sites/default/files/standards_supporting/Chapter15.pdf
[2] For the calculation of the attribution factor, the limit granted has been used instead of the limit set.
[3] Detailed information on the methodology for calculating emissions financed in the Climate Report Annex. https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/Imagenes/Sobrenosotros/Informe_climatico_2021_junio2022_CaixaBank.pdf
[4] See note 3.
[5] CO2e = equivalent CO2. In line with the PCAF methodology, it includes the following greenhouse gases: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 y NF_3.

CABK's score according to the PCAF methodology is 2.1 for oil and gas and 2 for the power sector.

PCAF establishes a ranking of the quality of the data used in the calculations of funded emissions, with a score of 1 for the highest quality data and a score of 5 for the lowest quality data.

In line with CaixaBank's commitment under the NZBA, decarbonisation targets have been set for the corporate credit portfolio in the electricity and oil and gas sectors, given that:

- The two sectors account for approximately 70% of global CO_2 emissions.
- Both sectors are material in CaixaBank's corporate portfolio.
- The availability of data is comparatively high and there is a methodology both for calculating emissions and for determining the alignment of the portfolio.
- Given the relevance of the energy sectors as a decarbonisation engine for other sectors, the Bank's action on these sectors has a greater impact.

For the calculation of decarbonisation targets in both sectors, the IEA (International Energy Agency) Net Zero Scenario[1] has been used as a reference. This scenario ensures that global CO_2 emissions for the sector in 2050 are aligned with the emissions reduction trajectory required to stay within the 1.5°C global temperature rise.[2] To achieve the 1.5 °C target, the IEA NZE 2050 scenario assumes increasing policy developments and technological changes to achieve net zero by 2050, limiting the possibility of offsetting, removing or capturing CO_2 emissions. This scenario is based on science, reviewed by experts, and widely accepted and used as a reference.

[1] Scenario available in the report "Net Zero by 2050 - Analysis - IEA" by the International Energy Agency (IEA).

[2] Goal of limiting the temperature increase in 2100 to 1.5°C above pre-industrial levels.

The IEA NZE 2050 scenario proposes that the electricity sector reaches net zero emissions between 2035-2040[1], supported by investments in renewable energy and new technologies.

The following decisions have been taken to define targets within the sector:

> KEY DESIGN DECISIONS

01. Value chain: Integrated companies — Generate (included); Transport (excluded); Distribution and marketing (excluded)

02. Scope of the emissions: 1 2 3

03. Metric of the emissions: Physical intensity of emissions (Kg CO_2e/MWh)

04. Pathway selection: IEA NET ZERO

CaixaBank's target for this sector focuses on Scope 1 emissions by generation and integrated companies. Generation is the part of the value chain where decarbonisation actions have the greatest impact on reducing overall emissions in the sector. This perimeter (limit granted) covers 92% of the sector's total portfolio exposure and 99% of its Scope 1 issues. Finally, following the recommendations of the UNEP FI Guidelines for Target Setting, the emissions reduction target has been set using the physical intensity of the portfolio (tCO_2e/MWh) based on the total granted as a metric.

This metric supports the sector's transition in line with CaixaBank's Strategic Plan.

For the oil and gas sector, CaixaBank proposes a decarbonisation target through an absolute emissions metric, in line with industry expectations. Decarbonisation of the oil and gas sector is expected to be driven both by improvements in energy efficiency and by direct substitution of these fuels as input in other processes (demand effect).

> KEY DESIGN DECISIONS

01. Value chain: Integrated companies — Exploration and production (included); Transport (excluded); Distribution and refinement (included)

02. Scope of the emissions: 1 2 3

03. Metric of the emissions: Issues Absolute (based on limit granted)

04. Pathway selection: IEA NET ZERO

[1] The IEA NZE 2050 projects emissions from the power sector to reach net zero by 2035 in advanced economies and by 2040 globally.

The value chain segments within the perimeter of the decarbonisation targets include companies active mainly in the upstream (exploration and extraction) and downstream (mainly engaged in refining, distribution and marketing) and integrated companies (active throughout the value chain), which account for approximately 60% of the total limits granted in CaixaBank's loan portfolio to this sector and approximately 96%[1] of the scope 1, 2 and 3 emissions financed, with transport, storage and trading, which account for around 4% of the emissions financed, remaining outside the scope.

Details of the **targets set for 2030** are shown below:

Sector	Scope of the emissions	Metric	Scenario	Base year (2020)	Target (2030)	Target metric (2030)
Electric	1	Physical intensity	IEA *Net Zero* 2050	136 $kgCO_2e$/MWh	- 30%	95 $kgCO_2e$/MWh
Oil & Gas	1, 2, 3	Calculation of financed emissions	IEA *Net Zero* 2050	26.9 $MtCO_2e$	- 23%	20.7 $MtCO_2e$

The targets set are based on existing best practice and available data. However, climate science and methodologies continue to evolve, so CaixaBank may revise its targets to incorporate methodological advances in line with target-setting standards. In addition, in accordance with the commitment under the NZBA, during 2023 and early 2024, CaixaBank plans to establish additional alignment targets for other greenhouse gas-intensive sectors, both in its lending and investment financing portfolio, as well as for subsidiaries with material exposures in the prioritised sectors.

The commitment acquired with the signing of the Net Zero Banking Alliance is ambitious and is reflected in CaixaBank's first sectoral targets. By its nature, in order to achieve these targets, the Entity must leverage changes in government policies and environmental and climate regulations, as well as changes in consumer behaviour, scientific developments and new technologies, and be part of and contribute to the collective effort necessary for the transition to a net-zero emission economy.

_Contextualisation of targets

For the decarbonisation targets set by CaixaBank, it was decided to take 2020 as the base year in order to establish rigorous targets based on robust data. As there is a significant time lag between the end of the financial year and the availability of data reported by companies, especially non-financial data (emissions), data availability for 2021 is currently lower than for 2020, and therefore has to rely to a greater extent on estimates and proxies.

However, taking 2020 as a base year implies an additional challenge in terms of decarbonisation ambition, given that, due to the incidence of COVID in economic activity, it is an atypical year, also in terms of carbon intensity. Furthermore, disclosing targets in October 2022 over the base year in 2020 implies that the financial years 2021 (finalised) and 2022 cannot be materially impacted.

The ambition of CaixaBank's decarbonisation commitment is evidenced by the broad base on which the decarbonisation targets have been set, representing approximately 99% of Scope 1 emissions financed in the electricity sector and 96% of Scope 1, 2 and 3 emissions financed in the oil and gas sector.

In addition, specific sectoral aspects have been considered:

> **Electricity sector:** the starting point for this sector (136 kg CO_2e/MWh based on granted caps) is much lower than almost all entities that have disclosed targets so far for this sector. The reason is that CaixaBank has already been financing renewable energy projects in a significant way for years, which has allowed, for example, to issue 6 green bonds (for a total of more than €5,582 million) since 2020. However, this low starting point involves a challenge when establishing additional decarbonisation targets. In this regard, the 30% reduction from a comparatively low starting point reflects CaixaBank's ambition to continue to lead the way in financing renewable energies.

> **Oil and gas (O&G):** for the energy sector, 2022 is proving to be a particularly atypical year due to the impact on energy security of the global geopolitical situation. From a lending perspective, this has been reflected in an increased exposure in 2022 to the O&G sectors with a focus on securing energy supply in the short/medium term. This increase in O&G financing, which responds to the current extraordinary situation, does not alter CaixaBank's commitment to decarbonisation in the medium and long term, but it is foreseeable that this increase will result in a worsening of the metric at the end of 2022. This implies that the 2020-based alignment target of 23% is actually a much higher level of ambition than the 2020 baseline reflects.

[1] *The scope of exploration and production, refining and distribution is considered, leaving transportation, storage and marketing out of the scope.*

_Environmental Management Plan

At CaixaBank, we carry out our activity while **protecting our environment.** That is why we develop environmental and energy best practices in accordance with the Sustainability Business Principles.

We have an Environmental Management Plan 2022-2024 included in the Bank's Sustainable Banking Plan, which includes impact reduction targets based on innovation and efficiency, focusing on reducing emissions from our own activity and that of our value chain.

_Focus of the Environmental Management Plan

Environmental Management **2022-2024**

→ Participation of **12 Group subsidiaires**

8 → Action plans

27 → Initiatives

+ 200 projects

01. → **Governance in Environmental Management at Group level**

02. → **Carbon Footprint** mitigation strategy

03. → **Environmentalisation of procurement and** contracts

04. → **Environmentalisation of sales of** non-financial products

05. → Commitment to the **circular economy.**

06. → **Sustainable Mobility**

07. → **Promotion of efficiency**

08. → **Renewal of voluntary certifications** and extension of scope

The 2022-2024 Environmental Management Plan sets **quantitative targets** for all the years of the plan, which will allow measuring the degree of success of its implementation:

Indicators	2022	2022	2023	2024
	objective	actual	objective	objective
Scope 1 (vs 2021[1])	-7%	-10%	-10%	-15%
Scope 2 (vs. 2021)	- 100%	- 100%	- 100%	- 100%
Operational scope 3 (vs 2021[2])	- 12%	- 38%	-15%	-18%
Global CO2 emissions reduced (vs 2021)	- 12.90%	- 31.74%	-16%	-19%
Carbon Neutral[3]. Scopes 1, 2 and 3 and operational CO2 emissions reduced 3 (vs 2021)	100%	100%	100%	100%
Renewable energy consumption	100%	100%	100%	100%
Reduction of A4 paper consumption (vs 2021)	-8%	- 34.6%	- 12%	-15%
Savings in energy consumption (vs 2021)	-6%	- 14.1%	-8%	-10%
Environmental certifications in main buildings (vs. 11 certifications 2021[4])	2	2	3	4

For the definition of targets 22-24, the perimeter used to report the carbon footprint for 2021 was taken into account, which included Scope 1 and 2 for the CaixaBank Group and the Scope 3 concepts detailed in the table at the end of the section for CaixaBank S.A. In turn, the year 2021 has been recalculated so that the CaixaBank and Bankia perimeters have been unified, using the criterion that the complete data for both companies is available in order to be able to replicate the same calculations for 2022 and that the emissions resulting from both years can be comparable.

[1] For the calculation of the scope 1 target, CaixaBank's cooling gas emissions data will take the average for the period 2019-2021 as the baseline year.
[2] For the calculation of the scope 3 target, CaixaBank's corporate travel issuance data will take as the baseline year 2019 (prior to COVID restrictions). The target is framed within the same perimeter reported in 2021, as explained in this chapter.
[3] We define the carbon neutral perimeter taking into account the CaixaBank Group's achievements 1, 2 and 3.6 (corporate trips). To achieve this, we implement measures to reduce emissions, calculate emissions that could not be avoided, and offset them by purchasing credits on the voluntary emissions offset market.
[4] In 2022 CaixaBank sold the certified building located at Paseo de la Castellana 51, transferring most of its employees to the building at Castellana 189, which is also ISO 14001 certified. The baseline data on which we assess the targets has changed to 10 certifications on which we have added 2 new buildings belonging to BPI this year.

_Operational Carbon Footprint Mitigation Strategy - Calculation, Reduction and Offsetting

Calculating your carbon footprint

→ Since 2008, CaixaBank carries out an annual inventory of greenhouse gas (GHG) emissions generated as a result of its corporate activity, to calculate its carbon footprint and establish measures aimed at progressively reducing it

Reduction in CO_2 emissions

→ Through the introduction of technological improvements and good environmental practices

Renewable energy consumption

→ 100% renewable certificate

Offsetting emissions that could not be avoided

→ Both in corporate buildings and throughout the commercial network (scopes 1, 2 and 3)

The CaixaBank Group measures its carbon footprint and implements measures to reduce it. The results of these measures are expressed in the following tables:

>CAIXABANK GROUP OPERATIONAL CARBON FOOTPRINT (T CO_2EQ)

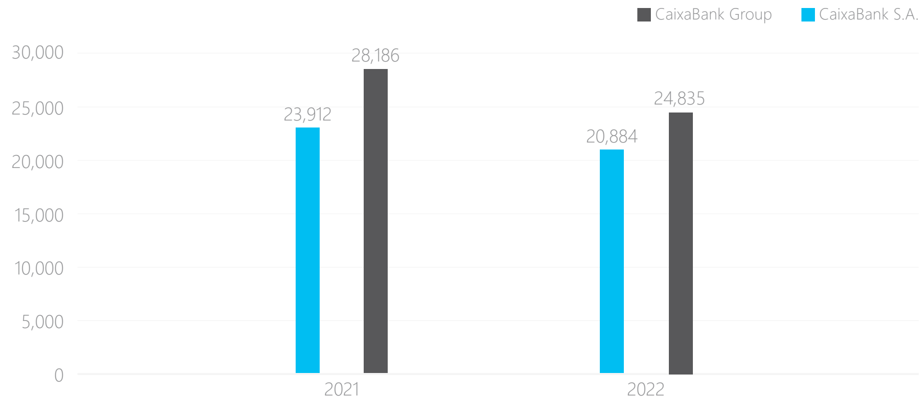
				2022		2021*	
Item			Source	CaixaBank S.A.	CaixaBank Group	CaixaBank S.A.	CaixaBank Group
Scope 1	Combustion in fixed sources	Boilers or emergency equipment	Gas oil C	326.46	415.48	682.61	817.43
			Natural gas	791.13	892.75	970.07	1,017.72
	Combustion in mobile sources	Rental vehicles		960.40	4,161.52	1,291.95	4,096.07
	Cooling gas leaks	Cooling gases		3,548.13	4,106.54	2,818.00	3,326.17
Scope 2		*Market-based method*		0	0	374.17	1,153.55
		Location-based method		31,994.66	42,670.71	32,784.12	43,978.80
		Electricity self-consumption		0	0	0	0
Scope 3	3.1 Purchase of goods and services	Mains water		153.31	153.31	195.14	195.14
		A4 paper		2,054.94	2,054.94	3,105.14	3,105.14
		Other paper		3,489.20	3,489.20	4,126.67	4,126.67
		Other goods (toner, vinyl and cards)		647.63	647.63	824.34	824.34
	3.2 Capital goods	Computers, monitors, keyboards		1,440.47	1,440.47	3,946.41	3,946.41
	3.3 Fuel and activities related to energy (non-conventional)	Value chain and transmission of non-renewable electricity		0	0	122.64	122.64
	3.4 Waste generation	IT support and toner		1,783.20	1,783.20	1,359.62	1,359.62
	3.5 Corporate travel	Aeroplane, train, cars		5,689.98	5,689.98	4,094.94	4,094.94
Total		Scope 1		5,626.12	9,576.29	5,762.63	9,257.38
		Scope 2 (market-based)		0	0	374.17	1,153.55
		Scope 2 (location-based)		31,994.66	42,670.71	32,784.12	43,978.80
		Scope 3		15,205.96	15,205.96	17,774.91	17,774.91
		Total (*Market-based*)		20,884.84	24,835.01	23,911.70	28,185.84
		Total (*Location-based*)		52,879.50	67,505.72	56,321.66	71,011.09
		Total per employee (*Market-based*)		0.49	0.56	0.65	0.57

** The Operational Carbon Footprint data presented in the EINF 2021 included the sum of the historical calculation perimeters of CaixaBank and Bankia, which were not the same. This data has been recalculated with respect to the publication of the EINF 2021 in order to unify this perimeter and to be able to compare emissions in 2021 and 2022, as well as the achievement of the targets set.*

> BREAKDOWN OF SCOPE 1 EMISSIONS BY GAS TYPE 2022 (T CO_2 EQ)

	CO_2	CH_4	N_20	HFCs
CaixaBank	2,065	4	9	3,548
CaixaBank Group	5,370	22	78	4,107

OPERATIONAL CARBON FOOTPRINT (TCO2EQ)



One of the milestones reached in 2022 is the certification through Guarantees of Renewable Origin of all the energy consumed by the Group, so that the ZERO EMISSIONS target in Scope 2 has been reached.

As part of the Environmental Management Plan, the Caixabank Group has undertaken to neutralise the carbon footprint of its own activity for Scope 1, 2 and for corporate travel as defined in category 6 of Scope 3. To achieve this goal, measures have been implemented to reduce own emissions as well as to offset emissions that could not be avoided.

The offsetting of these emissions has been carried out through participation in an agroforestry project in India, recognised by the *Verified Carbon Standard* (VCS) (type IV offset project "IMPROVING RURAL LIVELIHOOD THROUGH AGROFORESTRY PRACTICES"), as well as a wind power project in China, recognised by the *Clean Development Mechanism* (CDM) (type I offset project "SHANGYI WANSHIGOU 49.5MW WIND FARM"). CaixaBank also has two CO_2 absorption projects of its own, reforesting burnt areas on the Montserrat mountain in Barcelona and in the town of Ejulve in Teruel.

_Redimensioned operational carbon footprint

A materiality study of the different Scope 3 categories has been carried out in 2022. Although the only relevant category in this scope is category 3.15 corresponding to financed emissions (see section on climate change), categories 3.1 (purchase of goods and services), 3.2 (purchase of capital goods), 3.3 (fuel and energy-related activities) and 3.6 (corporate travel) have also been defined as material, defining a new perimeter for calculating the operational carbon footprint that includes the totality of these emissions for the entire Group and taking a step forward in the representativeness of the information reported.

See section on Climate Change.

These categories have been calculated extensively, which is particularly important in the categories for the purchases of goods and services and capital goods, where 80% of the amount of the global statement of all the Entity's operating expenses and investments has been taken as a baseline, considerably broadening the items included in these categories.

In this way, the Entity's Global Operational Carbon Footprint has been re-dimensioned, which will serve as a basis for working to reduce our emissions with respect to the value chain. Based on this data, summarised in the following table, the emission reduction targets of the Environmental Management Plan 22-24 will be revised in 2023 to adapt them to this new calculated perimeter.

>GLOBAL OPERATIONAL CARBON FOOTPRINT OF THE CAIXABANK GROUP TAKING INTO ACCOUNT THE PERIMETER DEFINED BY THE MATERIALITY STUDY (T CO_2EQ)

				2022		2021*	
Item			Source	CaixaBank S.A.	CaixaBank Group	CaixaBank S.A.	CaixaBank Group
Scope 1	Combustion in fixed sources	Boilers or emergency equipment	Gas oil C	326.46	415.48	682.61	817.43
			Natural gas	791.13	892.75	970.07	1,017.72
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	Cooling gas leaks	Cooling gases		3,548.13	4,106.54	2,818.00	3,326.17
Scope 2		*Market-based method*		0	0	374.17	1,153.55
		Location-based method		31,994.66	42,670.71	32,784.12	43,978.80
		Electricity self-consumption		0	0	0	0
Scope 3	3.1 Purchase of goods and services	OPEX		51,980.66	128,005.67	59,185.22	146,723.85
	3.2 Capital goods	CAPEX		50,164.90	60,810.78	36,448.54	45,841.97
	3.3 Fuel and activities related to energy (non-conventional)	Value chain of cold and mobile fuels		451.16	1,264.00	616.92	1,323.86
		Electricity value chain and transmission		4,133.51	5,451.65	5,741.35	7,505.61
	3.4 Corporate travel	Aeroplane, train, cars and hotels		5,809.91	6,794.80	4,473.40	5,038.83
Total		Scope 1		5,626.12	9,576.29	5,762.63	9,257.38
		Scope 2 (market-based)		0	0	374.17	1,153.55
		Scope 2 (location-based)		31,994.66	42,670.71	32,784.12	43,978.80
		Scope 3		112,540.14	202,326.90	106,465.44	206,434.11
		Total (*Market-based*)		118,166.26	211,903.19	112,602.24	216,845.05
		Total (*Location-based*)		150,160.92	254,573.90	145,012.19	259,670.30
		Total per employee (*Market-based*)		2.77	4.80	3.07	4.37

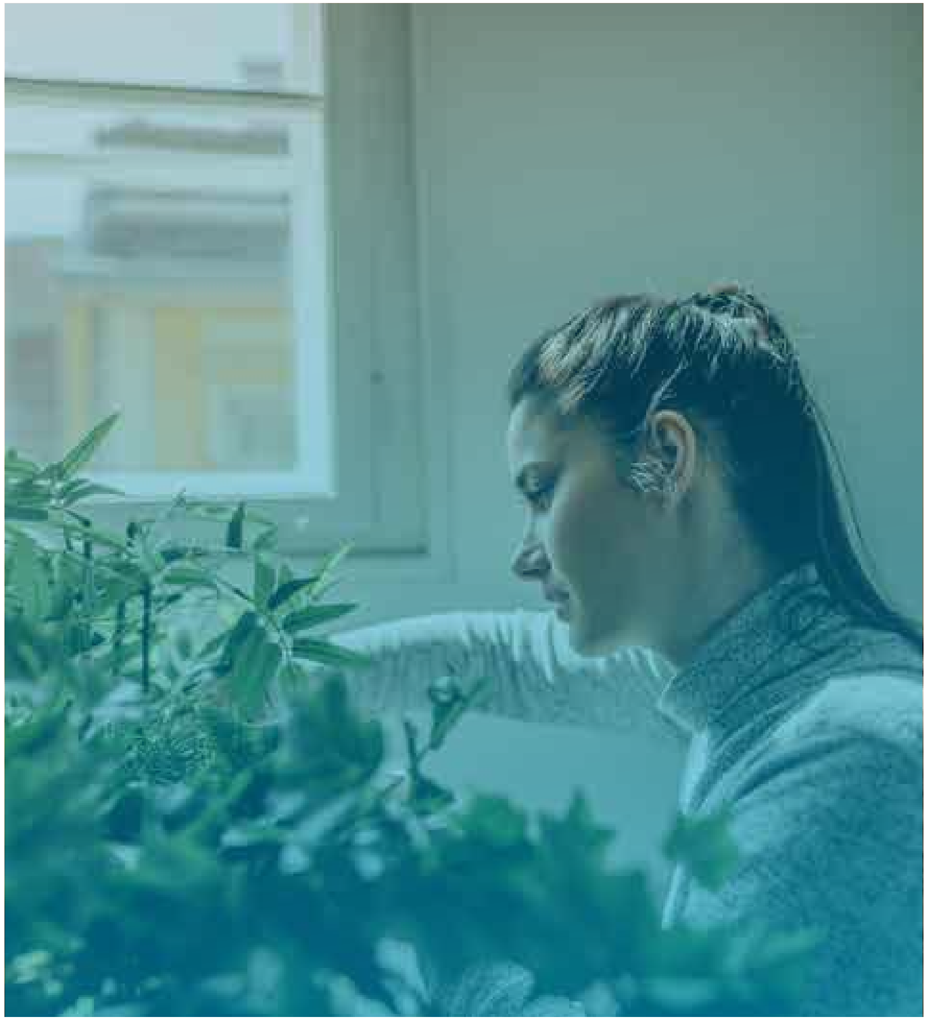
** The Operational Carbon Footprint data presented in the EINF 2021 included the sum of the historical calculation perimeters of CaixaBank and Bankia, which were not the same. This data has been recalculated in order to unify this perimeter and to be able to compare emissions in 2021 and 2022, as well as the achievement of the targets set.*

_Renewal and extension of certifications and efficiency promotion

The reduction of emissions is achieved by implementing environmental efficiency measures, monitoring the indicators and implementing an Energy and Environmental Management System in accordance with the requirements established in standards ISO 14001 and ISO 50001 and in the European EMAS regulation, which enables us to perform our activity considering the environment's protection.

CaixaBank S.A. has 5 ISO 14001 certified buildings, 1 ISO 50001 certified building and 1 building certified under the EMAs Regulation, as well as the Environmental Quality Mark in all the branches of the network in Catalonia, so that approximately 30% of the workforce is working in certified buildings or offices. In addition, other Group companies, such as CaixaBank Facilities Management and CaixaBank Tech, also have Environmental Management Systems certified under the ISO 14001 umbrella, and it is worth noting that in 2022 BPI extended the same certification to two more centres, bringing the total number of certified buildings to 3.

EMAS | ISO 14001 | ISO 50001



_Electricity

In recent years, several initiatives have been implemented that have led to a reduction in energy consumption:

- CaixaBank has implemented an automation project that allows it to monitor energy consumption in corporate buildings and the branch network, evaluate the energy savings of the measures implemented and define new efficiency initiatives.
- In recent years, several initiatives have been implemented to reduce consumption in the branch network, based on the savings potential: Replacing fluorescent lights with LED lighting, replacing HVAC equipment with more efficient equipment, presence sensors and automatic light shut-off, single shut-off switches associated with the alarm connection, replacement of computer equipment, etc.
- The two Data Processing Centres (DPCs) have LEED certification, with the silver and gold category, respectively.
- In 2022, CaixaBank Group energy consumption fell by 14.1% compared to the previous year (-16.8% if we look exclusively at CaixaBank, S.A.). This reduction was the result of the energy management and saving measures implemented and the synergies derived from the merger, as well as the changes in climate and lighting due to Royal Decree-Law 14/2022 on energy saving and efficiency measures.

100 % Of the electricity consumed is of certified renewable energy origin
99.21% en 2021

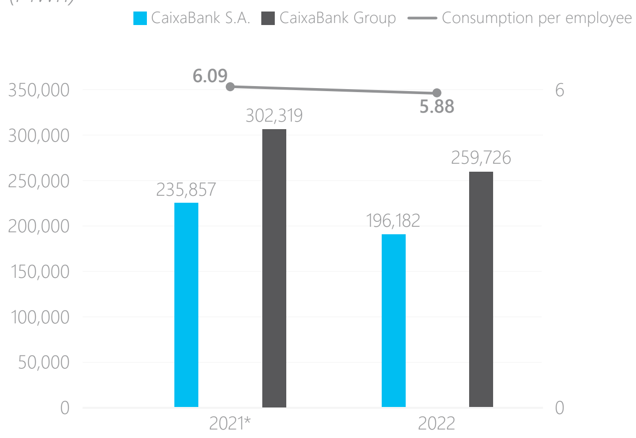
-14.1 % Reduction in electric energy consumption since 2021

731 Monitored **branches**

961 Telemanaged **branches**

27 Monitored and/or remotely managed buildings

> ELECTRICITY CONSUMPTION
(MWh)



** Energy consumption data updated with the latest invoices received.*

[1] *CaixaBank, S.A. has 8 buildings with ISO 14001 certification, 1 Building with ISO 50001 certification and 1 Building certified under the EMA Regulation.*

_Paper

In recent years, several initiatives have been implemented to reduce paper consumption:

> The digitisation project allows digital signatures for 100% of processes.

> ATMs allow for deposits without an envelope and offer the option to view information on-screen and not print a receipt.

> Invoicing is done electronically.

> CaixaBank S.A. has reduced paper consumption associated with sending communications to customers by 10.2% compared to 2021.

> Reduction of 34.61% in A4 paper consumption in corporate buildings and branches of CaixaBank, S.A. compared to the previous year.

> Reduction and centralisation of printers in multifunctional teams with a user identification system.

> Commitment to the preferential use of recycled paper, which at CaixaBank S.A. accounts for 97% of consumption.

> Publications are produced on paper with FSC and PEFC certificates.

>PAPER CONSUMPTION (A4)

(tonnes)

	2022	2021
Paper consumption (T)	814.95	1,246.22
Paper consumption per employee	0.02	0.03

_Water

- The consumed water comes from the supply network, and it is mostly used for sanitary purposes, which does not allow it to be reused and, therefore, its relevance as an environmental vector is relative. However, measures to reduce water consumption have been implemented, e.g. traditional taps have been replaced by taps with interrupted flow and toilet cisterns have been replaced by others with smaller capacity and a double flush button.
- In unique buildings, the best technologies have been introduced to optimise water consumption associated with the refrigeration processes: Data Processing Centres use free cooling technology, which uses no water, and in the Barcelona corporate centre, the evaporative cooling towers have been replaced with adiabatic towers, with much lower water consumption.
- In 2022, 398,205m^3 of water was consumed, which represents a 21.4% reduction in consumption compared to the previous year.

> WATER CONSUMPTION (M3)

	2022	2021
Water consumption (m3)	398,205	506,847
Water consumption per employee	9.34	13.80

_Waste and circular economy

- Selective collection allows for waste to be recovered and recycled.
- In corporate buildings, waste is accounted for and managed by authorised managers. Corporate Services' cafeterias are free of single-use plastic.
- Throughout the branch network, municipal selective collection containers are employed for non-hazardous waste (paper, plastic, organic and other), and the hazardous waste is managed by authorised managers through maintenance companies (bulbs, cooling gases, electronic waste, toner, etc.).
- CaixaBank launches regular awareness campaigns for staff to reduce waste generation.
- Collection of obsolete cards in the branch network for subsequent recycling.
- 100% of the cards sold are made from recycled PVC and biodegradable material.
- CaixaBank has ReUtilízame (ReUseme), a programme that encourages companies to donate surplus materials in good condition to NGOs. The programme is open to customers and subsidiaries of the CaixaBank Group and in 2022, 46,184 items were donated, 25 companies participated in addition to CaixaBank and 359 organisations benefited.
- The waste data taken into consideration for the calculation of the carbon footprint are shown in the table below.

> WASTE

	2022	2021
Toner cartridges (units)	38,040	42,337
IT support (T)	984	1,262

_Environmentalisation of procurement and contracts

By incorporating environmental criteria into the purchase of products and contracting of services, we extend our commitment to the suppliers and encourage them to adopt measures that minimise their activities' environmental impact.

In 2022, we further developed the Entity's Environmental Procurement Plan by defining new green procurement and contracting sheets and initiating the incorporation of compliance with these criteria into our supplier audits.

_Boost in sustainable mobility

CaixaBank's Sustainable Mobility Plan includes both the internal (organisation and people) and external (customers and suppliers) dimensions, incorporating a 360º view of the inclusion of measures that minimise the impact of travel needs. Here are some of the measures implemented in the Company:

> Deployment of remote work tools and online communication options with customers, which reduce the number of physical journeys.

> Electric vehicle charging points and private bicycle parking in several corporate centres have been installed. _Reduction of the fleet of own vehicles and transition to hybrid cars.

> Internal car-sharing programme in regional centres.

> Delivery of packages in the last mile using an electric scooter.

> Inclusion of environmental criteria for reducing the impact associated with mobility in events and trips.

>SCOPE OF THE SUSTAINABLE MOBILITY PLAN

> COMPANY
Internalising sustainable mobility policy and implement associated governance measures (own fleet, corporate trips, events, etc.)

> STAFF
Provide our staff with more sustainable home-work mobility options while minimising travel needs

> SUPPLIERS
Advance the reduction of pollution-related emissions and promote their decarbonisation

> CUSTOMERS
Offer sustainable mobility products to our customers (individuals, entrepreneurs and companies), especially those related to electromobility

11 SNFI

Law 11/2018 and Taxonomy Regulation, Table of contents

In accordance with the provisions of Law 11/2018 of 28 December on non-financial information and diversity, CaixaBank presents in the Statement of Non-Financial Information, among other matters, the information necessary to understand the evolution, results and situation of the Group, and the impact of its activity with respect to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as in relation to staff. The following shows the content to be disclosed as specified in the Act and their agreement with the contents of the 2022 Consolidated Management Report.

Law 11/2018, of 28 December	Section or sub-section of the 2022 CMR index / Direct response	GRI indicator equivalence*
Description of the business model and strategy		
Description of the business model	"Business Model" section of the 2022 Consolidated Management Report (CMR 2022) "Presentation of the CaixaBank Group - Impact on society" section CMR 2022 Note 1.1 to the 2022 Consolidated Financial Statements (CFS 2022)	GRI 2-1 / GRI 2-6
Business environment and markets in which the Group operates	"Environment" section CMR 2022 "Business Model" section CMR 2022 Note 8 CFS 2022	GRI 2-6
Organisation and structure	"Glossary and Group structure" section of CMR 2022 Note 8 to the 2022 Consolidated financial statements (CFS 2022)	GRI 2-1 / GRI 2-2
Objectives and strategies	"Strategy" section CMR 2022	GRI 3
Main factors and trends that can affect the future evolution.	"Environment" section CMR 2022	GRI 2-6
Description of the policies applied to the Group, which will include due diligence procedures applied to identify, assess, prevent and mitigate significant risks and implications, and control and verification procedures, including any measures adopted	"Risk Management" section CMR 2022 "Ethical and Responsible Behaviour" section CMR 2022 Section "Sustainability Governance" section CMR 2022	GRI 3 GRI 2-23
The results of the policies, including key indicators that allow for progress to be monitored and assessed	"Risk management" section of CMR 2022 Similarly, the specific indicators for each non-financial area are detailed below in the successive sections of this table.	GRI 3 GRI 2-24
The main short, medium and long-term risks associated with the group's activities. These include, inter alia, trade relations, products or services that can have negative effects in these areas	"Risk Management" section CMR 2022	GRI 3

** 2021, unless otherwise indicated.*

Law 11/2018, of 28 December	Section or sub-section of the 2022 CMR index / Direct response	GRI indicator equivalence*
Matters relating to human rights and ethical conduct		
Application of due diligence procedures regarding human rights; prevention of risks of human rights violations and, where applicable, measures to mitigate, manage and redress possible abuses committed	"Ethical and Responsible Behaviour - Ethics and integrity" section CMR 2022 "Sustainability Governance" section CMR 2022	GRI 2-23 / GRI 2-24 / GRI 3 / GRI 412-1 (2016) / GRI 412-2 (2016) / GRI 412-3 (2016)
Allegations of cases of human rights violations	"Ethical and Responsible Behaviour - Ethics and integrity" section CMR 2022 "Queries and complaints channel" section CMR 2022	GRI 406-1 (2016) / GRI 412-1 (2016)
Promotion of and compliance with the provisions of fundamental Conventions of the International Labour Organisation related to respecting the freedom of association and the right to collective bargaining	"Human Rights" section CMR 2022 "Employee Experience - Labour Standards and Staff Rights" section CMR 2022 "Supplier Management" section CMR 2022	GRI 407-1 (2016)
The elimination of discrimination in employment and the workplace	"Diversity and equal opportunities" section CMR 2022	GRI 3 / GRI 406-1 (2016)
The elimination of forced or compulsory labour and the effective abolition of child labour	"Ethical and Responsible Behaviour - Ethics and integrity" section CMR 2022	GRI 408-1 (2016) / GRI 409-1 (2016)
Measures adopted to prevent corruption and bribery	"Ethical and Responsible Behaviour - Ethics and integrity" section CMR 2022 "Dialogue with society" section CMR 2022	GRI 2-23 / GRI 2-24 / GRI 3 / GRI 205-1 (2016) / GRI 205-2 (2016) / GRI 205-3 (2016) / GRI 415-1 (2016)
Measures to combat money laundering	"Ethical and Responsible Behaviour - Ethics and integrity" section CMR 2022 "Fiscal transparency" section CMR 2022	GRI 2-23 / GRI 2-24 / GRI 3 / GRI 205-1 (2016) / GRI 205-2 (2016) / GRI 205-3 (2016)
Contributions to foundations and non-profit entities	"Social action" section of CMR 2020	GRI 413-1 (2016)
Subcontracting and suppliers: inclusion of social, gender equality and environmental matters in the procurement policy; in relationships with suppliers and subcontractors, consideration of their social and environmental responsibility; oversight systems and their audit and results	"Supplier management" section CMR 2022 "Ethical and Responsible Behaviour - Ethics and integrity" CMR 2022	GRI 3 / GRI 204-1 (2016) / GRI 308-1 (2016) / GRI 414-1 (2016)

** 2021, unless otherwise indicated.*

Law 11/2018, of 28 December	Section or sub-section of the 2022 CMR index / Direct response	GRI indicator equivalence*
Environmental issues		
Detailed information on the current and foreseeable effects of the company's environmental activities	"Sustainability risk management" section CMR 2022 "Sustainable business" section CMR 2022 "Environment and climate" section CMR 2022	GRI 3 / GRI 201-2 (2016)
Detailed information on the current and foreseeable effects of the company's health and safety activities	This is not material for CaixaBank Group	GRI 3
Environmental assessment or certification procedures	"Environmental Management Plan" section CMR 2022	GRI 3
Resources dedicated to the prevention of environmental risks	"Sustainable business" section CMR 2022 "Environment and climate" section CMR 2022	GRI 201-2 (2016)
Application of the principle of precaution	"Sustainable business" section CMR 2022	GRI 2-25
Amount of provisions and guarantees for environmental risks	Given the Group's activities, there is no significant risk of an environmental nature. CaixaBank did not receive any relevant fines or sanctions related to compliance with environmental regulations in 2022.	GRI 2-27
Measures to prevent, reduce or restore carbon emissions that seriously affect the environment, taking into account any activity-specific form of air pollution, including noise and light pollution	"Environmental Management Plan" section CMR 2022	GRI 3
Prevention, recycling and reuse measures, and other forms of recovering and eliminating waste; actions to fight against food waste	This is not material for CaixaBank Group "Environmental Management Plan" section CMR 2022	GRI 3 / GRI 306-1 (2020)
Water consumption and supply in accordance with local limitations	This is not material for CaixaBank Group "Environmental Management Plan" section CMR 2022	GRI 3 / GRI 303-5 (2018)
Consumption of raw materials and measures adopted to improve the efficiency of their use	This is not material for CaixaBank Group "Environmental Management Plan" section CMR 2022	GRI 3 / GRI 301-1 (2016) / GRI 301-2 (2016)
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energy	"Environmental Management Plan" section CMR 2022	GRI 3 / GRI 302-1 (2016)

** 2021, unless otherwise indicated.*

Law 11/2018, of 28 December	Section or sub-section of the 2022 CMR index / Direct response	GRI indicator equivalence*
Environmental issues		
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it provides	"Environment and climate " section CMR 2022	GRI 3 / GRI 305-1 (2016) / GRI 305-2 (2016) / GRI 305-3 (2016) / GRI 305-4 (2016)
The measures adopted to adapt to the consequences of climate change	"Management of sustainability risks" section CMR 2022 "Value creation model - Sustainable business" section CMR 2022 "Environment and climate" section CMR 2022 "Strategy - Sustainability strategy" section CMR 2022	GRI 201-2 (2016)
The reduction goals voluntarily established in the mid and long term to reduce greenhouse gas emissions and the measures implemented for this purpose	"Environment and climate " section CMR 2022	GRI 3
Preservation of biodiversity	"Management of sustainability risks" section CMR 2022	GRI 3
Impacts caused by activities or operations in protected areas	This is not material for CaixaBank Group	GRI 304-2 (2016)
Social and personnel matters		
Dialogue with local communities and measures adopted to guarantee the protection and development of these communities. Relationships with agents in local communities	"Customer dialogue" section CMR 2022 "Employee dialogue" section CMR 2022 "Dialogue with shareholders and investors" section CMR 2022 "Dialogue with Society" section CMR 2022	GRI 2-29
Measures adopted to promote employment. Impact of the company's activity on employment and local development. Impact of the company on local populations and in the surrounding area	"Financial inclusion - Inclusive finance" section CMR 2022 "Financial inclusion - MicroBank" section CMR 2022 "Social action" section CMR 2022	GRI 3 / GRI 203-1 (2016) / GRI 413-1 (2016)
Association and sponsorship actions	"Dialogue with Society" section CMR 2022 "Partnerships and alliances" section CMR 2022	GRI 2-28
Policies against all kinds of discrimination and diversity management. Measures to promote equal treatment and equal opportunities between men and women	"Diversity and equal opportunities" section CMR 2022	GRI 3

** 2021, unless otherwise indicated.*

Law 11/2018, of 28 December	Section or sub-section of the 2022 CMR index / Direct response	GRI indicator equivalence*
Social and personnel matters		
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities	"Diversity and equal opportunity" section CMR 2022 "Ethical and Responsible Behaviour - Ethics and integrity - Query and whistleblowing channel" section CMR 2022 "Financial inclusion - Local accessible banking" section CMR 2022 "Employee experience - Equality Plan" section CMR 2022	GRI 3
Social dialogue: (i) Procedures for informing, consulting and negotiating with staff (ii) Mechanisms and procedures available to the company to encourage the involvement of employees in the company's management, in terms of information, querying and participation	"Labour Standards and Staff Rights" section CMR 2022 "Promoting well-being in a healthy and sustainable environment -Internal communication: "Communication channels to promote participation and collaboration" section CMR 2022 "Dialogue with employees" section CMR 2022	GRI 3 / GRI 2-29
Total number of employees by gender, age, country, occupational classification and contract type	"People and culture - Chart "CaixaBank Group employees at 31 December 2022" and "Geographical distribution of CaixaBank Group staff"" section CMR 2022 "Diversity and equal opportunities - Tables Generational diversity in figures" section CMR 2022 "Professional development and compensation - Professional development and compensation in figures" section CMR 2022 "Diversity and equal opportunities - Tables Gender diversity in figures" section CMR 2022	GRI 2-7 / GRI 3 / GRI 405-1 (2016)
Average annual number of permanent, temporary and part-time contracts, broken down by gender, age and occupational classification	The activities of the Group are not significantly cyclical or seasonal. For this reason, the annual average indicator is not significantly different from the number of employees at year-end.	GRI 2-7 / GRI 3 / GRI 405-1 (2016)
Average remuneration and its evolution disaggregated by gender, age and occupational classification	"Diversity and equal opportunities - Tables Gender diversity in figures" section CMR 2022 "Diversity and equal opportunities - Tables Generational diversity in figures" section CMR 2022 "Professional development and compensation - Professional development and compensation in figures" section CMR 2022	GRI 3 / GRI 405-2 (2016)
Number of dismissals by gender, age and occupational classification	"Diversity and equal opportunities - Tables Gender diversity in figures" section CMR 2022 "Diversity and equal opportunities - Tables Generational diversity in figures" section CMR 2022 "Professional development and compensation - Professional development and compensation in figures" section CMR 2022	GRI 401-1 (2016)

** 2021, unless otherwise indicated.*

Law 11/2018, of 28 December	Section or sub-section of the 2022 CMR index / Direct response	GRI indicator equivalence*
Social and personnel matters		
Salary gap	"Diversity and equal opportunities - Tables Gender diversity in figures" section CMR 2022	GRI 3 / GRI 405-2 (2016)
Average remuneration of Directors and Managers by gender	"Diversity and equal opportunities - Tables Gender diversity in figures" section CMR 2022	GRI 2-19 / GRI 2-20 / GRI 3
Implementation of policies to disconnect from work	"Employee experience - Agile and transversal working models" section CMR 2022	GRI 3
Number of employees with disabilities	"Diversity and equal opportunities - Functional diversity" section CMR 2022	GRI 405-1 (2016)
Organisation of working hours	"Employee experience - Agile and transversal working models" section CMR 2022	GRI 3
Number of hours of absenteeism	"Promoting well-being in a healthy and sustainable environment - Tables Working environment in figures" section CMR 2022	GRI 403-9 (2018)
Measures for promoting work-life balance for both parents	"Employee experience - Equality Plan" section CMR 2022	GRI 3 / GRI 401-3 (2016)
Occupational health and safety conditions	"Employee experience - Promoting well-being in a healthy and sustainable environment" section CMR 2022	GRI 3 / GRI 403-1 (2018) / GRI 403-2 (2018) / GRI 403-3 (2018) / GRI 403-6 (2018) / GRI 403-7 (2018) / GRI 403-8 (2018)
Occupational accidents, in particular their frequency and severity, disaggregated by gender	"Employee experience - Promoting well-being in a healthy and sustainable environment - Tables Working environment in figures" section CMR 2022	GRI 403-9 (2018)
Type of occupational illnesses and distributed by gender	CaixaBank's activities do not lead to the development in its workers of any of the occupational diseases classified as serious.	GRI 403-10 (2018)
Percentage of employees covered by a collective bargaining agreement by country	"Employee experience - Labour standards and staff rights" section CMR 2022	GRI 2-30
Overview of collective bargaining agreements, particularly in the field of occupational health and safety	"Employee experience - Labour standards and staff rights" section CMR 2022	GRI 403-4 (2018)
Policies implemented in the field of training	"Professional development and remuneration - Development of potential" section CMR 2022 "Professional development and remuneration - Ongoing training" section CMR 2022	GRI 3 / GRI 404-2 (2016)
Total hours of training by job category	"Professional development and remuneration - Professional development and remuneration in figures" section CMR 2022	GRI 404-1 (2016)
Protocols for integration and universal accessibility for people with disabilities. Universal accessibility for people with disabilities	"Diversity and equal opportunities - Functional diversity" section CMR 2022 "Financial inclusion - Local accessible banking" section CMR 2022	GRI 3

** 2021, unless otherwise indicated.*

Law 11/2018, of 28 December	Section or sub-section of the 2022 CMR index / Direct response	GRI indicator equivalence*
Other information		
Complaint systems available to customers	"Customers - Dialogue with Customers" section CMR 2022	GRI 3
Number of complaints received from customers and their resolution	"Customers - Dialogue with Customers - Customer Service" section CMR 2022	GRI 3 / GRI 417-1 (2016) / GRI 417-2 (2016) / GRI 417-3 (2016) / GRI 418-1 (2016)
Measures for customer health and safety	This is not material for CaixaBank Group	GRI 3
Amount of profit obtained, country-by-country	"Ethical and Responsible Behaviour - Tax transparency - Table Details by region, in millions of euros" section CMR 2022	GRI 3 / GRI 201-1 (2016)
Amount of profit tax paid	"Ethical and Responsible Behaviour - Tax transparency - Table Details by region, in millions of euros" section CMR 2022	GRI 201-1 (2016) / GRI 207-4 (2019)
Amount of subsidies received	Annex 5.F CFS 2022	GRI 201-4 (2016)

* 2021, unless otherwise indicated.

Taxonomy Regulation (EU) 2020/852 and Delegated Acts C2022/4987	Section or sub-section of the 2022 CMR index / Direct response
Proportion in total assets of exposures to Taxonomy-eligible economic activities	"Sustainable business - Green taxonomy" section CMR 2022 "Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section CMR 2022
Proportion in total assets of exposures to Taxonomy non-eligible economic activities	"Sustainable business - Green taxonomy" section CMR 2022 "Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section CMR 2022
Proportion in total assets of exposures to central governments, central banks and supranational issuers	"Sustainable business - Green taxonomy" section CMR 2022 "Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section CMR 2022
Proportion in total assets of exposures to derivatives	"Sustainable business - Green taxonomy" section CMR 2022 "Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section CMR 2022
Proportion in total assets of exposures to companies that are not required to publish non-financial information in accordance with Article 19bis or 29bis of Directive 2013/34/EU (NFRD)	"Sustainable business - Green taxonomy" section CMR 2022 "Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section CMR 2022
Proportion in total assets of the trading book	"Sustainable business - Green taxonomy" section CMR 2022 "Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section CMR 2022
Proportion in total assets of demand interbank loans	"Sustainable business - Green taxonomy" section CMR 2022 "Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section CMR 2022

_Taxonomy Regulation (EU) 2020/852 _and Delegated Acts

In accordance with article 8 of the Taxonomy Regulation (EU) 2020/852 and the Delegated Regulation (EU) 2021/2178 for disclosure, CaixaBank is required to disclose the proportion of Taxonomy eligible and non-eligible activities related to the environmental targets for climate change mitigation and climate change adaptation. The Disclosures Delegated Act entered into force on 1 January 2022.

Given that the EU Taxonomy is still in development and that the eligibility and alignment information disclosed by counterparties is very limited (non-financial companies subject to the NFRD are not required to disclose the eligibility and alignment with the Taxonomy until 2022 and 2023, respectively), CaixaBank does not fully incorporate the alignment with the Taxonomy in its business strategy, setting of objectives, product and process design or commitments to customers and counterparties. However, it is considering compliance with the Taxonomy for the purpose of classifying the mortgage portfolio. Furthermore, the assets included in the 6 Green Bonds issued by CaixaBank between 2020 and 2022 comply with the technical criteria for mitigating climate change set out in the Taxonomy.

The information's preparation follows the Delegated Acts establishing the technical selection criteria (Delegated Regulation (EU) 2021/2139) and technical disclosure standards (Delegated Regulation (EU) 2021/2178). The FAQs issued by the European Commission have been considered.

_Information required under Article 10.3 of the Delegated Regulation (EU) 2021/2178

_Definitions and reconciliations

1. Total Assets Subject to Taxonomy Regulation

The total reserved balance of the reported entities is considered, excluding the following balance sheet sections.

> Intangible assets.

> Tax assets.

> Tangible assets (includes real estate collateral obtained through taking possession in exchange for the cancellation of debts).

> Other assets.

> Changes in the fair value of hedged items in a portfolio hedged for interest rate risk.

> Non-current assets and disposal groups classified as held for sale (including real estate collateral obtained by taking possession in exchange for the cancellation of debts).

Total Assets Covered by the GAR (Green Asset Ratio)The following sections of the reserved balance sheet of the entities are considered, calculated excluding exposures to central governments and central banks.

> Cash and cash balances at central banks and other demand deposits.

> Financial assets not mant. for compulsory trading fair value through profit or loss.

> Financial assets designated at fair value through profit or loss.

> Financial assets at fair value with changes in other comprehensive income.

> Financial assets at amortised cost.

> Derivatives – Hedge accounting.

2. **Eligibility**

Taxonomy-eligible economic activities only include information about the non-trading book with counterparties based in the EU. This includes information on financial companies, non-financial companies subject to the NFRD, households (only mortgages, home renewal loans and vehicle purchase loans) and local governments.

When reporting the proportions set out in the Delegated Act, there are limitations regarding the availability of the information of counterparties, given that not all companies subject to the NFRD are required to disclose information about Taxonomy eligible and non-eligible economic activities.

For the year-end 2022, the differentiation between companies subject to NFRD and companies not subject to NFRD has been carried out in cooperation with an external provider. For year-end 2021 this differentiation was based on internal customer segmentation data used for FINREP purposes.

To determine eligibility in the case of financial corporations and non-financial corporations, the eligibility key performance indicators (KPIs) reported by the corporations themselves have been considered, differentiating between the KPI related to turnover and the CapEx of the underlying assets.

This information has been surveyed in cooperation with an external provider.

In order to determine eligibility for households, mortgage guarantee exposures, home renewal loans and vehicle purchase loans have been considered.

By year-end 2022, only the Climate Change Mitigation criteria have been considered, as the KPIs reported by the counterparts do not support that the counterparts have conducted a climate risk and vulnerability assessment and that plans are in place to implement adaptation solutions.

3. ***Best efffort***

The data as at 31 December 2022 have been prepared based on the best effort to adhere to the applicable regulations and will evolve in the future as further information becomes available from counterparties and new regulatory developments.

_Global Reporting Initiative (GRI)

The CaixaBank Group has presented the information included in this GRI content index for the period between 1 January 2022 and 31 December 2022 using the GRI Standards as a reference.

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
General Disclosures		
The organisation and its reporting practices	2-1 Organisational details	Note 1.1 CFS 2022 "Glossary and Group structure - Group structure" section CMR 2022 Note 8 CFS 2022
	2-2 Entities included in the organisation's sustainability reports	Note 2.1 and Annexes 1, 2 and 3 CFS 2022
	2-3 Reporting period, frequency and point of contact	The Consolidated Management Report, which includes the Non-Financial Information Statement, is drawn up annually in line with the period reported in the consolidated financial statements. The period reported is the annual financial year ended 31 December 2022. The usual channels for dealing with customers, shareholders and institutional investors or the media are indicated on the corporate website: investors@caixabank.com / accionista@caixabank.com
	2-4 Updated information	The information related to average remuneration and wage gap for the financial year 2021 has been restated to incorporate other remuneration items in addition to fixed and variable remuneration into the definition of "average remuneration". For further details, see "Updating the criteria for the calculation of remuneration and wage gap" in section "Criteria and scope of the report" CMR 2022.
	2-5 External assurance	"Independent verification report" section CMR 2022
Activities and workers	2-6 Activities, value chain and other business relationships	"Business model" section CMR 2022 "Customers" section CMR 2022 Note 8 CFS 2022 "Supplier management" section CMR 2022
	2-7 Employees	"Diversity and equal opportunities - Gender diversity in figures" section CMR 2022 "Diversity and equal opportunities - Functional diversity" section CMR 2022 "Diversity and equal opportunities - Generational diversity in figures" section CMR 2022 "Professional development and compensation - Professional development and compensation in figures" section CMR 2022
	2-8 Non-employed workers	"Supplier management" section CMR 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
General Disclosures		
Governance	2-9 Governance structure and composition	"The Management and Administration of the Company" section CMR 2022 "Senior Management" section CMR 2022
	2-10 Appointment and selection of the highest governance body	"Selection, appointment, re-election and removal of members of the Board" section CMR 2022
	2-11 Chair of the highest governing body	"The Board of Directors" section CMR 2022
	2-12 Role of the highest governance body in the supervision of impact management	"Sustainability governance" section CMR 2022
	2-13 Delegation of responsibility for impact management	"The Management and Administration of the Company" section CMR 2022 "Senior Management" section CMR 2022 "Ethics and integrity" section CMR 2022
	2-14 Role of the highest governance body in sustainability reporting	The Directorate of Financial Accounting, Control and Capital is responsible for preparing and coordinating the 2022 CMR, which includes the Statement of Non-financial Information. This report is subsequently reviewed by the Management Committee, the Appointments and Sustainability Committee, the Audit and Control Committee, and the Board of Directors of CaixaBank. The latter is responsible for formulating the Non-Financial Information Statement, which contains the regulatory requirements of information and any information deemed material according to the materiality analysis.
	2-15 Conflicts of interest	"Best corporate governance practices" section CMR 2022 Note 41 CFS 2022
	2-16 Reporting critical concerns	"The Management and Administration of the Company" section CMR 2022 "Senior Management" section CMR 2022 There are no critical concerns for the current financial year.
	2-17 Collective knowledge of the highest governing body	"The Board of Directors" section CMR 2022
	2-18 Evaluation of the highest governance body's performance	"Selection, appointment, re-election, evaluation and removal of members of the Board" section CMR 2022 "Evaluation of the Board" section CMR 2022
	2-19 Remuneration policies	"Remuneration" section CMR 2022 Annual Report on Remuneration of Directors
	2-20 Process for determining remuneration	"Remuneration" section CMR 2022 Annual Report on Remuneration of Directors
	2-21 Annual total compensation ratio	Note 9.1 CFS 2022 "Diversity and equal opportunities - Gender diversity in figures" section CMR 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
General Disclosures		
Strategy, policies and practices	2-22 Declaration of the sustainable development strategy	"Letter from the Chairman" and "Letter from the CEO" CMR 2022
	2-23 Commitments and policies	"Ethics and integrity" section CMR 2022 "Sustainability governance" section CMR 2022
	2-24 Incorporation of political commitments	"Ethics and integrity" Section CMR 2020
	2-25 Processes to remedy negative impacts	"Society" section CMR 2022 "Environment and climate" section CMR 2022 "Sustainable business" section CMR 2022
	2-26 Mechanisms for requesting advice and raising concerns	"Ethics and integrity" Section CMR 2020
	2-27 Compliance with laws and regulations	Note 23.3 CFS 2022 Note 42.1 CFS 2022 Given the Group's activities, there is no significant risk of an environmental nature. CaixaBank did not receive any relevant fines or sanctions related to compliance with environmental regulations in 2022.
	2-28 Membership of associations	"Partnerships and alliances" section CMR 2022 "Dialogue with Society" section CMR 2022 "Social action" section CMR 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
General Disclosures		
Stakeholder engagement	2-29 Approach to Stakeholder Engagement	"Customer dialogue" section CMR 2022 "Employee dialogue" section CMR 2022 "Dialogue with shareholders and investors" section CMR 2022 "Dialogue with Society" section CMR 2022
	2-30 Collective bargaining agreements	"Labour Standards and Staff Rights" section CMR 2022 Note 22.2 CFS 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
Material topics		
GRI 3 (2021)	3-1 Process for determining material topics	"Materiality" section CMR 2022
GRI 3 (2021)	3-2 List of material topics	"Materiality" section CMR 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
Material topics		
Cybersecurity and data protection		
GRI-3 (2021)	3-3 Management of material topics	Section "Risk management - Operational risk - Technological" CMR 2022 Section "Social, technological and competitive environment" CMR 2022 Section "Cybersecurity and protection of customer data" CMR 2022
GRI 418 (2016): Customer privacy	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	The CaixaBank Group did not suffer any incident related to cybersecurity involving leaks of personally identifiable information in fiscal year 2022, nor in the two previous years. Consequently, no customer has suffered any damage resulting from a leak of information due to attacks on CaixaBank's computer systems. With respect to other types of incidents arising from the exposure of customer information in cases of phishing or malpractice by employees, the Group seeks to minimise their occurrence and mitigate their impact through continuous training, communication and bolstering its digital channels with the most advanced technologies, such as artificial intelligence. In 2022, no significant new disciplinary actions were taken with regard to this topic and no significant sanctions were received.
Clear and transparent communication / Responsible marketing		
GRI 3 (2021)	3-3 Management of material topics	Section "Responsible marketing and communication" CMR 2022 Section "Risk management - Cross cutting risks - Reputational" CMR 2022
GRI 417 (2016): Marketing and labelling	417-1 Requirements for product and service information and labelling	"Clear and transparent communication" section CMR 2022
	417-2 Incidents of non-compliance concerning product and service information and labelling	In 2022, no significant new disciplinary actions were taken with regard to this topic and no significant sanctions were received.
	417-3 Incidents of non-compliance concerning marketing communications	In 2022, no significant new disciplinary actions were taken with regard to this topic and no significant sanctions were received.

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
Material topics		
Corporate governance and responsible culture		
GRI 3 (2021)	3-3 Management of material topics	"Risk management - Reputational risk - Conduct and compliance" Section CMR 2022 "Ethics and integrity" Section CMR 2022
GRI 205 (2016): Anti-corruption	205-1 Operations assessed for risks related to corruption	"Risk management - Operational risk - Conduct and compliance" Section CMR 2022 "Queries and whistleblowing channel" section CMR 2022
	205-2 Communication and training on anti-corruption policies and procedures	"Ethics and integrity - Measures to ensure compliance with policies" Section CMR 2022
	205-3 Confirmed incidents of corruption and actions taken	"Queries and whistleblowing channel" section CMR 2022
GRI 206 (2016): Anti-competitive behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	In 2022, no significant new disciplinary actions were taken with regard to this topic and no significant sanctions were received.
GRI 207 (2019): Taxes	207-1 Approach to tax	"Tax transparency" Section CMR 2022
	207-2 Tax governance, control and risk management	"Tax transparency" Section CMR 2022
	207-3 Stakeholder engagement and management of concerns related to tax	"Tax transparency" Section CMR 2022
	207-4 Country-by-country reporting	"Tax transparency" Section CMR 2022
GRI 308 (2016): Supplier environmental assessment	308-1 New suppliers that were screened using environmental criteria	"Supplier management" section CMR 2022
GRI 412 (2016): Human rights assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	"Ethics and integrity - Human Rights" section CMR 2022 "Queries and whistleblowing channel" section CMR 2022
	412-2 Employee training on human rights policies or procedures	"Ethics and integrity" Section CMR 2020
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	"Supplier management" section CMR 2022
GRI 414 (2016):: Supplier social assessment	414-1 Percentage of new suppliers assessed and screened using social criteria	"Supplier management" section CMR 2022
GRI 415 (2016): Public policy	415-1 Political contributions	"Ethics and integrity" section CMR 2022 "Dialogue with society" section CMR 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
Material topics		
Financial soundness and profitability		
GRI 3 (2021)	3-3 Management of material topics	"Risk management - Cross-cutting risks' section CMR 2022 "Risk management - Financial risks" section CMR 2022 Shareholders and investors' section CMR 2022
GRI 201 (2016): Economic performance	201-1 Direct economic value generated and distributed	"CaixaBank in 2022" section CMR 2022 "Fiscal transparency - Taxes managed by the CaixaBank Group and amount" section CMR 2022
	201-2 Financial implications and other risks and opportunities related to climate change	"Environment and climate" section CMR 2022 "Risk management-Sustainability risk management" section CMR 2022
	201-3 Defined benefit plan obligations and other retirement plans	Note 23.1 CFS 2022 Note 23.2 CFS 2022 Note 34 CFS 2022
	201-4 Financial assistance received from government	Annex 5.F CFS 2022 Note 41 CFS 2022
GRI 203 (2016): Indirect economic impacts	203-1 Infrastructure investments and services supported	"CaixaBank in 2022" section CMR 2022 "Financial inclusion" section CMR 2022 "Social action" section CMR 2022 "Sustainable business" section CMR 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
Material topics		
Diversity, equality and work-life balance		
GRI 3 (2021)	3-3 Management of material topics	"Diversity and equal opportunities" section CMR 2022
GRI 405 (2016): Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	"Corporate Governance - The Administration - Diversity in Board of Directors" section CMR 2022 "Diversity and equal opportunities" section CMR 2022
	405-2 Ratio of basic salary and remuneration of women to men	"Diversity and equal opportunities - Gender diversity in figures" section CMR 2022
GRI 406 (2016): Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	"Queries and whistleblowing channel" section CMR 2022
Environmental finance and investment solutions		
GRI 3 (2021)	3-3 Management of material topics	"Sustainable Business" section CMR 2022
Specialised attention and accessibility of commercial channels		
GRI 3 (2021)	3-3 Management of material topics	"Customers - Dialogue with Customers" section CMR 2022 "Financial Inclusion" section CMR 2022
Own indicator: Citizens with a branch in their municipality	Percentage of population in Spain in municipalities where CaixaBank has a branch (retail office or dependent window)	"Financial Inclusion - Close and accessible banking" section CMR 2022
Active management of financial and non-financial risks		
GRI 3 (2021)	3-3 Management of material topics	"Risk Management" section CMR 2022[3]

[3] CFS 2022

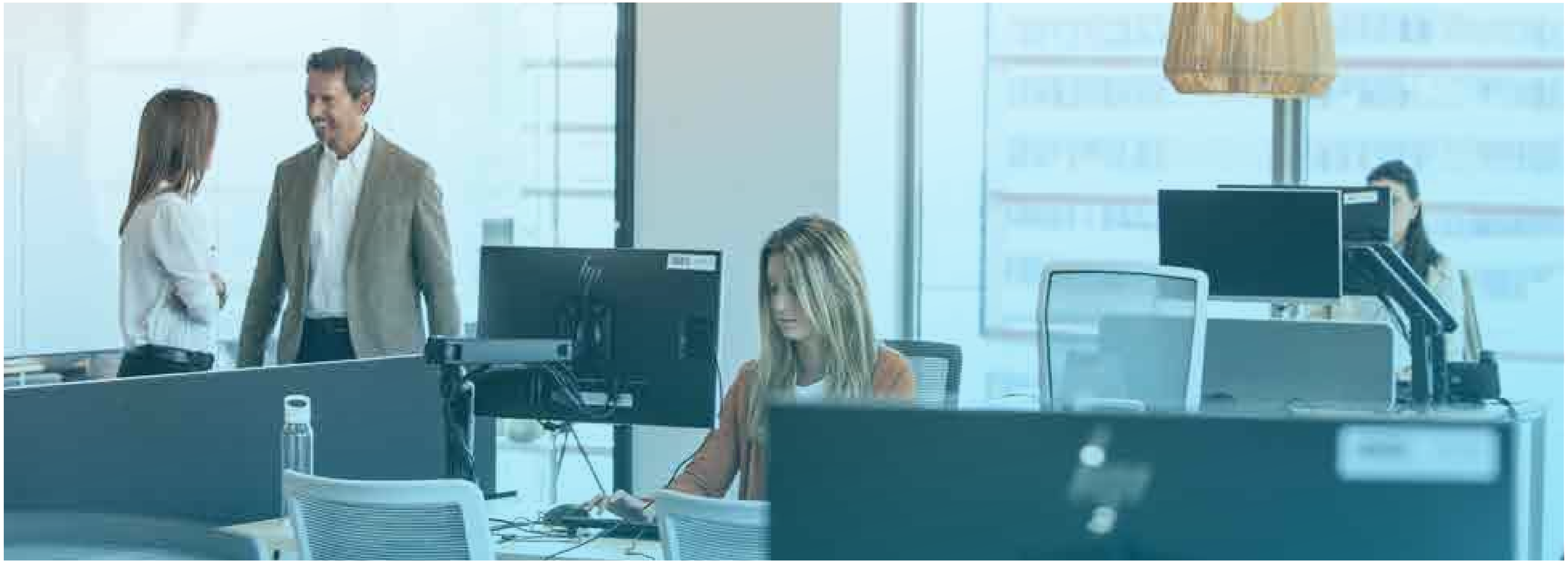
GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
Material topics		
Ethical technological innovation		
GRI 3 (2021)	3-3 Management of material topics	"Risk management - Operational risk - Conduct and compliance" section CMR 2022 "Risk management - Operational risk - Technology" section CMR 2022 "Social, technological and competitive environment" section CMR 2022 "Value creation model - Technology and digitisation" section CMR 2022
Microfinance and social impact solutions		
GRI 3 (2021)	3-3 Management of material topics	"Financial inclusion" section CMR 2022
Own indicator: Social housing	Portfolio of properties owned by the Group in which the tenant's situation of vulnerability is considered when setting the conditions of the lease	"Financial inclusion - An active support policy for housing problems" section CMR 2022
Climate change risk management / Decarbonising investments		
GRI 3 (2021)	3-3 Management of material topics	"Risk management - Sustainability risk management" section CMR 2022 "Environment and climate" section CMR 2022
Own indicator: Portfolio exposure to carbon-intensive sectors on financial instruments	"Ratio of credit, fixed income and carbon-intensive equity exposure to the CaixaBank Group's total financial instruments." Some exposures may contain a mix of power generation that includes renewable energies. Indicator aligned with the TCFD	"Risk management - Sustainability risk management" section CMR 2022
Environmental management and operational carbon footprint		
GRI 3 (2021)	3-3 Management of material topics	"Environment and climate - Environmental management plan" section CMR 2022
GRI 302 (2016): Energy	302-1 Energy consumption within the organisation	"Environment and climate - Environmental management plan" section CMR 2022
GRI 305 (2016): Issues	305-1 Direct GHG emissions (scope 1)	"Environment and climate " section CMR 2022
	305-2 Indirect GHG emissions from energy generation (scope 2)	"Environment and climate " section CMR 2022
	305-3 Other indirect GHG emissions (scope 3)	"Environment and climate " section CMR 2022
	305-4 GHG emission intensity	"Environment and climate " section CMR 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
Material topics		
Managing talent and professional development		
GRI 3 (2021)	3-3 Management of material topics	"Professional development and pay" section CMR 2022
GRI 401 (2016): Employment	401-1 New employee hires and employee turnover	"Diversity and equal opportunities - Gender diversity in figures" section CMR 2022
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Generally speaking, there are no differences in the social benefits received by employees based on the type of contract. However, some contracts contain specific requirements that must be met by employees in order to access the social benefits
	401-3 Parental leave	"Employee experience - Equality Plan" section CMR 2022
GRI 402 (2016): Labour/ management relations	402-1 Minimum notice periods regarding operational changes	In 2022, CaixaBank has complied with the deadlines established in current labour law for different circumstances
GRI 404 (2016): Training and education	404-1 Average hours of training per year per employee	"Professional development and pay" section CMR 2022
	404-2 Programs for upgrading employee skills and transition assistance programs	"Professional development and pay" section CMR 2022
	"404-3 Percentage of employees receiving regular performance and career development appraisals"	"Professional development and pay" section CMR 2022
GRI 407 (2016): Freedom of association and collective bargaining	"407-1 Operations and suppliers whose right to freedom of association and collective bargaining could be at risk"	"Employee Experience - Labour Standards and Staff Rights" section CMR 2022 "Supplier Management" section CMR 2022
Agile and collaborative working model		
GRI 3 (2021)	3-3 Management of material topics	"Employee experience - Agile and transversal working models" section CMR 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
Material topics		
Occupational safety, health and welfare		
GRI 3 (2021)	3-3 Management of material topics	"Employee experience" section CMR 2022
GRI 403 (2018): Occupational health and safety	403-1 Occupational health and safety management system	"Employee experience - Promoting well-being in a healthy and sustainable environment" section CMR 2022
	403-2 Hazard identification, risk assessment, and incident investigation	"Employee experience - Promoting well-being in a healthy and sustainable environment" section CMR 2022
	403-3 Occupational health services	"Employee experience - Promoting well-being in a healthy and sustainable environment" section CMR 2022
	403-4 Worker participation, consultation, and communication on occupational health and safety	"Employee experience - Promoting well-being in a healthy and sustainable environment" section CMR 2022 "Dialogue with employees" section CMR 2022
	403-5 Worker training on occupational health and safety	"Employee experience - Promoting well-being in a healthy and sustainable environment" section CMR 2022
	403-6 Promotion of worker health	"Employee experience - Promoting well-being in a healthy and sustainable environment" section CMR 2022
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	"Employee experience - Promoting well-being in a healthy and sustainable environment" section CMR 2022
	403-8 Workers covered by an occupational health and safety management system	"Employee experience - Promoting well-being in a healthy and sustainable environment" section CMR 2022
	403-9 Work-related injuries	"Employee experience - Promoting well-being in a healthy and sustainable environment - Working environment in figures" section CMR 2022
	403-10 Work-related ill health	"Employee experience - Promotion of well-being in a healthy and sustainable environment - Working environment by the numbers" section CMR 2022 CaixaBank's activities do not involve exposing any of its employees to the occupational diseases listed.
Partnerships to promote sustainability		
GRI 3 (2021)	3-3 Management of material topics	"Our Identity - Partnerships and Alliances" section CMR 2022

GRI Standard	GRI Content	Section or sub-section of the 2022 CMR index / Reference / Direct response
Material topics		
Financial education		
GRI 3 (2021)	3-3 Management of material topics	"Financial inclusion - Financial culture" section CMR 2022
Social action and voluntary work		
GRI 3 (2021)	3-3 Management of material topics	"Social action" section CMR 2022
GRI 413 (2016): Local communities	413-1 Operations with local community engagement, impact assessments, and development programs	"Financial inclusion" section CMR 2022 "Social action" section CMR 2022

** The sections not detailed were deemed to have an insignificant impact.*



_Sustainability Accounting Standards Board (SASB)

CaixaBank, in keeping with its core business of providing financial products and services to retail customers, meets the industry standard for commercial banks. In coming years, it will add other industry standards that provide a more complete map of the Group's activities, and the definition and calculation of the associated metrics will be updated.

Material issue	SASB metric	Code	Section or sub-section of the Consolidated Management Report 2022 (CMR 2022) / Other references / Direct response
Cybersecurity	(1) Number of incidents (2) Percentage of personally identifiable information (3) Number of account holders affected	FN-CB-230a.1	The CaixaBank Group did not suffer any incident related to cybersecurity involving leaks of personally identifiable information in fiscal year 2022, nor in the two previous years. Consequently, no customer has suffered any damage resulting from a leak of information due to attacks on CaixaBank's computer systems. With respect to other types of incidents arising from the exposure of customer information in cases of phishing or malpractice by employees, the Group seeks to minimise their occurrence and mitigate their impact through continuous training, communication and bolstering its digital channels with the most advanced technologies, such as artificial intelligence. In addition, it is worth noting that the bank maintains an insurance policy to cover certain expenses arising from a cyber incident.
	Description of the approach to identify and address data security risks	FN-CB-230a.2	See further details in Section "Risk management - Cross-cutting risks - Reputational risk / Operational risk" CMR 2022. See more details in the "Cybersecurity" section of CMR 2022

Material issue	SASB metric	Code	Section or sub-section of the Consolidated Management Report 2022 (CMR 2022) / Other references / Direct response
Financial Inclusion and Capacity Development	(1) Number and (2) amount of outstanding loans qualified for programmes designed to promote the development of small businesses and communities	FN-CB-240a.1	CaixaBank focuses its activity on retail banking, with an approach that prioritises proximity and impact on the society in which it operates. At 31 December 2022, its portfolio of customer loans (€350,627 m) was characterised by its granularity, with many small operations targeting individuals (50%). **15% of the portfolio is allocated to SMEs and individual entrepreneurs (€53,655 m).** ↗ See further details of the credit portfolio in Note 3. Risk management of the CaixaBank Group's Consolidated Annual Accounts for 2022 It is worth highlighting two specific areas that share a clear goal of producing an impact on the community: on the one hand, the issuance of social bonds to finance specific credit operations for customers who contribute to SDGs; on the other hand, the activity of MicroBank, the CaixaBank Group's social bank, with a catalogue of specific products for the most vulnerable groups in society. **Since 2019, CaixaBank has issued four social bonds, totalling €4,000 million, linked to SDGs 1, 3, 4 and 8.** The funds received are intended to finance: (i) loans granted to freelancers, micro businesses, small businesses and SMEs in the most disadvantaged areas of Spain (€5,035 m and 70,038 operations); (ii) finance loans granted by MicroBank to families with limited income (the limit is set at 3 times the Public Multiple Effect Income Indicator (IPREM - Indicador Público de Renta de Efectos Múltiples)] (€1,094 m and 237,755 operations) and; (iii) projects aimed at promoting education and providing basic services in the healthcare sector (€159 m and 15 operations). The details of the eligible portfolio of social bonds are up to date as at 31 March 2022. **↗ See further detail in the Social Bond Impact Report published on the corporate website in December 2022 and the "Financial Inclusion - Social bonds" section of CMR 2022** At 31 December 2022, **the outstanding balance of MicroBank's portfolio reached €2,289 m, of which €587 m corresponds to financing for entrepreneurs and micro-enterprises** with fewer than 10 employees and with a turnover not exceeding two million euros a year that need financing to start, consolidate or expand the business, or to meet working capital needs. **↗ See further detail in the "Financial inclusion - MicroBank" section of CMR 2022**

Material issue	SASB metric	Code	Section or sub-section of the Consolidated Management Report 2022 (CMR 2022) / Other references / Direct response
Financial Inclusion and Capacity Development	(1) Number and (2) amount of outstanding loans and loans not yet counted as income granted to programmes to promote small business and community development	FN-CB-240a.2	The CaixaBank Group's NPL ratio at 31 December 2022 is 2.7%. For the MicroBank's portfolio, the cumulative ratio of write-offs to the capital due as at 31 December 2022 was 6.18%. **For more information on defaults, see the Consolidated Annual Accounts of the Group, Note 3. Risk Management - 3.4 Specific risks of the financial activity - 3.4.1 Credit risk**
	Number of accounts without expenses for retail customers who are unbanked or have restricted access to banking services	FN-CB-240a.3	In the territories where CaixaBank primarily operates (Spain and Portugal), the level of the company's banking service is very high, in excess of 90% (both in Spain and Portugal, World Bank data from 2017). For this reason, the unbanked are placed in other vulnerable groups with difficulties in accessing banking services. CaixaBank offers two products specifically designed for these groups, with the clear objective of facilitating access to all financial services, the social account and the insertion account. The social account consists of a free demand deposit account + free access to basic financial services. It is designed for people at risk of exclusion (individuals who receive a social security benefit): Minimum Subsistence Income, Guaranteed Income for communities that, according to electronic social bonus requirements, cannot access the requirements to obtain the free services. The insertion account consists of an account, a debit card and access to CaixaBankNow digital banking services with some operational limitations, all free of charge. It is intended for individuals without access to banking due to coming from high risk jurisdictions and not being able to provide proof of income. At 31 December 2022, the total number of social accounts and insertion accounts stood at 324,685.
	Number of participants in financial education initiatives for customers who are unbanked or have limited banking coverage	FN-CB-240a.4	CaixaBank believes financial education is key for our customers and society in general to reach reasonable levels of financial well-being. For this reason it carries out various initiatives in the field of financial education, specific to each segment, as well as initiatives with far-reaching media coverage, with the aim of improving financial knowledge among all people. Through the **CaixaBank Volunteer** programme, the company holds talks and workshops on basic finance, in person and online, aimed at the most vulnerable groups. In 2022, 6,653 attendees (volunteers not including the social week) attended. In addition, talks and workshops were held for young people and other groups (33,304 attendees). 2See further detail in the "Financial inclusion - Financial culture" section of CMR 2021
Incorporation of environmental, social and governance factors into credit analysis	Exposure of the commercial and industrial credit by sectors	FN-CB-410a.1	See Consolidated Annual Accounts of the Group Note 3. Risk Management - 3.4 Specific risks of the financial activity - 3.4.1 Credit risk - Concentration by economic sectors
	Description of the approach for incorporating environmental, social and good governance factors (ESG) into credit analysis	FN-CB-410a.2	See further detail in the "Sustainability risk management" section of CMR 2022 See further detail in "Environment and climate" section CMR 2022

Material issue	SASB metric	Code	Section or sub-section of the Consolidated Management Report 2022 (CMR 2022) / Other references / Direct response
Business ethics	Total amount of monetary losses arising from legal proceedings due to fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or violation of other laws or regulations related to the financial industry	FN-CB-510a.1	↗ See further information in the Consolidated Annual Accounts of the Group - Note 23. Provisions
	Description of complaint policies and procedures	FN-CB-510a.2	↗ See further in the "Ethical and responsible behaviour" section of CMR 2021
Systematic management of risks	Score of Global Systemically Important Bank (G-SIB) by category	FN-CB-550a.1	See the following link on CaixaBank's corporate website for the Group's information regarding the proposal by the Basel Committee on Banking Supervision's Prudential Macro-Supervision Group for the identification of global systemically important entities ("G-SIBs") as of December 31, 2020. https://www.caixabank.com/es/accionistas-inversores/informacion-economico-financiera/otra-informacion-financiera.html
	Description of the approach for incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	FN-CB-550a.2	↗ See Consolidated Annual Accounts of the Group - Note 3. Risk management - 3.3 Risks of the business model - 3.3.2 Own funds and solvency risk
ACTIVITY METRICS			
	(1) Number and (2) Value of current and savings accounts by segment: (A) personal and (b) small business	FN-CB-000.A	↗ See Consolidated Annual Accounts of the Group Note 22. Financial liabilities - 22.2 Customers deposits
	(1) Number and (2) Value of loans by segment: (A) personal, (b) small businesses and (c) companies	FN-CB-000.B	↗ See Consolidated Annual Accounts of the Group Note 3. Risk Management - 3.4 Specific risks of the financial activity - 3.4.1 Credit risk - Concentration by economic sectors

_Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board (FSB) commissioned the TCFD (Task Force on Climate-related Financial Disclosures) to develop a reporting framework that will help the market assess the performance of companies with regard to climate change and contribute to the decision-making of stakeholders. The initiative recommends the disclosure of financial information related to climate change addresses 4 main categories.

The **Sustainability Strategy** section of the 2022 Consolidated Management Report reflects CaixaBank's strategy and positioning in this area.

The following table shows the summary of progress of the initiative at 31 December 2022.

TCFD Recommendation	Summary response
1. GOVERNANCE Reporting on the governance of organisations around climate-related risks and opportunities.	CaixaBank's Board of Directors is ultimately responsible for the Corporate Sustainability/ ESG Risk Management Policy, approved in March 2022 by the Board of Directors. The highest management body with responsibility for managing sustainability risk, including climate and environmental risk, is the Sustainability Committee, which was set up and approved in April 2021. In March 2021, the Sustainability Office was created, whose director is a member of the Management Committee and leads the SC. To enhance the oversight of climate risks, in January 2022 the Climate Risk Management was created within the Sustainability Office. With the aim of aligning the variable remuneration with the sustainability and good corporate governance goals, the weight of metrics linked to ESG factors has been increased in the annual and long-term variable remuneration schemes in 2022. This greater weight provided to the ESG factors affects Executive Directors, Senior Management and a significant portion of the workforce. The bank's senior management and the Central Services staff have built-in sustainability criteria that condition their variable remuneration.

TCFD Recommendation	Summary response
2. STRATEGY Reporting on the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where this information is relevant.	The deployment of the Environmental and Climate Strategy, incorporated into the 2022-2024 Sustainability Master Plan, in order to actively manage environmental risks and those associated with climate change and move towards zero net emissions. CaixaBank has also established the 2022-2024 Environmental Management Plan to reduce the direct operational impact of the Group's activities. Based on the assessments carried out, the management of ESG risks currently focuses on environmental risk and, more specifically, on climate risk. To this end, **detailed analyses have been conducted on climate risks** at the sector level and to the physical risk of the mortgage portfolio. In January 2022, CaixaBank updated its Statement on climate change, in which CaixaBank undertakes to take the necessary measures to comply with the Paris Agreement. In July 2021, CaixaBank joined the Partnership for Carbon Accounting Financials (PCAF) In April 2021, CaixaBank signed the Net Zero Banking Alliance (NZBA), promoted by the United Nations (UNEP FI), as a founding member. In addition, VidaCaixa joined the *Net Zero Asset Owner Alliance*, committing to transitioning its portfolios toward "*Net Zero*" greenhouse gases emissions by 2050. CaixaBank participated in the climate stress test conducted by the ECB in the first half of 2022. The exercise is a key step forward for managing climate risk and as a basis for quantifying it. This climate stress exercise is aligned with the ECB's Climate and Environmental Risk Guide and, in turn, constitutes a key tool for managing climate risk. CaixaBank also conducts qualitative and quantitative scenario analyses for climate risks. For transition risk, the qualitative analysis focuses on identifying the segments potentially most affected by the transition risk in sectors with portfolio material risks. The quantitative analysis exercises conducted to date are being used as the basis for the recurrent deployment of the Entity's climate risk analysis, which is currently underway. These exercises are based on the methodology developed within the UNEP FI (TCFD Banking Pilot) working group. The Company continues to monitor the decarbonisation path of the main companies in the sectors analysed on the basis of their strategic plans to ensure the resilience of the Company's strategy, and there are also plans to extend the engagement process to the Company's major customers in the most relevant sectors from a climate risk perspective. **During 2022, CaixaBank issued 2 green bonds,** for a total amount of €2,000 million.In total, €5,582 million have been allocated to projects that promote two of the Sustainable Development Goals (SDGs): Goal 7 (Affordable and Clean Energy) and Goal 9 (Industry, Innovation and Infrastructure).
3. RISK MANAGEMENT Reporting on the processes used to identify, assess, and manage climate-related risks	The Corporate ESG/Sustainability Risk Management Policy establishes general and sectoral exclusions linked to the business relationship and financing of companies with activities with potential adverse impacts on human rights, the environment and the climate. CaixaBank aims to ensure that the procedures and tools for identifying, assessing and monitoring ESG risks are applied and integrated into standard risk, compliance and operational processes. In 2007, CaixaBank adhered to the Equator Principles, through which a series of additional processes are established in relation to ESG risk assessment for certain services. CaixaBank has carried out a materiality assessment of sustainability/ESG risks, which is the basis for a proportionate deployment of ESG risk management processes and feeds into strategic risk processes and risk calibration. Due to the special characteristics of climate risks, the climate risk assessment is based on various climate change scenarios and different time horizons. Sustainability (ESG, which includes environmental and climate risk) is a cross-cutting factor that has a level-2 effect on several risks: credit, reputational, operational and legal/regulatory. Environmentally sustainable activities have been defined internally, and the European Union taxonomy is being deployed.

TCFD Recommendation	Summary response
4. METRICS AND TARGETS Reporting the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	Exposure in the environmentally sustainable portfolio. Operations financed under the Equator Principles framework. Estimate of the financed emissions (Scope 3, category 15 of the GHG Protocol). Progress has been made in estimating emissions financed based on the PCAF methodology for the entire portfolio. Taking as a reference the guidelines defined by PCAF in its accounting and reporting standard (*The global GHG accounting & reporting standard for the financial industry*), CaixaBank has calculated the emissions financed (scope 3, category 15 as defined by the GHG Protocol) at 31 December 2020 for its loan portfolio and has focused its efforts on publishing data for the electricity and oil and gas sectors. Opinions issued on the environmental risks of lending operations. Metric of portfolio exposure to carbon-intensive sectors. Signing the NZBA represents a higher ambition with respect to the previous commitments assumed by the Company, such as the *Collective Commitment to Climate Action*, as it requires aligning with the target of limiting the temperature increase by 1.5ºC with respect to pre-industrial levels. In October 2022, CaixaBank published its intermediate decarbonisation targets for the credit portfolio to 2030, prioritising two sectors that are responsible for 70% of the planet's CO_2 emissions (CaixaBank Group's operational carbon footprint sector).

_UNEPFI

As of 2019, CaixaBank is a signatory of the Principles for Responsible Banking, launched by the United Nations Environment Programme Finance Initiative (UNEP FI). These Principles aim to align the financial sector's activity with the achievement of the United Nations Sustainable Development Goals and the Paris Agreements on climate change.

As a signatory, CaixaBank reports annually on the degree of progress in its implementation. This table shows the main developments.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
	1.1 Business Model Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.	CaixaBank is a financial group with a socially-responsible model of universal banking and long-term vision, based on quality, close relationships and specialisation. The Company offers a value proposal for products and services adapted for each segment, with specialised centres for, among others, AgroBank, microenterprises, Corporate Banking, Private Banking and CIB and International Banking. The Group operates mainly in Spain and, through BPI, in Portugal. CaixaBank currently has 20 million customers. It is the leader in online banking, with 11.2 million digital customers in Spain. MicroBank, the Group's social bank, is a leader in the field of social inclusion, using micro-loans and other forms of lending with a social impact. The Group's insurance activity is carried out through VidaCaixa, a leading insurance sector company in Spain, while CaixaBank Asset Management, with a market share of 24.5%, is the Group's asset management company.	**Management Report (hereinafter MR):** Chapter 01. Our identity. Section "Presentation of the CaixaBank Group". Chapter 5. Value creation model.
1. **Alignment** We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	**1.2 Strategy alignment** **Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?** ■ Yes ☐ No Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks. **Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?** ■ UN Guiding Principles on Business and Human Rights ■ International Labour Organization fundamental conventions ■ UN Global Compact ☐ UN Declaration on the Rights of Indigenous Peoples ■ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: Guía sobre riesgos relacionados con el clima y medioambientales del Banco Central Europeo ☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: ☐ None of the above	CaixaBank has **Principles of Sustainability Action**, approved by the Board of Directors in 2022, which guide the Group's actions and seek to align its activity with the main sustainability standards and principles. These include the Global Compact and the **Guiding Principles on Business and Human Rights, both promoted by the United Nations.** In addition, **CaixaBank's 2022-2024 Strategic Plan** includes, among its three strategic lines, that of Being a benchmark in Europe in terms of sustainability. This priority is developed in the Sustainable Banking Plan, which is based on three major ambitions: > Promoting the sustainable transition of companies and society; > Leading positive social impact and promoting financial inclusion; > Fostering a responsible culture as a benchmark in governance. In this regard, the Plan must contribute to achieving all the SDGs and, especially, SDG 1 (Ending poverty); SDG 8 (Decent work and economic growth); SDG 12 (Responsible Consumption and Production) and SDG 17 (Partnerships for the Goals). It is also aligned with the objectives of the Paris Agreement, in line with CaixaBank's public commitment to achieve net zero emissions by 2050, as a signatory of the Net Zero Banking Alliance.	**MR.** Chapter 02. Corporate strategy and materiality. Sections: > "2022-2024 Strategic Plan". > "Sustainability Strategy".

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information

2.
 	
Impact and setting of objectives
 	
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.
	2.1 Impact analysis (Key step 1)
	
	Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d)[2]:
	
	a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.
		Prior to the definition of the 2022-2024 Sustainability Master Plan, an **analysis of the Spanish context was carried out to determine the main risks and opportunities for the CaixaBank Group's business** in environmental, social and governance terms (hereinafter, ESG). For this analysis, which was the basis for establishing the institution's strategic priorities and objectives, the following were taken into account:
		
		> CaixaBank's business model.
		> The commitments adopted (such as the Principles for Responsible Banking and the adherence to the Net Zero Banking Alliance) and existing sustainability programmes and initiatives.
		> Current and planned sustainability regulations, especially on sustainable finance.
		> Sustainable business opportunities linked to customers, both individuals and companies.
		> The expectations of stakeholders, based on a materiality analysis.
		
		BPI also carried out a similar analysis focused on Portugal to determine the priorities of its Sustainability Master Plan.
		
		In addition, and to assess the **main potential negative impacts**, a number of more specific analyses have been carried out, **focused on the loan portfolio**. In 2022, a **first materiality analysis was carried out on ESG risks**. This analysis qualitatively assesses the main impacts that ESG factors may have on "traditional" risks (credit, liquidity, market, operational, reputational and business/strategic) for the various individual loan portfolios of CaixaBank (mainly Spain):
		
		> **For all ESG factors,** and in relation to credit risk, the analysis has been carried out in a differentiated way for the CIB, companies, mortgage and consumer segments.
		  > **In relation to climate risk**, the assessment is based on climate scenarios and considers different time horizons. For each scenario, it includes an analysis for each relevant sector of the portfolio (18 in total), assessing the physical and transition risks in the different time horizons.
		    – In the assessment of physical risks, the initial focus of analysis is the mortgage portfolio in Spain due to its volume, and the result concludes that exposure to these risks is limited.
		    – For transition risk, the following have been carried out:
		      ◦ A qualitative analysis to identify the potentially most affected **segments of the portfolio's material risk sectors:** to date, energy (oil and gas, and electricity), transport and construction.
		      ◦ Quantitative analyses, which assess how the transition climate risk can be transferred to the main financial magnitudes of companies in the short, medium and long term under the most stringent transition scenario (1.5°C, assuming a limited use of carbon capture technologies).
		  > **Other environmental factors** such as air and water pollution, water stress, soil contamination, deforestation and biodiversity loss have also been assessed.
			MR.
			
			Chapter 02. Corporate strategy and materiality. Sections:
			
			> "Environment" "Risk and Opportunity Analysis" "Materiality" "Strategy"
			
			Chapter 04. Risk management. Section "Sustainability risk materiality assessment (ESG)".
			
			Chapter 05. Value creation model. Section "Sustainable investment"
			
			Chapter 10, Environment and climate. Section "Climate Change".

[1] *That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.*
[2] *Further guidance can be found in the Interactive guidance on impact analysis and target setting.*

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. **Impact and setting of objectives** We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.		> At the same time, methodologies and scenarios are being developed for other risks with an impact on climate risks, such as operational or reputational risks. CaixaBank also calculated greenhouse gas emissions financed (scope 3, category 15, according to the definition of the GHG Protocol) at 31 December 2020 for its loan portfolio, taking as a reference the guidelines defined by PCAF in its accounting and reporting standards. Furthermore, CaixaBank AM and VidaCaixa consider the **Main Adverse Incidents in Sustainability (ISSPs)**, i.e. the negative impacts on ESG, which may be caused by companies or organisations that form part of the **investment portfolios**. In this regard, they carry out a due diligence process to identify, prevent, mitigate and explain how ISSPs are addressed. The systematic analysis and monitoring defines the necessary mitigation measures, which may consist of non-investment, divestment, reduction of exposure, or the observation and/or initiation of engagement actions. Also in the **retail banking sector**, a project has been initiated to strengthen access to financial services offered by CaixaBank by customers belonging to vulnerable groups. To this end, a risk map will be prepared to identify groups of customers who, due to their personal, social or economic circumstances, may be potentially vulnerable; unjustified barriers or obstacles that may hinder these groups from accessing financial services in equal terms with respect to other customers; and the corrective measures that must be taken to remove these barriers. This project will be developed throughout 2023. In addition, a pilot exercise was carried out to **measure the impact on stakeholders**, following the *Impact-Weighted Accounts Framework* methodology and in collaboration with an independent expert. The aim is to measure and monetise the positive and negative impacts of CaixaBank's activity, directly and indirectly through its value chain, on stakeholders and the impact on the generation of economic, human, social and environmental capital. This analysis included a relevant part of CaixaBank's financing and investment portfolio, with a focus based on primary data by CNAE for some of the activities.	
	b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or ii) by products & services and by types of customers for consumer and retail banking portfolios. If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.	With regard to the **analysis of sustainable business opportunities**, the entire credit and investment portfolio and its composition have been taken into account, in particular the market shares related to the sectors and purposes most affected by the transition to a more sustainable economy. In this regard, the sector and geographical distribution of credit investment, as well as customer segments, and the taxonomy of sustainable activities of the European Union have been considered. In relation to **potential adverse impacts linked to social and environmental factors** in traditional risks, materiality analysis has focused on the loan portfolio for all segments. For the specific analysis of climate risk in the loan portfolio, the basis for selecting the portfolios to be prioritised has been the level of transition or physical risk, the calculation of GHG emissions and their breakdown by sector and sub-sector and the credit exposure with respect to the total portfolio. Also, as a pilot, work is being carried out with the Impact Analysis tool developed by UNEP FI for the company's credit portfolio: together with the expanded profit and loss account project, they will contribute to the analysis of potential adverse and positive impacts related to the loan portfolio. Likewise, and **with a focus on retail customers and, more specifically, on groups,** the analysis will not consider the specific customers of CaixaBank's retail portfolio, but rather the potential vectors of vulnerability for groups of people and the corrective measures established, to be strengthened or implemented.	**MR.** Chapter 04. Risk management. Section "Sustainability risk materiality assessment (ESG)". Chapter 05. Value creation model. Chapter 06. Customers. Section "Our customers". Note 8 CAC 2022.

[3] *'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.*

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. **Impact and setting of objectives** We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	**c) Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.	To determine the strategic ambitions of sustainability, the priority challenges and opportunities for Spain were analysed, considering: > The Green Pact and Sustainable Finance Strategy of the European Union; > Long-term strategy for a modern, competitive and climate-neutral Spanish economy in 2050; The Just Transition Strategy, the National Plan for Adaptation to Climate Change and the Integrated National Plan for Energy and Climate (2021-2030); > The Recovery, Transformation and Resilience Plan and Next Generation EU; > World Economic Forum: "*The Global Risk Report* 2021"; > The UN Global SDG Database and Sustainable Development Report; > An X-ray of half a century of inequality in Spain. The Social Observatory of the "la Caixa" Foundation (2021). In this sense, climate change, the generation of quality employment, the reduction of poverty and inequality, and financial inclusion, among others, appear as national challenges. In addition, with the aim of contrasting and integrating stakeholder expectations into the priorities of the Master Plan, the date for the annual materiality study was brought forward to 2021. In the 2022 materiality study, more than 3,200 enquiries were made to the Group's management, external and internal experts, retail shareholders, employees, customers and suppliers. The main issues identified have been included in the Sustainability Master Plan, with individual action plans and specific initiatives to advance their implementation.	**MR.** Chapter 02. Corporate strategy and materiality. Sections: > "Environment" "Risk and Opportunity Analysis" "Materiality" "Sustainability Strategy"
	Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)[5]? Please disclose.	From the above analysis, several priority areas were identified on which to focus the Bank's action and for which to set specific objectives: 1. **Sustainable transition and minimisation and adaptation to climate change**, to accompany individual customers and companies in the energy transition process. This priority aims to reduce the negative impacts associated with customer and bank activity, as well as to support customers to maximise business opportunities associated with a decarbonised economy and thus increase their positive impact. This area, in turn, is broken down into four main lines: > Accompanying the transition of business customers: by promoting ESG financing and advice. > Support for the transition among private customers: through the development and marketing of sustainable solutions. > Implementation of the commitment to net carbon neutrality by 2050. > Integration of sustainability risks into the activity, with particular attention to those derived from climate change. 2. **Financial inclusion and promotion of employment and entrepreneurship** as two of the axes to promote a positive impact on people. This priority, in turn, is broken down into: > Social leadership and partnerships to multiply people's opportunities: especially for groups in vulnerable situations. > Focus on microfinance and social impact finance: > Promotion of employment and entrepreneurship through the financing of projects that generate employment and initiatives for the development of knowledge and skills that facilitate the employment of workers.	**MR.** Chapter 02. Corporate strategy and materiality. Section: "Sustainability Strategy".

[4] *Global priorities might alternatively be considered for banks with highly diversified and international portfolios.*
[5] *To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.*

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. **Impact and setting of objectives** We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	**d)** For these (min. two prioritized impact areas): **Performance measurement:** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context. In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.	1. With regard to the **sustainable transition and minimisation and adaptation to climate change,** objectives have been established linked to climate risk management (to minimise negative impacts) and sustainable business generation (to maximise positive impacts). **With regard to sustainability risks,** following the results of the materiality analysis of these risks, a phased deployment of their management has been initiated, prioritising physical and transition climate risks. In this respect, climate risk management is supported, among others, by the commitment made in April 2021 as a founding member of the *Net Zero Banking Alliance*. The Bank has committed to achieving zero net emissions in 2050, supporting customers in their transition to a carbon-neutral economy, and to publish intermediate decarbonisation targets. These objectives will be established in phases, starting with the most intensive sectors. Among these sectors, CaixaBank has prioritised the **"electric" and "oil and gas" sectors,** since: > The two sectors account for approximately 70% of the world's global CO_2 emissions. > These are materials in CaixaBank's corporate portfolio. > The availability of data is comparatively high and there is a methodology both for calculating emissions and for determining the alignment of the portfolio. > Given the relevance of the energy sectors as a decarbonisation engine for other sectors, the Bank's action on these sectors has a greater impact. The first decarbonisation targets for 2030 for these sectors were disclosed in October 2022. Additionally, the bank has established a **sustainable mobilisation target** for 2024, taking into account: > Sustainable business opportunities for the sectors most affected by the sustainable transition. For business customers, it has been estimated that these are sustainable mobility, building and agriculture, as well as energy efficiency and renewable energies. For individuals, the focus of sustainable solutions is mainly on housing, mobility and investment products. > CaixaBank's business model and its current and planned market shares. The indicators: > Absolute emissions (MTCO2e) and emissions intensity (ktCO2e/€M) €M of new sustainable business production	**MR.** Chapter 02. Corporate strategy and materiality. Section: "Sustainability Strategy".

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
		2. Additionally, and from the perspective of **financial inclusion and the promotion of employment and entrepreneurship,** also considered as part of the objective of sustainable mobilisation, the activity of MicroBank, CaixaBank's social bank, has been considered. This bank specialises in **microfinance** and other social impact finance, and has a high capacity for positive impact among the most vulnerable customers. The indicators: > €1,016 million of new production of sustainable business linked to MicroBank. > 103,181 MicroBank beneficiaries In general, and in relation to inclusion, the areas of action contemplate different axes: > The development and marketing of products and services linked to financial inclusion. > The elimination of barriers to access CaixaBank's services for particularly vulnerable groups. > Promoting financial culture and digitisation among customers and the general public. In this regard, one of the priority groups for CaixaBank is that of the elderly, considering that it has a market share of 34.2% in the direct depositing of pensions. The Bank's commitments in this regard include, among other initiatives, the creation of a team of 2,000 senior advisers and **3,000** training sessions for this group up to 2024.	

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?[6]

Scope: ■ Yes ☐ In progress ☐ No

Portfolio composition: ■ Yes ☐ In progress ☐ No

Context: ■ Yes ☐ In progress ☐ No

Performance measurement: ■ Yes ☐ In progress ☐No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation and adaptation and financial inclusion (which also includes employment promotion) How recent is the data used for the impact analysis revealed?

☐ Up to 6 months before publication

☐ Up to 12 months before publication

☐ Up to 18 months before publication

■ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

The analysis is based on data and methodologies available to date, in many cases under development, and may involve a top-down approach.

[6] *You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.*

Principles for Responsible Banking

2.

Impact and setting of objectives

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Reporting and Evaluation Requirements

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets[7] have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

High-level summary of the bank's response

Mitigation and adaptation to climate change

In relation to decarbonisation objectives:

> They are set according to the *Net Zero Banking Alliance*, which requires alignment with the goal of limiting temperature increase to 1.5°C above pre-industrial levels.

> For the calculation of decarbonisation targets in both sectors, the IEA *Net Zero Scenario* (from the International Energy Agency) has been used as a reference. To achieve the 1.5°C target, the IEA NZE 2050 scenario assumes increasing policy developments and technological changes to achieve net zero by 2050, limiting the possibility of offsetting, removing or capturing CO2 emissions.

> This scenario is based on science, reviewed by experts, and widely accepted and used as a reference.

In relation to the sustainable mobilisation objective:

> It should contribute to the reduction of greenhouse gas (GHG) emissions from CaixaBank's global portfolio which, in turn, will contribute to the target set by the *Net Zero Banking Alliance.*

> It will contribute to the achievement of various SDGs, including:

> > SDG 11, on Sustainable Cities and Communities (social housing, sustainable mobility).

> > SDG 7, on Affordable and clean energy (renewable energy financing).

> > SDG 6, on Clean water and sanitation (water treatment and conduits).

> > SDG 9, on Industry, innovation and infrastructure (sustainable buildings).

> > SDG 12, on Responsible production and consumption (recycling and treatment of waste, biogas).

> > SDG 15, on Land life (sustainable agriculture).

This objective also includes a sub-objective linked to financial inclusion and health.

Financial inclusion and promotion of employment In relation to social ambition, the main objectives to which it seeks to contribute are:

> SDG 1, End Poverty (target 1.4 on access to economic services, including microfinance).

> SDG 8 on Decent work and economic growth (target 8.5, to achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value; and target 8.6, significantly reducing the proportion of young people not in employment, education or training).

The strategic protocol to strengthen the social and sustainable commitment of banking, a national protocol signed by CECA, AEB and UNACC, which, among other measures, seeks to promote financial inclusion, was also taken into account.

Reference(s) and link(s) to the bank's complete relevant replies and information

MR.

Chapter 02. Corporate strategy and materiality. Section: "Sustainability Strategy".

Chapter 10. Environment and climate. Section "Climate Change".

Chapter 9. Board of Directors. Section "Financial inclusion".

Corporate website

Impact Reports on SDG Bonds.

[7] Operational targets (related, for example, to water consumption in office buildings, gender equality on the bank's board of directors, or greenhouse gas emissions related to business travel) do not fall within the scope of the PRB.

[8] Your bank must consider the main challenges and priorities in terms of sustainable development in its main country(s) of operation in order to set targets. These can be found in national development plans and strategies, international goals such as the SDGs or the Paris Climate Agreement and regional frameworks. Alignment means that there must be a clear link between the bank's targets and these frameworks and priorities, thus showing how the target supports and drives contributions to national and global targets.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response
2. Impact and setting of objectives We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	**2.2 Target Setting (Key Step 2)** Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets[7] have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately: **b) Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.	**Impact area: sustainable mobilisation, mitigation and adaptation to climate change**

Indicator code	Indicator	Data 2022	Links and references
A.1.1.	**Climate strategy:** Does the bank have an established climate strategy?	Yes	MR. Chapter 02. Corporate strategy and materiality. Section: _Sustainability Strategy
A.1.2.	**Alignment with Paris:** Has your bank established a long-term Paris aligned target for the entire portfolio? To become net zero by when?	Yes, in 2050.	
A.1.3	**Customer relationship policy and process:** Has your bank implemented rules and processes for customer relationships (both new and existing) to work together towards the goal of transitioning customer activities and the business model?	Yes	MR. Chapter 10, Environment and climate. Section "Climate Change".
A.1.4	**Portfolio analysis:** Has your bank analysed (parts of) its loan and/or investment portfolio in terms of funded issues (Scope 3, category 15); technology mix, or carbon-intensive sectors in the portfolio?	Yes, the greenhouse gas emissions financed (scope 3, category) have been calculated according to the definition of the GHG Protocol.	
A.1.5	**Business opportunities and financial products:** Has your bank developed financial products adapted to support the reduction of clients' GHG emissions (such as energy-efficient mortgages, green loans, green bonds, green securitisations, etc.)?	Yes; Specify which and what financial volume and/or percentage of the portfolio they represent	MR. Chapter 05. Value creation model. Section: Sustainable Business. MR. Chapter Environment and climate. Section: Financed footprint and decarbonisation targets
A.2.1	**Customer participation process:** Is your bank in the process of engaging with customers regarding its strategy towards a low(er)-carbon business model (for commercial customers) or towards low(er)-carbon practices (for retail customers)?	Yes, for corporate customers.	Dialogue with Customers - Engagement with customers to promote sustainability
A2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your loan and/or investment portfolio?	26.9 $MtCO_2e$	MR. Chapter 10, Environmentand climate. Section "Climate Change"
A.2.3	Sector-specific emissions intensity (by customers' physical products or by financial performance): Emissions intensity for the electricity sector (2020 data).	136 $kgCO_2e/MWh$	MR. Chapter 10, Environment and climate. Section "Climate Change"
A.3.1	**Financial volume of green assets/low carbon technologies:** % exposure to eligible economic activities according to the EU taxonomy as a percentage of total assets covered (Green Asset Ratio (GAR).	48.3 % (CaixaBank S.A)	MR. Chapter 05 Value creation model. Section: Green taxonomy.
A.3.2	**Financial volume lent/invested in carbon-intensive sectors and activities and transition finance:** Exposure to CO_2 intensive sectors relative to the total portfolio of financial instruments.	2 %	MR. Chapter 04. Risk management. Section ESG risk management.

[7] Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response
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Indicator code	Indicator	Data 2022	Links and references
B.1.2	% of people who have completed **the responsible marketing course among the total workforce**	100% of employees of banks or credit financial establishments of the Group in Spain have completed the course.	MR. Chapter 06. Customers. Section "Transparent and responsible marketing".
	Specialised advisers exclusively dedicated to the Senior group.	1,233	
B.2.1/C.2.1	No. of attendees of courses on **financial culture.**	59,873	MR. Chapter 09. Board of Directors. Section "Financial inclusion".
	No. of views of financial culture content.	12.5 million	
	Number of **social accounts and insertion accounts** (for vulnerable groups).	324,685	
	MicroBank (data 2022):		
	> Volume of microcredit and social impact finance.	> 1,016	
	> Number of microcredits and loans with social impact granted.	> 100,323	
	> Number of customers.	> 103,181	
	> Collaborating entities.	> 291	
	Eligible social portfolio (according to the framework for the issuance of bonds linked to the SDGs).	6,300 million euros	
	Citizens with a branch in their municipality (Spain).	**92%**	
	Towns covered by mobile branches (*ofibus*).	626	
	Spanish towns and villages with > 5,000 inhabitants with the presence of CaixaBank.	99%	
	Accessible branches.	88%	
	Accessible ATMs.	100%	

[7] *Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.*

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information

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Impact and setting of objectives
 	
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.
	2.2 Target Setting (Key Step 2)
	
	Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.
	
	The targets[7] have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:
	
	c) SMART targets (incl. key performance indicators (KPIs)[9]: Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.
		Mitigation and adaptation to climate change.
		
		> Advancing decarbonisation of the portfolio to reach net zero emissions by 2050.
		> Reducing financed emissions by 2030:
		  > Electricity sector: - 30% (136 KgCO2e/MWh in 2020).
		  > Oil and gas sector: - 23% (26.9 MtCO2e in 2020).
		
		Value 136 KgCO2e/MWh considering Scope 1 emissions from customers and parts of the value chain within the target perimeter. Value 26.9 MtCO2e considering scope 1, 2 and 3 emissions from customers and parts of the value chain within the target perimeter.
		
		Financial inclusion and job creation.
		
		> 413,300 beneficiaries of MicroBank, the CaixaBank Group's social bank in the period 2022-2024.
		
		Sustainable mobilisation (climate change mitigation and adaptation and financial inclusion).
		
		> 64 billion euros mobilised in sustainable finance in the period 2022-2024.
		> €23,583 M mobilised in 2022.
			MR.
			
			Chapter 02. Corporate strategy and materiality. Section "Sustainability Strategy"
			
			Chapter 9. Board of Directors. Section "Financial inclusion".
			
			Chapter 10, Environment and climate. Section "Climate Change".

[7] Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.
[9] Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. Impact and setting of objectives We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	**2.2 Target Setting (Key Step 2)** Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets[7] have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately: **d) Action plan:** which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.	**In general, for all the objectives:** CaixaBank has established a Sustainability Master Plan, which includes top-level objectives and lines of action to achieve them, which are monitored on a quarterly basis. The Plan includes sub-plans and grouped initiatives for each of the strategic ambitions, with managers and monitoring indicators. The Master Plan also includes cross-cutting lines of action, which have an impact on all the defined ambitions. These include the launch of a **ESG data model project** that, by developing a single sustainability repository, guarantees the use of ESG data in a uniform manner across the organisation. This repository must include the governance, quality and security of data through the traceability and reuse of data. The aim of the model is to provide a structure for information similar to that existing for financial information, ordered with a Group vision, and that responds to the needs of the different units and stakeholders. In addition, the Master Plan includes lines of action related to internal governance (with responsible policies) and transparent accountability, with the aim of achieving the objectives through responsible action that avoids, minimises or mitigates the potential negative impacts derived from the implementation of the plan. **With regard to sustainable mobilisation and the decarbonisation of the portfolio:** > Development and marketing of new sustainable products and services, as well as engagement with customers and issuers in this area. > Issuance of bonds linked to the Sustainable Development Goals (both green and social), to support sustainable projects. > Measurement of the carbon footprint financed. > On the decarbonisation objectives established for the electricity and oil and gas sectors, their achievement must be based on changes derived from government policies and environmental and climatic regulations, as well as on changes in consumer behaviour, scientific developments and new technologies. CaixaBank, which seeks to contribute to the collective effort required by the transition to a zero net economy in emissions, will publish in the following report the levers for the decarbonisation of these sectors. Similarly, to avoid, minimise and mitigate as far as possible the potential negative aspects related to the bank's financing and investment portfolio, CaixaBank applies the Corporate Sustainability/ESG Risk Management Policy (which includes sectoral exclusions and restrictions) and implements advice and engagement actions with customers and emitters to influence and accompany them in the transition towards a more sustainable economy.	**MR.** Chapter 02. Corporate strategy and materiality. Section "Sustainability Strategy". Chapter 06. Customers. Section "Transparent and responsible marketing". Chapter 09. Board of Directors. Sections "Financial inclusion" and "Social action and volunteering" Chapter 10, Environment and climate. Section "Climate Change".

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. Impact and setting of objectives We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.		**With regard to financial inclusion and job creation:** > MicroBank has its own strategic plan and is supported by multilateral financial institutions to promote microfinance and social impact finance. > Development of products and services for vulnerable groups and with social impact. > Issuance of social bonds linked to the SDGs. > Measurement of the impact on people of MicroBank's activity and linked to social bonds. > Adherence to collective commitments such as the Codes of Good Practice, which include measures to support mortgage holders in difficulty and, through CECA, the Strategic Protocol to reinforce the Social and Sustainable Commitment of the Banking Sector. > Value proposition for senior groups and a new specific proposal for micro-enterprises. > Financial education programme to contribute to the financial health of customers and the general population. > Corporate volunteering programme and strategic alliances with other foundations, notably the "la Caixa" Banking Foundation and, for professional training and professional inclusion, CaixaBank Dualiza. **The lines of action also include minimising the potential negative impacts that could arise from some of CaixaBank's objectives and/or activity:** > The Product Committee, which reports to the Transparency Committee, checks the quality and effectiveness of new products and services, analysing their characteristics, associated risks and their adaptation to transparency and customer protection regulations. > CaixaBank's Commercial Communication Policy sets out the mechanisms and internal controls aimed at minimising the risks related to advertising activity. > Compulsory training programme for employees, which includes responsible marketing of products, among other subjects. > Measures to increase accessibility to the institution's products and services through all available channels. > Proposal to carry out a risk map for vulnerable groups and to plan new due diligence procedures in human rights during 2023.	

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ...	... second area of most significant impact: ...
	Decarbonisation	Financial inclusion
Alignment	■ Yes ☐ In progress ☐ No	■ Yes ☐ In progress ☐ No
Baseline	■ Yes ☐ In progress ☐ No	■ Yes ☐ In progress ☐ No
SMART targets	■ Yes ☐ In progress ☐ No	■ Yes ☐ In progress ☐ No
Action plan	☐ Yes ■ In progress ☐ No	■ Yes ☐ In progress ☐ No

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. **Impact and setting of objectives** We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	2.3 Target implementation and monitoring (Key Step 2) **For each target separately:** Show that your bank has implemented the actions it had previously defined to meet the set target. Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2. **Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):** describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.	**In relation to sustainable transition and climate change mitigation and adaptation:Sustainable mobilisation objective:** > The Sustainability Master Plan includes among its strategic ambitions the promotion of the sustainable transition of companies and society and the commitment to decarbonisation of the Group's credit and investment portfolio. > Launch of new sustainable products and services, such as the carbon allowance market for corporate customers; new sustainable pension funds and plans, and the extension of lines of finance for solar panels of private customers to businesses and agribusiness. The eco-loan for sustainable vehicles (zero and eco-labelled) has also been reformulated to improve its conditions. > Issuance of two green bonds linked to the SDGs in 2022. > Sustainability advisory service for corporate customers to promote their sustainable transition and help them develop their sustainability plans. > Mandatory training for employees of the commercial network in areas related to sustainable investment. **This has allowed progress in achieving the sustainable mobilisation target, which at the end of the financial year, reached €23,583 million.** With regard to **decarbonisation targets,** these were made public in October 2022 in a specific climate report (together with the climate strategy and the carbon footprint), and will be reported on in the following report. In the interim, the process of defining the action levers for their achievement has begun. Work has also been carried out on complementary initiatives: > Progress in measuring the financed carbon footprint (scope 3, category 15 of the GHG Protocol) according to the PCAF methodology. > Start of the Data project (unique repository of ESG data). > Creation of a Sustainability Scorecard, fed with data from the ESG data model, in order to be able to monitor the main sustainability indicators. > Specialised training for the Business and Risk teams, related to priority sectors derived from their potential sustainability risks and opportunities. > Regular participation in working groups and associations dedicated to the advancement of environmental issues, including UNEP FI and the Spanish Green Growth Group, to be at the forefront of methodologies and other developments in this field, especially with a focus on climate change. This approach is essential given the collective nature of the development of methodologies and visions related to risk management, which require public-private collaboration and a multisectoral approach.	**MR.** Chapter 01. Our identity. Section "Accessions and partnerships" Chapter 02. Corporate strategy and materiality. Section "Sustainability Strategy" Chapter 05. Value creation model. Section "Corporate & Institutional Banking" Chapter 06. Customers. Section "Transparent and responsible marketing". Chapter 09. Board of Directors. Sections "Financial inclusion" and "Social action and volunteering" Chapter 10, Environment and climate. Section "Climate Change".

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information

2. **Impact and setting of objectives** We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.		**Regarding financial inclusion:**
		> €1,016 m in microfinance and other social impact finance.
		> Approval in 2022 of an internal social bonus to boost business with positive social impact (in addition to the green social bonus approved in 2021).
		> Issuance of a social bond linked to the SDGs, which includes, among the purposes, those related to microfinance.
		> Focus on the senior group:
		  > Deployment of 1,233 specialist managers with exclusive dedication (objective: 2,000 advisers in 2024).
		  > Specific service protocols (schedules; exclusive customer service telephone number, ATM support, etc.).
		  > Training in gerontology for senior advisors at CaixaBank branches.
		  > 3,000 face-to-face training sessions for customers to promote their financial autonomy and acquire a more active, healthy and safe lifestyle (objective: 3,000 in 2024).
		  > External certification of the value proposition for the senior segment.
		> New value proposition for microenterprises, to be implemented from 2023, with Store Pymes branches and personalised service with some 600 specialised managers planned.
		> AgroBank Diversity Programme to promote women in rural areas and which includes an agreement to finance business projects.
		> Plan to improve the financial culture of customers, shareholders and society as a whole, with 363 conferences and 59,873 attendees and more than 12.5 million.
		> With regard to accessibility and capillarity, the following stand out:
		  > Launch of the *Braille* card.
		  > Expansion of the *ofibus* service, with 626 municipalities covered compared to 426 in 12/21, which represents a 35% increase in the localities at risk of financial exclusion attended by mobile offices in 2021).
		  > Maintenance of the most extensive network of branches and ATMs in Spain (92% of citizens with a branch in their municipality).
		  > 100% user-friendly and 100% accessible ATMs.
		  > The CaixaBank Group's new corporate design system has been built to be 100% accessible, incorporating the WCAG 2.1-W3C guidelines.
		> The Product Committee has analysed 234 products and services to review their suitability.
		> Dualiza, which promotes professional training in Spain, benefited 6,864 students and collaborated with 484 companies in 2022, promoting the training of future professionals and improving their employability.
		In 2022, the number of MicroBank beneficiaries (first level target) was 103,181.	

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
3. **Clients and Customers** We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	**3.1 Client engagement** Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices? ■ Yes ☐ In progress ☐ No Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts? ■ Yes ☐ In progress ☐ No Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities[11]. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.	CaixaBank has **sustainable financing teams and other teams specialising** in some of the most sensitive business segments from the point of view of **climate and environmental risk**, including real estate, hospitality, infrastructure, energy and agriculture. They work with customers to identify new sustainable business operations and to advance the transition to a carbon-neutral economy, thus contributing to the fulfilment of the net zero commitment. In the case of corporate and institutional customers, CaixaBank has an **ESG advisory service** to help its corporate and institutional customers analyse and establish their sustainable strategy and positioning through an engagement process. Over 2022, 20 customers made use of this service. This service is accompanied, for all segments, by the development of a range of **specific products and services** that provide solutions to customers to implement more sustainable practices, as described in the following section. In 2022, a search engine for grants for customers and non-customers on the Next Generation EU Funds was added to the corporate website. The commercial network has also received **training related to sustainable investment** and sustainability preferences, which will allow customers to understand the importance of their decisions in the environment and in society, without being constrained to obtain returns and benefits. In addition, and through **CaixaBank Talks and other events** such as those convened with CaixaBank Chairs and collaborating entities, the Bank disseminates the importance, risks and opportunities linked to sustainability, particularly environmental, among its customers. For the younger customer group, **Imagin**, with its *imaginPlanet* and *imaginChangers* proposals, develops initiatives with a positive impact on environmental and social sustainability, including products, services, content and agreements. In this framework, in 2022, it launched *imaginAcademy*, a new digital content programme to promote knowledge about finances and economic management among young people, contributing to their **financial inclusion and health.** In this same area, for **senior citizens,** from 2022 to 2024, more than 3,000 face-to-face training sessions will be held on operations and financial aspects. In this regard, **financial culture** is one of the axes through which CaixaBank seeks to contribute to its financial inclusion and health objective. In this area, the company has various initiatives: for retail shareholders; for older people; for the general public and, through the volunteering programme, for people in vulnerable situations (such as people with intellectual disabilities). Furthermore, as described in section 5.3 of this annex, CaixaBank has a **Corporate Sustainability Risk Management Policy/ASG**. This policy is one of the instruments that the CaixaBank Group uses as a basis for customer engagement, with the aim of ensuring that they comply with the ESG criteria established by the Group and to contribute to its adoption of more sustainable practices. For its implementation, customers and operations with potential environmental, social and/or reputational risks are analysed to ensure they meet criteria set by the bank. The analysis also considers customers' decarbonisation strategies. If necessary, the Business teams engage in active dialogue with customers to ensure compliance with the criteria established in the policy. Moreover, as described in the **Engagement Policy,** the investment policies of VidaCaixa and CaixaBank Asset Management include active voting actions and active dialogue with listed portfolio companies to promote ESG improvements in their management and disclosure. Among these, some collaborative dialogue actions are framed by adhesion to *Climate Action 100+ and Advance*, on climate change and human rights respectively. During 2022, X dialogues were held with companies and external managers on ESG issues.	**MR.** Chapter 01. Our identity. "Accessions and partnerships". Chapter 04. Risk management. Section "ESG risk management". Chapter 05. Value creation model. Sections: > "Retail Banking" > "Private Banking" > "Business Banking" > "Corporate & Institutional Banking" > "AgroBank" > "Imagin" > "Sustainable investment" Chapter 07. People and culture. Section: "Ongoing training". Chapter 09. Board of Directors. Section "Financial culture".

[11] *Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.*

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information

3. **Clients and Customers** We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	**3.2 Business opportunities**
	
	Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).
		The Entity has teams specialising in sustainability within the different Business Units (such as Private Banking, Business, AgroBank, CIB, etc.), as well as an ESG Business Coordination team within the Sustainability Division. These teams are leading the development and marketing of new sustainable solutions to maximise CaixaBank's positive impacts and accompany customers in the transition to a more sustainable economy.
		
		The Sustainability Master Plan has identified sustainable business opportunities for the sectors most affected by the sustainable transition. These areas are, for legal entities, sustainable mobility, building and agriculture, as well as energy efficiency and renewable energies. For individuals, the focus of sustainable solutions is mainly on housing, mobility and investment products.
		
		In this context, sustainable business initiatives are focused on four axes, including all customer segments and addressing the different priority areas: energy efficiency solutions; sustainable mobility; development and marketing of other sustainable products and services (cross-cutting, integrating different purposes), and boosting sustainable business through support tools (internal and/or for customers) and customer engagement. In addition, CaixaBank continues to offer solutions to promote financial inclusion and positive social impact through specific products and services for vulnerable groups and the activity of MicroBank, its social bank.
		
		Specifically, the 2002 action focused on:
		
		> **Sustainable investment,** through investment funds, pension plans and savings insurance classified into two categories according to their sustainability level:
		  > Impulsa Range: promoting environmental and/or social characteristics or a combination of them (classified under article 8 of Sustainable Finance Disclosure, SFDR).
		  > Impacta Range: financial products and services that pursue a sustainable investment objective (article 9 of the SFDR) and seek to impact all SDGs.
		> **Microfinance and other social impact finance,** with a main focus on SDG 1 and SDG 8.
		> **Green and sustainable finance:**
		  > Loans linked to sustainability factors.
		  > Green and social loans.
		  > Financing renewable energy projects.
		  > Financing energy-efficient properties.
		  > ecoFinancing.
		  > Sustainable consumer products (such as financing the installation of solar panels and charging points, loans and vehicle renting ECO label and 0...).
		> **Advice to customers.**
		> **Issuance and placement of social and environmental bonds.**
		
		During 2022, sustainable mobilisation reached €23,583 million. Furthermore, the exposure to eligible economic activities according to the European taxonomy out of the total assets covered by the Green Asset Ratio (GAR) is 48.3%. In addition, the bank has other products and services with social characteristics for vulnerable groups, such as social accounts and insertion accounts; and launching, during 2022, bank cards in braille. Also noteworthy is a specific offer for NGOs.
			MR.
			
			Chapter 04. Risk management. Section "ESG risk management".
			
			Chapter 05. Value creation model. Sections:
			> "Sustainable investment"
			> "Sustainable business
			
			Chapter 05. Board of Directors. Sections:
			> "MicroBank"
			> "Social bonds"
			> "Inclusive finance"

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
4. **Stakeholders** We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	**4.1 Stakeholder identification and consultation** Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups[12]) you have identified as relevant in relation to the impact analysis and target setting process? ☐ Yes ■ In progress ☐ No Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.	As the Principles for Responsible Banking are integrated as overarching principles in the Sustainable Banking Master Plan, **dialogue on the progress of their implementation is part of the active sustainability dialogue process with stakeholders.** CaixaBank has multiple objectives: share their sustainability priorities with their environment; understand the expectations of their stakeholders; influence and collaborate with stakeholders to advance sustainability, and obtain feedback to ensure that initiatives underway remain relevant. In this regard, CaixaBank carries out an annual process of identification and consultation of its main stakeholders, which is reflected in the **materiality study.** In 2022, in addition to customer engagement (mentioned in the previous section), it has driven: > **Active dialogue with the regulator, peers, NGOs and other entities** > Participation in UNEPFI working groups to advance impact measurement; Financial inclusion, biodiversity, implementation of the NZBA targets and the recommendations of the *Task Force on Nature-Related Financial Disclosures (TNFD).* > Signing of the Financial Sector Declaration on Biodiversity for COP15, promoted by UNEP FI, inviting global leaders to sign a global agreement on biodiversity. > Regular meetings with other organisations and participation in think tanks and initiatives such as the Spanish Green Growth Group, Spainsif, Global Compact, CECA, ESBG-WSBI, Forética and Seres to share knowledge about sustainability and advance its implementation. > Boosting impact measurement through participation in initiatives such as *Banking for Impact*, PCAF and SpainNAB, and disseminating and participating in specific seminars. > Active dialogue with the most relevant NGOs in the ESG area. > Monitoring and participation in consultative processes for regulatory initiatives in financial stability and strengthening of the financial sector; sustainable finance; innovation and digitisation; consumer protection; transparency, and prevention of money laundering and terrorist financing. > Partnership with the "la Caixa" Foundation and the SDG Observatory to promote the implementation of the SDGs among Spanish companies.	**MR.** Chapter 01. Our identity. Section "Accessions and partnerships" Chapter 02. Corporate strategy and materiality. Sections: > "Materiality" > "Regulatory environment" Chapter 05. Value creation model. Section "Sustainable investment" Chapter 06. Customers. Section "Dialogue with customers". Chapter 07. People and culture. Section "Dialogue with employees". Chapter 08. Shareholders and Investors. Section "Dialogue with shareholders and investors". Chapter 09. Board of Directors. Section "Dialogue with society".

[12] *Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations*

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
		> **Dialogue with emitters, analysts and investors; employees and society in general**: > Participation in ESG meetings with institutional investors, to share priorities and learn about their expectations, and with eminent sustainability analysts. > Attendance at the Shareholder Advisory Committee and participation in specific training sessions and actions on sustainability. > Processes of engagement related to ESG carried out by VidaCaixa and CaixaBank Asset Management with emitters. > Participation in events as speakers to disseminate the importance of sustainability, SDGs and the Paris Agreement. > Publications and dissemination activities by the CaixaBank Chair of Sustainability and Social Impact with IESE, the CaixaBank Chair in Sustainable Economy with Comillas University, and the AgroBank Chair of Quality and Innovation in the Agri-Food Sector with the University of Lleida. > Mandatory sustainability course for CaixaBank staff and regular publication of related news in a specific section of the corporate intranet. > Consideration, as of 2020, of new certifications and sustainability criteria in the supplier registration-approval process.	

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
5. Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking	**5.1 Governance structure for Implementation of the Principles** Does your bank have a governance structure that incorporates the PRB? ■ Yes ☐ In progress ☐ No Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about > which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to), > details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as > remuneration practices linked to sustainability targets.	At CaixaBank, the definition, follow-up and monitoring of compliance with the Principles for Responsible Banking corresponds to the Board of Directors and Delegated Committees appointed by the company. More specifically, the **Sustainability Committee**, a top-level committee with the participation of the key areas and subsidiaries in sustainability matters, which reports to the **Management Committee, the Global Risk Committee, the Appointments and Sustainability Committee, and the Board of Directors.** This committee meets at least monthly and is chaired by a member of the Management Committee, the Sustainability Director. The Management Committee is also informed on a monthly basis of the matters dealt with in the Sustainability Committee. The **Sustainability Department** is responsible for coordinating the definition, updating and monitoring of the Group's sustainability strategy, including the implementation of these Principles. With this objective, and to coordinate and monitor the implementation of the Sustainability Master Plan, an internal weekly work group has been set up to monitor the Plan, in which the entire Sustainability Management is involved. Additionally, the Sustainability Committee reviews the degree of progress in implementing the Master Plan, including the first level KPIs, on a quarterly basis. The Appointments and Sustainability Committee is informed every six months of the progress and status of the Master Plan (in 2022, the first year of implementation of the Master Plan, the Committee and the Board of Directors were informed in 4T). Members of Committees may request the establishment of new actions in the event that the objectives are not achieved or new areas of priority attention are identified. Furthermore, the **Risk Committee** of the Board of Directors is responsible, among other functions, for proposing the Group's risk policy to the Board and examining the Group's risk information and control processes. This Committee periodically reviews issues related to the management of sustainability and climate-related risks. In 2022, seven topics were raised for their knowledge and consideration. Other committees and bodies seek to increase the positive impacts and avoid, mitigate or reduce the negative impacts of certain issues that cut across the Bank's entire range of activities. These include the Diversity Committee, the Transparency Committee and the Product Committee. With the aim of aligning the variable remuneration with the sustainability and good corporate governance goals, the weight of metrics linked to ESG factors (such as Sustainability, Quality and Conduct and Compliance) has been increased in the annual and long-term variable remuneration schemes in 2022. It has been applied to Executive Directors, Senior Management and Corporate Services employees. Sustainability, specifically, is associated with the mobilisation of sustainable finance and measures the new production of sustainable finance.	**MR.** Chapter 03. Corporate governance Sections: > "Corporate Governance Remuneration". > "Sustainability governance". Chapter 06. Customers. Section "Transparent and responsible marketing".

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
5. **Governance & Culture** We will implement our commitment to these Principles through effective governance and a culture of responsible banking	**5.2 Promotion a culture of responsible banking:** Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).	With **regard to culture** and training, CaixaBank has a corporate culture programme, "We are CaixaBank", which aims to strengthen corporate principles and values, including social commitment and the promotion of actions with a positive impact on people and society; proximity; responsibility, high standards, and honesty and transparency. Similarly, and through CaixaBank Campus, it has developed a pedagogical model based on compulsory training; recommended training and voluntary self-training. In addition, and with the aim of contributing to achieving the Plan's objectives, a continuous training plan has been defined for the entire Company in terms of sustainability. This Plan includes specific training itineraries for groups with specific sustainability needs, as well as voluntary materials for self-training. Initiatives include: > Mandatory training on regulatory issues, linked to variable remuneration, with a course on responsible marketing. > Other mandatory training linked to MiFID II regulations for more than 30,000 employees. > Training in sustainable investments for the entire group of Private Banking and Premier Banking managers. > New training to deepen knowledge of sustainability, which will continue in 2023. > Voluntary training sessions on sectoral risks and trends in sustainability. > The Sustainability School, with self-training modules on topics such as climate change, sustainable finance, human rights and socially responsible investment. In relation to **remuneration**, a new metric linked to the achievement of one of the first level sustainability KPIs has been included and applied to the annual variable remuneration scheme for Corporate Services employees. In addition, teams directly related to the implementation of the Sustainability Master Plan, both from the Sustainability Management and other Group management (Business, Risks and transversal), have specific sustainability objectives related to their scope of action.	**MR.** Chapter 06. Customers. Section "Transparent and responsible marketing". Chapter 07. People and culture. Section "Professional development and pay".

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
5. **Governance & Culture** We will implement our commitment to these Principles through effective governance and a culture of responsible banking	**5.3 Policies and due diligence processes** Does your bank have policies in place that address environmental and social risks within your portfolio?[13] Please describe. Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.	As mentioned in previous sections, CaixaBank has carried out **a materiality study on sustainability risks** as a basis for a proportionate deployment of ESG risk management processes. In this regard, CaixaBank's Board of Directors is responsible for implementing a risk governance framework in line with the Group's risk appetite level, which includes the definition of responsibilities for risk collection, management and control functions. In this regard, and with the aim of managing and minimising the main risks identified, it has defined a **Corporate Sustainability Risk Management/ESG Policy,** which establishes the governance and management of sustainability risks and regulates relations with companies and the financing of operations, especially in the most exposed sectors, such as energy, mining, infrastructure, agriculture and defence. This policy sets out general and sectoral exclusions linked to activities that may have a significant adverse impact on human rights, the environment and the climate. The scope of the policy affects the admission of new loans and guarantees, the purchase of fixed and variable income, and the investment in companies through the investee portfolio. In this process of analysis, issues relating to categorisation and compliance with the Equator Principles are also reviewed, as applicable. In addition, CaixaBank takes ESG criteria into account in its **investment advisory services and discretionary portfolio management and other products**, in addition to traditional financial and risk criteria. The integration of these sustainability factors complies with the Corporate Framework for the Integration of ESG Risks in the Provision of Investment Services and Asset Management. The asset managers, CaixaBank AM and VidaCaixa, for their part, have their own sustainability/ ESG risk management procedures, which follow the Corporate Policy and adapt its provisions to their specific characteristics. In addition, they have established their **Engagement Policies** for participation in the decisions of the companies and emitters in which they invest, taking into consideration environmental, social and governance criteria. CaixaBank makes public the degree of progress in the implementation of these policies and criteria in the Sustainability section of the Management Report, the Climate Report and the Declaration of Major Adverse Events. In accordance with the **CaixaBank Human Rights Principles**, the Bank periodically analyses human rights issues relating to its activity and has **due diligence processes** in place to assess the risk of non-compliance, based on which it proposes measures to prevent or remedy negative impacts and measures to maximise positive impacts. With regard to complaints and queries mechanisms, CaixaBank has an Inquiries Channel and a Whistle-blowing Channel relating to the Code of Ethics and principles of conduct, the Anti-corruption Policy and other responsible policies. These are available to Directors, employees, temporary employment agency staff, agents and at CaixaBank and Group companies with access to this Channel. For customers and other stakeholders, the Contact Centre service handles queries, requests, suggestions and incidents, including those relating to sustainability, through the channels provided by the entity: telephone, WhatsApp, web form, email, postal mail, chat, Twitter and App comments. On the other hand, the Customer Service Department is responsible for attending to and resolving customer complaints and claims.	**MR.** Chapter 03. Governance and risk management. Sections: > "Sustainability Governance". > "Ethical and responsible behaviour". Chapter 04. Risk management. Section "Sustainability Risk Management". Chapter 05. Value creation model. Section "Sustainable investment"

[13] *Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks*

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

■ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

■ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

■ Yes ☐ In progress ☐ No

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
6. Transparency & Responsibility We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	**6.1 Assurance** Has this publicly disclosed information on your PRB commitments been assured by an independent assurer? ■ Yes ☐ Partially ☐ No If applicable, please include the link or description of the assurance statement.	Sections 2.1, 2.2, 2.3 and 5.1 of this table have been reviewed under limited assurance by PwC in accordance with the UNEP FI Guidance for assurance providers Providing Limited Assurance for Reporting on Principles for Responsible Banking, within the framework of the verification of the Non-Financial Information Statement of the CaixaBank Group's Consolidated Management Report 2022	**MR.** Chapter 13. Annexes. Independent verification report.
	6.2 Reporting on other frameworks Does your bank disclose sustainability information in any of the listed below standards and frameworks? ■ GRI ■ SASB ■ CDP ☐ IFRS Sustainability Disclosure Standards (to be published) ■ TCFD ■ Other: Equator Principles, UN Global Compact and Regulation on Sustainability Disclosures in the Financial Sector.	This Management Report includes information that responds to these standards according to the format required by them, both in the main body of the report and, when required, in the annexed documents.	**MR.** Chapter 11. EINF.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
6. **Transparency & Responsibility** We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	**6.3 Outlook** What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis[14], target setting and governance structure for implementing the PRB)? Please describe briefly.	In the next financial year, the Sustainability Master Plan and its lines of action will continue to be deployed, maintaining the focus on decarbonisation and sustainable transition; positive social impact and financial inclusion, and responsible culture and good governance. This focus also includes *engagement* with customers, emitters, employees and other stakeholders. Within the framework of this Plan, and in relation to **impact measurement**, although it will not yet be mandatory, progress will be made in the application of the dual approach to materiality required by the Corporate Sustainability Reporting Directive (CSRD) (applicable from 2025). A new pilot will also be carried out to **measure the expanded profit and loss statement**, with a special focus on the analysis of environmental and social outsourcing of CaixaBank's credit portfolio. A new **human rights** due diligence process will also be carried out in 2023, as envisaged in the CaixaBank Human Rights Principles. In relation to **vulnerable customer groups,** the definition of the risk map (described in section 2.1 a) of this annex) will continue, allowing for the identification of customer groups that, due to their personal, social or economic circumstances, may be potentially vulnerable, as well as the existing corrective measures to be established or reinforced. Progress will also continue to be made on **biodiversity**, with a multi-pronged approach, including risk management; supporting projects with a positive footprint on biodiversity and ecosystems, and measuring impacts and participating in working groups in this field. With regard to internal governance, the deployment of the **data project** that strengthens governance and accountability will continue. In this regard, progress will be made in extending the availability of ESG data (with regulatory use, for reporting, etc.), as well as the scope of the included Group entities and with respect to the sustainability scorecard. These initiatives will strengthen the analysis of the main positive and negative impacts related to CaixaBank and will form the basis for the potential establishment of new targets and/or lines of action. In this regard, in terms of new public commitments, and in accordance with the NZBA commitment, CaixaBank (including BPI) will establish and publish new sectoral decarbonisation targets, as well as the levers to achieve them. Similarly, progress will continue with regard to the analysis of the materiality of ESG risks. VidaCaixa will also establish its priorities, linked to its adherence to the *Net Zero Asset Owners Alliance* in 2022	

[14] For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement
[15] For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
6. **Transparency & Responsibility** We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	**6.4 Challenges** Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks. What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question). If desired, you can elaborate on challenges and how you are tackling these: ☐ Embedding PRB oversight into governance ☐ Gaining or maintaining momentum in the bank ☐ Getting started: where to start and what to focus on in the beginning ■ Conducting an impact analysis ☐ Assessing negative environmental and social impacts ☐ Choosing the right performance measurement methodology/ies ■ Setting targets ☐ Customer engagement ☐ Stakeholder engagement ■ Data availability ☐ Data quality ☐ Access to resources ☐ Reporting ☐ Assurance ☐ Prioritising actions internally ☐ Other: ...	The lack of ESG data (particularly from clients and issuers) that is also homogenous and robust (i.e. of high quality) is a challenge for progress in the measurement and subsequent management of sustainability risks and opportunities and the definition of objectives. To this end, CaixaBank has launched a data project, described in the previous sections. It also participates in initiatives such as TCFD and regulatory consultations to support measures that increase in transparency in sustainability. Conducting an impact analysis, assessing the potential positive and negative impacts linked to the activity, is complex given the lack of shared methodologies and the scarcity of data. Much progress has been made on climate issues, and it is essential to make progress on other environmental and social issues as well. To advance in this area, CaixaBank participates in several working groups with other financial institutions, experts and academia to contribute to the development of robust, shared and accepted measurement methodologies that facilitate measurement, management, definition of objectives and reporting. In this regard, CaixaBank participates in *Banking for impact*, with the aim of contributing to establishing shared methodologies for measuring impact. It is also part of the PCAF, to measure the carbon footprint of the portfolio; and in working groups related to biodiversity and financial inclusion. The setting of new targets is directly related to the availability of data and the measurement of the impact of the bank's activity. In relation to climate, CaixaBank will publish new targets related to its adherence to the *Net Zero Banking Alliance*, a highly complex process derived from the use of specific scenarios and measurement models.	

_Sustainable Development Goals

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

CaixaBank has been a Signatory Partner of the Spanish Network of the United Nations Global Compact since 2012.

The Entity integrates the 17 UN SDGs in its Strategic Plan and Sustainable Banking Plan, as well as contributing transversally to all of them in line with its commitment to the Principles for Responsible Banking promoted by UNEP Fi.

CaixaBank has a **Strategic Alliance with the "la Caixa" Foundation**, its leading shareholder.

SDGs	Interrelated SDGs	
1 No poverty	2 Zero hunger; 3 Good health and well-being; 4 Quality education; 10 Reduced inequalities	Commitment to PEOPLE
8 Decent work and economic growth	5 Gender equality; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities	Commitment to SOCIETY
12 Responsible consumption and production	6 Clean water and sanitation; 7 Affordable and clean energy; 13 Climate action; 14 Life below water; 15 Life on land; 16 Peace, justice and strong institutions	Commitment to the PLANET
17 Partnerships for the goals		

> CAIXABANK GROUP'S CONTRIBUTION TO THE SDGS

CaixaBank focuses its perimeter of action most intensely on 4 priority SDGs that facilitate the completion of the bank's mission:

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

The 4 priority SDGs are interconnected with the other SDGs and CaixaBank contributes to all of them conjointly.

>CONTRIBUTION TO THE PROGRESS AND WELL-BEING OF THE MOST VULNERABLE GROUPS THROUGH ACCESS TO >FINANCIAL SERVICES, SOCIAL ACTIONS AND AN ACTIVE HOUSING >POLICY.

1 NO POVERTY

- Microloans and other social impact financing
- Banking products for groups that can be used
- Capilarity
- Social Action Projects and Solidarity Partnerships
- AgroBank
- Active Housing Policy
- Social Bonds
- Accession to the *Commitment To Financial Health and Inclusion* by UNEPFI
- Investment funds and impact pension plans (SI Range, Impact solutions)

2 ZERO HUNGER

- Family microloans
- Eco-loans in the agricultural sector
- Social Action with the "la Caixa" Foundation
- No home without food
- Programme of support for Ukrainian refugees

3 GOOD HEALTH AND WELL-BEING

- Health and wellness loans
- We're Healthy Programme (CaixaBank team)
- School of Sustainable Performance
- Collaboration with GAVI, the Vaccine Alliance

4 QUALITY EDUCATION

- Financial Culture Plan
- Classroom Programme for Shareholders
- Chairs[1]
- CaixaBank Research
- CaixaBank Talks
- Sustainability School for employees
- CaixaBank doubles down on Dual Training

10 REDUCED INEQUALITIES

- Microloans and other finances with a social impact
- Banking products for vulnerable groups
- Social action with the "la Caixa" Foundation
- Active housing policy and Impulsa programme
- Financial Culture Plan
- Signing of the Code of Good Practice in the mortgage market
- Commitment to the senior community

[1] *IESE's CaixaBank Chair on Sustainability and Social Impact, AgroBank Chair - "Quality and innovation in the agri-food sector"*

>BOOSTING ECONOMIC ACTIVITY BY PROMOTING >INVESTMENT IN INNOVATION, ENTREPRENEURSHIP, AND >GROWTH OF MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES.

8 DECENT WORK AND ECONOMIC GROWTH

- Financing for companies and self-employed workers
- Microloans to businesses
- Investment in R&D
- Job creation
- Social bonds

5 GENDER EQUALITY

- Equality Plan
- Wengage diversity programme
- Signing on to the Women Empowerment Principles of the UN
- CaixaBank and BPI Female Entrepreneur awards and WONNOW awards (women in STEM, with Microsoft)
- Support for major women's associations[1]
- Accession to STEAM Partnership "Girls at the foot of science" by the Ministry of Education and Vocational Training
- New diversity advisory committee

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Support for Start-ups (DayOne)[2]
- Financing companies with social impact
- Investment in R&D
- Information Security
- Digitisation plan
- European Next Generation Fund driver

11 SUSTAINABLE CITIES AND COMMUNITIES

- Capilarity
- Active housing policy
- Accession to UNWTO[3]
- Real Estate & Homes
- Hotels & Tourism

[1] *Equality in the company, Diversity Charter, More women better companies, Eje&Con.*
[2] *Specialised network and services for start-ups and scale-ups.*
[3] *United Nations World Tourism Organisation.*

> ADOPTION OF A SOCIALLY RESPONSIBLE BANKING MODEL BASED ON SUSTAINABLE AND EFFICIENT MANAGEMENT OF NATURAL RESOURCES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Accession to the Net Zero Banking Alliance (NZBA)
- Mobilisation of sustainable finance
- Impact Solutions SI Range (investment products and insurance)
- Policies on ethics and integrity
- Due diligence in Human Rights
- Accession to the UNEP FI Principles for Responsible Banking (*United Nations Environment Programme Finance Initiative*)
- Accession of VidaCaixa and CaixaBank *Asset Management* to PRI *(Principles for Responsible Investment)*
- Certification *BCorp imagin*
- Reporting reports verified by a third party

6 CLEAN WATER AND SANITATION

- AgroBank
- Framework for issuance of SDG bonds

7 AFFORDABLE AND CLEAN ENERGY

- Accession to the Net Zero Banking Alliance (NZBA)
- Renewable energy financing
- Reduction in Energy Consumption
- Accession to RE100 Renewable energy consumption
- Green bonds
- Accession to the European Clean Hydrogen Alliance

13 CLIMATE ACTION

- Accession to the Net Zero Banking Alliance (NZBA)
- Membership in GECV (Spanish Green Growth Group)
- Signatories of the Equator Principles
- Consumption of renewable energy
- Offsetting of 100% of operational CO_2 emissions
- Financing renewable energies and other environmental solutions
- Accession to the Partnership for Carbon Accounting Financials (PCAF)
- Accession to the VidaCaixa
- Climate reporting
- Setting decarbonisation targets for the financed portfolio

14 LIFE BELOW WATER

- AgroBank
- Accession to Poseidon Principles

15 LIFE ON LAND

- Framework for issuing sustainable, green and social bonds
- Statement on biodiversity promoted by the UN at the COP15
- Joining the Taskforce on Nature related financial disclosure (TNFD)

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Ethics and integrity policies and external certifications in Compliance
- Due diligence and assessment in Human Rights
- Information security
- Adherence to Autocontrol Declaration of PIAS (Declaration of Major Adverse Impacts of investment decisions on sustainability factors)
- Certification in Good Corporate Governance by AENOR

> CONTRIBUTION TO ALL SDGS WITH OWN PROGRAMMES AND THROUGH PARTNERSHIPS

17 PARTNERSHIPS FOR THE GOALS

- Alliances directly related to the SDGs

For more details, see the section on Accessions and Partnerships.

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

Initiative of the Leadership and Sustainability Chair of ESADE with the collaboration of "la Caixa".

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

12 Glossary and Group structure

CaixaBank

_Criteria and scope of the report

The contents of this report address the material issues for the CaixaBank Group and its stakeholders identified in the 2022 Materiality Analysis and in the requirements of Law 11/2018 on the disclosure of non-financial and diversity information. This includes the information needed to understand the Group's performance, results and financial situation, and the environmental and social impact of its activities, together with matters relating to employees, respect for human rights and combating corruption and bribery.

This report has been prepared in line with the following principles to ensure that the information therein is transparent, reliable and thorough:

- ***Global Reporting Initiative*** **(GRI)** *Guide*. The criteria and principles set out in this guide for the definition of the content and quality of the report have been applied.
- ***Sustainability Accounting Standards Board*** (SASB), set out in the industry standard for commercial banks. Incorporating its materiality analysis and responding to the specific associated metrics.
- ***Task Force on Climate-Related Financial Disclosure*** (**TCFD**), following its recommendations, reports on the details of governance, strategy, objectives and metrics related to climate change risk.
- **Framework of the *International Integrated Reporting Council* (IIRC),** covering strategic focus and future orientation; connectivity of information; stakeholder relationships; materiality; conciseness; reliability; completeness and consistency and comparability.**Principles of the UN Global Compact and Sustainable Development Goals (SDGs),** within the 2030 Agenda.**Guide for Preparing the Management Report for Listed Companies from the CNMV.**

This report contains performance data for CaixaBank and the subsidiary companies that form CaixaBank Group. When the indicators reported do not refer to the Group but rather a part of it, this will be clearly stated. The information corresponding to GRI, SASB, Law 11/2018 on the disclosure of non-financial and UNEP FI conforms to the ISAE 3000 standard, as verified by an independent expert.

> PRINCIPLES FOR THE DEFINITION OF THE CONTENT OF THE REPORT

- Stakeholder engagement
- Materiality
- Context
- Completeness

> PRINCIPLES FOR THE QUALITY OF THE REPORT

- Precision
- Comparability
- Balance
- Reliability
- Clarity
- Timeliness

> UPDATING THE CRITERIA FOR THE CALCULATION OF REMUNERATION AND WAGE GAP

Benchmarking has been carried out with the main peers of the public information associated with average salaries (IARC, Management Report) and a range of different criteria is observed, some of them incorporating social benefits, fringe benefits or the concept of emotional pay. As a result of this comparison and the fact that the CaixaBank Group's remuneration model is different in terms of the social benefits available (with special mention of contributions to the Pension Fund), the criteria for the items to be included have been revised: incorporating social benefits (savings and risk contributions to the Pension Fund, financial aid for studies for employees and their children, health insurance) and other non-wage supplements (compensation for meals, car rental, etc.).

_Non-financial information

This glossary contains definitions of the indicators and other terms related to the **non-financial information presented in the consolidated management report.**

_Market shares (%) - As at December 2022, if no other period is specified

_Spain

- **Market share in credit to households and companies:** data produced by CaixaBank based on official data (Bank of Spain). Total credit to non-financial resident companies.
- **Share of private customers in Spain:** percentage of the market dominated by CaixaBank in terms of customers. The universe comprises bank account holders over the age of 18 years living in towns of more than 2,000 inhabitants. Source: FRS *Inmark*.
- **Market share in POS:** data produced by CaixaBank based on official data (Bank of Spain).
- **Market share in long-term savings:** Includes investment funds (including SICAVs, managed portfolios), pension plans and savings insurance.

_Portugal

- **Market share in consumer credit:** Accumulated contracts during the year according to instruction no. 14/2013 of the Bank of Portugal. Source: Bank of Portugal/Bank Customer Website.
- **Market share in household and business deposits:** demand and term deposits. Source: Data produced by CaixaBank based on official data (Bank of Portugal - *Monetary and Financial Statistics).*
- **Market share in investment funds:** Source: APFIPP (Portuguese Association of Investment Funds, Pension Funds and Asset Management) - Mutual Funds.
- **Market share in mortgage loans:** total resident mortgage loans including securitised loans (estimate). Data produced by CaixaBank based on official data (Bank of Portugal - *Monetary and Financial Statistics).*
- **Market share in salary direct deposits:** number of salary direct deposits corrected by a factor of 95% due to unavailable information in the Portuguese market. It is considered that 95% of salaried employees receive their salary by direct deposit. Source: National Statistics Institute (INE).
- **Market share in insurance:** data based on official data. Source: APS (Portuguese Association of Insurers).

_General

- **Contribution to Gross Domestic Product (%):** total contribution of CaixaBank (direct and indirect) to GDP is measured by dividing Gross Value Added (GVA) by GDP. The GVA of CaixaBank Group's businesses in Spain and Portugal is calculated as the gross income (excluding gains/losses on financial assets and liabilities and others) minus general expenses. The GVA for the businesses (excluding shareholdings) is multiplied by the fiscal multiplier to include indirect contributions. Source: CaixaBank *Research*.
- **Portfolio exposure to carbon-intensive sectors on financial instruments**:ratio of credit exposure, fixed income and carbon-intensive equities to total CaixaBank Group financial instruments. Some exposures may contain a mix of power generation that includes renewable energies.Indicator aligned with the TCFD.
- **Percentage of citizens with a branch in their municipality:** percentage of population in Spain in municipalities where CaixaBank has a branch (retail office or dependent window).
- **Digital customers:** Customers individuals in Spain with access to CaixaBank's online banking in the last 6 months.
- **Customer:** any natural or legal person with a total position equal to or greater than €5 in the Entity that has made at least two non-automatic movements in the last two months.
- **Linked customers:** Customers individuals in Spain with 3 or more product families.
- **Free float (%):** The number of shares available for the public, calculated as the number of issued shares minus the shares held in the treasury, advisers, and shareholders represented on the Board of Directors.
- **Investment (business model context):** balance of managed loans excluding investments on a fee or commission basis, foreclosed assets and cash.
- **Investment in development and technology:** total amount invested in items identified as technology and computing, taking into account both current expenditure and activable elements, and including, among others, maintenance of infrastructure and software, development projects (digital channels, cybersecurity, business development, regulatory), telecommunications, acquisition of equipment and software, licences and rights of use.
- **Number of job positions generated through the multiplier effect of purchases from suppliers:** Indicator estimated based on the GVA of CaixaBank, Spanish and Portuguese GDP, the % of employment and productivity per worker according to National Accounting, and based on the input/output tables of the National Statistics Institutes (INE) of both countries with 4th-quarter data. Source: CaixaBank *Research*.
- **Branches:** number of total centres. It includes retail branches and other specialised segments. It does not include windows (public service centres that are displaced, lack a main manager and are dependent on another main branch). It does not include branches and offices outside Spain or virtual/digital offices.
- **Accessible branch:** a branch is deemed to be accessible when its features enable all types of people, regardless of their abilities, to enter, move around, navigate, identify, understand and make use of the available services and facilities, and to communicate with staff. The branch must also comply with current regulations.
- ***Ofibuses:*** mobile branches that offer services in different municipalities with different daily routes and, depending on the demand, visit the locations where they provide services once or several times a month. In addition to preventing the financial exclusion of rural areas, this service preserves the direct relationship with the customers who reside in these locations and upholds the company's commitment to the agricultural and livestock sectors.
- **Active supplier:** Defined as an active supplier. Those suppliers that meet the following requirements:
  - Has an active contract in Ariba with an agreement date in the last 3 years.
  - Invoiced in the current or previous year.
  - Participated in a negotiation in the last 12 months.
- **Resources and values managed (business model context):** balance of resources managed on the balance sheet and off-balance sheet.

_Customer experience and quality

- **Customer Experience Index (CX):** measures the overall customer experience of CaixaBank on a scale of 0 to 100, in each business.
- ***Net Promoter Score* (NPS):** measures recommendations by CaixaBank customers on a scale of 0 to 10. The Index is the result of the difference between % Promoter customers (ratings 9-10) and Detractor customers (ratings 0-6).

_Human Resources

- **Number of work-related accidents:** total number of accidents with and without sick leave occurring in the company during the whole year.
- **Serious accident:** injuries that pose a risk of death or could cause sequelae resulting in permanent disability with regard to carrying out the usual occupation (partial PD or total PD).
- **Wage gap (%):** estimates the impact of gender on salary (determined through a model of multiple linear regression of salary, calculated as the sum of fixed and variable remuneration, on gender and other relevant factors, including age, longevity, longevity in duty, professional duty and level) and average salary of the company. The sample excludes duties (homogenous groups) of fewer than 50 observations (people) in CaixaBank, S.A. due to the fact that there are insufficient samples to infer statistically solid conclusions, although this aspect has not been extended to the subsidiaries due to the model's loss of predictive power.
- **Number of employees with disabilities:** employees working at the Company with a recognised degree of disability equal to or greater than 33%.
- **Hours of absenteeism (manageable):** total hours of manageable absenteeism (illness and accidents).
- **Hours of training per employee:** total hours of training of all staff during the year divided by average staff.
- **Investment in employee training (€):** Total investment in training for the year divided by average staff.
- **Manageable absenteeism rate (%):** total hours of manageable absenteeism (illness and accidents) over total working hours.
- **Accident frequency index (Accident Rate):** number of accidents resulting in sick leave divided by the total hours worked, multiplied by 10 to the power of 6. The rate does not include accidents which happen on an employee's way to or from work, as they are outside of work hours. In addition, it includes all real hours of work and excludes any permitted forms of absence, holidays, and sick leave.
- **Women in management positions from deputy managers of large branches and up (%):** percentage of women in assistant management positions of A or B offices (or above) over the total number of employees in managerial positions. Data calculated for CaixaBank, S.A.
- **New additions:** total new hires during the year (even if no longer remaining in the company).
- **Number of employees certified in financial advice (MiFiD II):** Number of employees who have passed the Financial Advice Information Course (CIAF). Other related courses officially recognised by the National Securities Market Commission (CNMV) are also included in this calculation.
- **% Certified professionals:** quotient between the number of certified employees and total employees that form part of the Premier and Private Banking group.
- **Average remuneration:** average total remuneration (annual remuneration, variable paid in the year, social benefits such as savings and risk contributions to the Pension Fund, financial aid for studies for employees and their children, health insurance and other non-wage supplements such as compensation for meals, car rental, etc.).
- **Average remuneration of board members:** average remuneration of the Board of Directors, including variable remuneration, allowances, severance, long-term savings provisions, and other income.
- **Total employees:** workforce at year-end. Grant holders and ETTs (Temporary employment agencies) are not considered.
- **Commitment Study:** quantitative analysis of the level of employee engagement and experience in different dimensions of the organisational environment related to their motivation and effectiveness, considering trends, market comparisons and specific results by different employee segments (organisational area, generation, gender, etc.).
- **Number of employees who have passed the Financial Advice Information Course (CIAF)**.Other related courses officially recognised by the National Securities Market Commission (CNMV) are also included in this calculation.

_Sustainability

- **Portfolio exposure to carbon-intensive sectors on financial instruments** ratio of credit exposure, fixed income and carbon-intensive equities to total CaixaBank Group financial instruments. Some exposures may contain a mix of power generation that includes renewable energies. Indicator aligned with the TCFD.
- **Electricity consumption:** calculated for the network of branches and corporate centres of CaixaBank, S.A. in MWh. Consumption of data per employee is calculated over average staff for the year.
- **Paper consumption:** calculated for the network of branches and corporate centres of CaixaBank, S.A. in tonnes. Consumption of data per employee is calculated over average staff for the year.
- **Water consumption:** estimate based on a sample of corporate buildings and branches in the CaixaBank, S.A. corporate network.
- **Micro-credits:** small amount collateral-free loans to individuals whose economic and social circumstances make access to traditional bank financing difficult. Its purpose is to promote productive activity, job creation and personal and family development.
- **Other financing with social impact:** loans that contribute to generating a positive and measurable social impact on society, aimed at sectors related to entrepreneurship and innovation, the social economy, education and health. Its aim is to contribute to maximising social impact in these sectors.
- **Businesses created thanks to support for entrepreneurs:** the start of business is considered when the operation is carried out between 6 months before and 2 years after the start of the activity.
- **Number of jobs created thanks to support for entrepreneurs:** this figure includes the number of jobs created by entrepreneurs who have received financing from MicroBank through microloans and loans (collateral-free loans, aimed at customers with difficulties accessing traditional bank financing).
- **Social housing:** portfolio of properties owned by the Group in which the tenant's situation of vulnerability is considered when setting the conditions of the lease
- **MicroBank beneficiaries:**Number of holders and co-holders of microloans granted by MicroBank in the 2022-2024 period.
- **Mobilisation of sustainable finances (Spain business):** The amount of sustainable finance mobilisation includes: i) Sustainable mortgage financing (A "or" B "energy efficiency certificate), financing for energy renovation of homes, financing of hybrid/electric vehicles, financing of photovoltaic panels, eco-financing and microloans granted by MicroBank; Sustainable financing for Companies, Developers and CIB&IB The amount considered for the purpose of the transfer of sustainable financing is the risk limit formalised in sustainable financing operations for customers, including long-term, working capital and risk of signing. Tacit or explicit novations and renewals of sustainable financing are also considered; ii) CaixaBank's proportional share of its customers'issuance and placement of sustainable bonds (green, social or mixed); iii) Net increase in Assets under management at CaixaBank Asset Management in products classified under Art. 8 and 9 of the SFDR regulations (includes new funds/mergers of funds registered as Art. 8 and 9, plus net contributions - contributions less withdrawals - including the effect of the market on the valuation of holdings); Gross increase in assets under management in VidaCaixa in products classified under Art. 8 and 9 of the SFDR regulations (including gross contributions - without considering withdrawals or market effect - to Pension Funds (FFPP), Voluntary Social Welfare Schemes (EPSV) and Unit Linked classified as Art. 8 and 9 under SFDR.
- **SFDR** (*Sustainable Finance Disclosure Regulation)*. EU Regulation on Disclosures of Sustainable Finance.
- **Mobilisation of sustainable finances - Portugal business:** includes credit for both Companies (Companies + CIB + Institutions) and Individuals, as well as participation in the placement of sustainable bonds. In relation to sustainable intermediation, Articles 8 and 9 Funds and Insurance are included, under SFDR, both for liquid fundraising and transformation, as well as third party funds.

_Financial information

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 otherwise stated.

_Alternative Performance Measures used by the Group

_Profitability and cost-to-income

_Customer spread:

Explanation: difference between:

Average rate of return on loans (income from loans and advances divided by the net average balance of loans and advances for the period).
Average rate for retail customer funds (annualised quarterly cost of retail customers divided by the average balance of those same retail customer funds, excluding subordinated liabilities that can be classified as retail).

N.B.: 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 Bank to track the spread between interest income and costs for customers.

		2020	2021	2022
Numerator	Income from credit portfolio	4,448	5,189	6,254
Denominator	Net average balance of loans and advances to customers	223,864	309,767	336,696
(a)	**Average yield rate on loans (%)**	**1.99**	**1.68**	**1.86**
Numerator	Cost of customer funds on balance sheet	33	4	136
Denominator	Average balance of on-balance sheet retail customers funds	230,533	337,183	386,597
(b)	**Average cost rate of retail customer funds (%)**	**0.01**	**0.00**	**0.04**
Customer spread (%) (a - b)		**1.98**	**1.68**	**1.82**
Numerator	Income from credit portfolio	6,282	5,607	6,254
Denominator	Net average balance of loans and advances to customers	339,719	338,352	336,696
(a)	**Average yield rate on loans (%)**	**1.85**	**1.66**	**1.86**
Numerator	Cost of customer funds on balance sheet	47	7	136
Denominator	Average balance of on-balance sheet retail customers funds	346,928	366,291	386,597
(b)	**Average cost rate of retail customer funds (%)**	**0.01**	**0.00**	**0.04**
Proforma customer spread (%) (a - b)		**1.84**	**1.66**	**1.82**

_Balance sheet spread:

Explanation: difference between:

Average rate of return on assets (interest income divided by total average assets for the period).

Average cost of funds (interest expenses divided by total average funds for the period).

N.B.: 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.

		2020	2021	2022
Numerator	Financial income	6,764	7,893	9,234
Denominator	Average total assets for the quarter	432,706	628,707	698,644
(a)	**Average return rate on assets (%)**	**1.56**	**1.26**	**1.32**
Numerator	Financial expenses	1,864	1,918	2,318
Denominator	Average total funds for the quarter	432,706	628,707	698,644
(b)	**Average cost of fund rate (%)**	**0.43**	**0.30**	**0.33**
Balance sheet spread (%) (a - b)		**1.13**	**0.96**	**0.99**
Numerator	Financial income	9,032	8,421	9,234
Denominator	Average total assets for the quarter	642,503	679,557	698,644
(a)	**Average return rate on assets (%)**	**1.41**	**1.24**	**1.32**
Numerator	Financial expenses	2,216	1,999	2,318
Denominator	Average total funds for the quarter	642,503	679,557	698,644
(b)	**Average cost of fund rate (%)**	**0.34**	**0.29**	**0.33**
Proforma balance sheet spread (%) (a - b)		**1.07**	**0.95**	**0.99**

_ROE:

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

> ***ROE:***

> ***Numerator:*** *Attributable profit/(loss) for the last 12 months, including impacts in 2021 from the merger.*

> ***Denominator:*** *Includes as of 31 March 2021 the increase of shareholder equity from the merger with Bankia.*

> ***ROE ex M&A impacts:***

> *The impacts associated with the merger in the numerator are eliminated in 2021.*

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

		2020	2021	2022
(a)	Profit/(loss) attributable to the Group 12M	1,381	5,226	3,145
(b)	*Additional Tier 1* coupon	(143)	(244)	(261)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**1,238**	**4,981**	**2,884**
(c)	Average shareholder equity 12M	26,406	34,516	36,822
(d)	Average valuation adjustments 12M	(1,647)	(1,689)	(1,943)
Denominator	**Average shareholder equity + valuation adjustments 12M (c+d)**	**24,759**	**32,827**	**34,880**
ROE (%)		**5.0%**	**15.2%**	**8.3%**
(e)	Extraordinary income from the merger	-	2,867	-
Numerator	**Adjusted numerator 12M (a+b-e)**	**-**	**2,115**	**-**
ROE (%) ex M&A impacts		**-**	**6.4%**	**-**

_ROTE:

Explanation: quotient between:

Profit/(loss) attributable to the Group (adjusted by the amount of the *Additional Tier 1* coupon reported in 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 impairment allowances, recognised in Investments in joint ventures and associates in the public balance sheet).

> ***ROTE:***

> ***Numerator:*** *Attributable profit/(loss) for the last 12 months, including impacts in 2021 from the merger.*

> ***Denominator:*** *Includes as of 31 March 2021 the increase of shareholder equity from the merger with Bankia.*

> ***ROTE ex M&A impacts:***

> *The impacts associated with the merger in the numerator are eliminated in 2021.*

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

		2020	2021	2022
(a)	Profit/(loss) attributable to the Group 12M	1,381	5,226	3,145
(b)	*Additional Tier 1* coupon	(143)	(244)	(261)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**1,238**	**4,981**	**2,884**
(c)	Average shareholder equity 12M	26,406	34,516	36,822
(d)	Average valuation adjustments 12M	(1,647)	(1,689)	(1,943)
(e)	Average intangible assets 12M	(4,295)	(4,948)	(5,347)
Denominator	**Average shareholder equity + valuation adjustments excluding intangible assets 12M (c+d+e)**	**20,463**	**27,879**	**29,533**
ROTE (%)		**6.1%**	**17.9%**	**9.8%**
(f)	Extraordinary income from the merger	-	2,867	-
Numerator	**Adjusted numerator 12M (a+b-f)**	-	**2,115**	-
ROTE (%) ex M&A impacts		-	**7.6%**	-

_ROA:

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

> ***ROA:***

> ***Numerator:*** *Attributable profit/(loss) for the last 12 months, including impacts in 2021 from the merger.*

> ***Denominator:*** *Includes as of 31 March 2021 the increase of average total assets from the merger with Bankia.*

> ***ROA ex M&A impacts:***

> ***Numerator:*** *The extraordinary impacts associated with the merger are eliminated in 2021.*

Purpose: measures the level of return relative to assets.

		2020	2021	2022
(a)	Profit/(loss) for the period after tax and before minority interest 12M	1,382	5,229	3,149
(b)	*Additional Tier 1* coupon	(143)	(244)	(261)
Numerator	**Adjusted net profit 12M (a+b)**	**1,238**	**4,984**	**2,888**
Denominator	**Average total assets 12M**	**433,785**	**628,707**	**698,644**
ROA (%)		**0.3%**	**0.8%**	**0.4%**
(c)	Extraordinary income from the merger	-	2,867	-
Numerator	**Adjusted numerator 12M (a+b-c)**	-	**2,118**	-
ROA (%) ex M&A impacts		-	**0.3%**	-

_RORWA:

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

> ***RORWA:***

> > ***Numerator:*** *Attributable profit/(loss) for the last 12 months, including extraordinary impacts in 2021 from the merger.*

> > ***Denominator:*** *Includes as of 31 March 2021 the increase of average risk-weighted assets from the merger with Bankia.*

> ***RORWA ex M&A impacts:***

> > ***Numerator:*** *The extraordinary impacts associated with the merger are eliminated in 2021.*

Purpose: measures the return based on risk weighted assets.

		2020	2021	2022
(a)	Profit/(loss) for the period after tax and before minority interest 12M	1,382	5,229	3,149
(b)	*Additional Tier 1* coupon	(143)	(244)	(261)
Numerator	**Adjusted net profit 12M (a+b)**	**1,238**	**4,984**	**2,888**
Denominator	**Risk-weighted assets (regulatory) 12M**	**146,709**	**200,869**	**215,077**
RORWA (%)		**0.8%**	**2.5%**	**1.3%**
(c)	Extraordinary income from the merger	-	2,867	-
Numerator	**Adjusted numerator 12M (a+b-c)**	-	**2,118**	-
RORWA (%) ex M&A impacts		-	**1.1%**	-

_*Core* income:

Explanation: Sum of net interest income, fee and commission income, income from the life-risk insurance business, and income from insurance investees.

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

		2020	2021	2022
(a)	Net interest income	4,900	5,975	6,916
(b)	Equity method banking insurance	236	267	206
(c)	Net fee and commission income	2,576	3,705	4,009
(d)	Income and expense under insurance or reinsurance contracts	598	651	866
***Core* income (a+b+c+d)**		**8,310**	**10,597**	**11,997**
(a)	Net interest income	6,816	6,422	-
(b)	Equity method banking insurance	306	279	-
(c)	Net fee and commission income	3,736	3,987	-
(d)	Income and expense under insurance or reinsurance contracts	598	651	-
Proforma *Core* Income (a+b+c+d)		**11,456**	**11,339**	-

_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.

		2020	2021	2022
Numerator	Administrative expenses, depreciation and amortisation 12M	4,579	8,049	6,070
Denominator	Gross income 12M	8,409	10,274	11,594
Cost-to-income ratio		**54.5%**	**78.3%**	**52.4%**
Numerator	Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M	4,579	5,930	6,020
Denominator	Gross income 12M	8,409	10,274	11,594
Cost-to-income ratio stripping out extraordinary expenses		**54.5%**	**57.7%**	**51.9%**
Numerator	Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M	4,579	5,930	6,020
Denominator	Core income 12M	8,310	10,597	11,997
Core cost-to-income ratio		**55.1%**	**56.0%**	**50.2%**
Numerator	Administrative expenses, depreciation and amortisation 12M	6,311	6,374	-
Denominator	Gross income 12M	11,311	10,985	-
Proforma cost-to-income ratio		**55.8%**	**58%**	-
Numerator	Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M	6,311	6,374	-
Denominator	Core income 12M	11,456	11,339	-
Proforma core cost-to-income ratio		**55.1%**	**56.2%**	-

_Risk management

_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 insolvency allowances on the loan book.

		2020	2021	2022
Numerator	Allowances for insolvency risk 12M	1,915	838	982
Denominator	Average of gross loans + contingent liabilities 12M	255,548	363,368	386,862
Cost of risk (%)		0.75%	0.23%	0.25%

_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 and quality of the loan portfolio.

		2020	2021	2022
Numerator	Non-performing loans and contingent liabilities	8,601	13,634	10,690
Denominator	Total gross loans and contingent liabilities	260,794	380,160	391,199
Non-performing loan ratio (%)		3.3%	3.6%	2.7%

_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.

		2020	2021	2022
Numerator	Provisions on loans and contingent liabilities	5,755	8,625	7,867
Denominator	Non-performing loans and contingent liabilities	8,601	13,634	10,690
Coverage ratio (%)		67%	63%	74%

_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.

		2020	2021	2022
(a)	Gross debt cancelled at the foreclosure	1,613	4,417	3,774
(b)	Net book value of the foreclosed asset	930	2,279	1,893
Numerator	**Total coverage of the foreclosed asset (a - b)**	**683**	**2,138**	**1,881**
Denominator	**Gross debt cancelled at the foreclosure**	**1,613**	**4,417**	**3,774**
Real estate available for sale coverage ratio (%)		42%	48%	50%

_Real estate available for sale coverage ratio with accounting provisions:

Explanation: quotient between:

Accounting provision: 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.

		2020	2021	2022
Numerator	**Accounting provisions of the foreclosed assets**	**488**	**1,006**	**952**
(a)	Net book value of the foreclosed asset	930	2,279	1,893
(b)	Accounting provisions of the foreclosed assets	488	1,006	952
Denominator	**Gross book value of the foreclosed asset (a + b)**	**1,418**	**3,285**	**2,845**
Real estate available for sale accounting coverage ratio (%)		34%	31 %	33 %

_Liquidity

_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.

		2020	2021	2022
(a)	High Quality Liquid Assets (HQLAs)	95,367	167,290	95,063
(b)	Available balance under the ECB facility (non-HQLAs)	19,084	1,059	43,947
Total liquid assets (a + b)		114,451	168,349	139,010

_*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 (allows us to value the proportion of retail lending being funded by customer funds).

		2020	2021	2022
Numerator	**Loans and advances to customers, net (a-b-c)**	**234,877**	**340,948**	**350,670**
(a)	Loans and advances to customers, gross	243,924	352,951	361,323
(b)	Provisions for insolvency risk	5,620	8,265	7,408
(c)	Brokered loans	3,426	3,738	3,245
Denominator	**Customer deposits and accruals (d+e)**	**242,242**	**384,279**	**386,054**
(d)	Customer deposits	242,234	384,270	386,017
(e)	Accruals included in Reverse repurchase agreements and other	20	9	37
Loan to Deposits (%)		97%	89%	91%

_Stock market ratios _Earnings per share (EPS):

Explanation: 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.

N.B.: The average number of shares outstanding is calculated as average number of shares less the average number of treasury shares. The average is calculated as the average number of shares at the closing of each month of the analysed period. The impacts associated with the merger in the numerator are eliminated in 2022.

		2020	2021	2022
(a)	Profit/(loss) attributable to the Group 12M	1,381	5,226	3,145
(b)	*Additional Tier 1* coupon	(143)	(244)	(261)
Numerator	**Adjusted profit attributable to the Group (a+b)**	**1,238**	**4,981**	**2,884**
Denominator	**Average number of shares outstanding, net of treasury shares (c)**	**5,978**	**7,575**	**7,819**
EPS (Earnings per share)		**0.21**	**0.66**	**0.37**
(d)	Extraordinary income from the merger	-	2,867	-
Numerator	**Adjusted numerator (a+b-d)**	-	**2,115**	-
EPS (Earnings per share) ex M&A impacts		-	**0.28**	-

_PER (Price-to-earnings ratio):

Explanation: share price at the closing of the analysed period divided by earnings per share (EPS).

		2020	2021	2022
Numerator	Share price at end of period	2.101	2.414	3,672
Denominator	Earnings per share (EPS)	0.21	0.66	0.37
PER *(Price-to-earnings ratio)*		**10.14**	**3.67**	**9.95**
Denominator	Earnings per share (EPS) ex M&A impacts		0.28	
PER (Price-to-earnings ratio) ex M&A impacts			**8.65**	

_Dividend yield:

Explanation: dividends paid (in shares or cash) in the last year divided by the period-end share price.

		2020	2021	2022
Numerator	Dividends paid (in shares or cash) last year	0.07	0.03	0.15
Denominator	Share price at end of period	2.101	2.414	3,672
Dividend yield		**3.33%**	**1.11%**	**3.98%**

_BVPS (Book value per share):

Explanation: equity less minority interests divided by the number of fully diluted shares outstanding at a specific date.

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

- ***TBVPS*** *(Tangible book value per share): quotient between:*
  - ***Equity*** *less minority interests and intangible assets.*
  - ***The number of fully-diluted shares*** *outstanding at a specific date.*
- ***P/BV:*** *share price at the close of the period divided by book value.*
- ***P/TBV:*** *share price at the close of the period divided by tangible book value.*

		2020	2021	2022
(a)	Equity	25,278	35,425	34,263
(b)	Minority interests	(26)	(31)	(32)
Numerator	**Adjusted equity (c = a+b)**	**25,252**	**35,394**	**34,230**
Denominator	**Shares outstanding, net of treasury shares (d)**	**5,977**	**8,053**	**7,494**
e= (c/d)	**Book value per share (€/share)**	**4.22**	**4.39**	**4.57**
(f)	Intangible assets (reduce adjusted equity)	(4,363)	(5,316)	(5,594)
g=((c+f)/d)	**Tangible book value per share (€/share)**	**3.49**	**3.73**	**3.82**
(h)	Share price at end of period	2.101	2.414	3,672
h/e	**P/BV (Share price divided by book value)**	**0.50**	**0.55**	**0.80**
h/g	**P/TBV tangible (Share price divided by tangible book value)**	**0.60**	**0.65**	**0.96**

_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.

> Negative goodwill recognised in profit or loss.

> Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net).

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

> Profit/(loss) for the period attributable to minority interests (non-controlling interests).

> Profit/(loss) after tax from discontinued operations.

_Reconciliation of activity indicators using management criteria

_Loans and advances to customers, gross

December 2022 (€ million)

_Financial assets at amortised cost - Customers (public balance sheet)	**352,834**
Reverse repurchase agreements (public and private sector)	(52)
Clearing houses	(1,745)
Other, non-retail, financial assets	(462)
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 - Public debt securities, Balance Sheet)	**3,290**
Fixed income bonds considered retail financing (Assets under the insurance business - Balance Sheet)	**1**
Provisions for insolvency risk	**7,408**
Loans and advances to customers (gross) using management criteria	361,323

_Liabilities under insurance contracts

December 2022 (€ million)

Liabilities under the insurance business (Public Balance Sheet)	**65,654**
Capital gains/(losses) under the insurance business (excluding unit link and other)	1,813
Liabilities under the insurance business, using management criteria	67,467

_Customer funds

December 2022 (€ million)

Financial liabilities at amortised cost - Customers deposits (Public Balance Sheet)	**393,060**
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customer deposits)	**(5,722)**
Multi-issuer covered bonds and subordinated deposits	(4,668)
Counterparties and others	(1,053)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	**1,309**
Retail issues and other	1,309
Liabilities under insurance contracts under management criteria	**67,467**
Total on-balance sheet customer funds	456,115
Assets under management	**144,832**
Other accounts[1]	**8,186**
Total customer funds	609,133

[1] Includes mainly temporary funds associated with transfers and collections.

_Institutional issuances for banking liquidity purposes

December 2022 (€ million)

Financial liabilities at amortised cost - Debt securities issued (Public Balance Sheet)	**52,608**
Institutional financing not considered for the purpose of managing bank liquidity	**(4,094)**
Securitisation bonds	(1,175)
Value adjustments	(1,984)
Retail	(1,309)
Issues acquired by companies within the group and other	373
Customer deposits for the purpose of managing bank liquidity[2]	**4,668**
Institutional financing for the purpose of managing bank liquidity	53,182

[2] 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)

December 2022 (€ million)

Non-current assets and disposal groups classified as held for sale (Public Balance Sheet)	**2,426**
Other non-foreclosed assets	(0.573)
Inventories under the heading - Other assets (Public Balance Sheet)	**40**
Foreclosed available for sale real estate assets	1,893
Tangible assets (Public Balance Sheet)	7,516
Tangible assets for own use	(5,919)
Other assets	(312)
Foreclosed rental real estate assets	1,285

_Group structure

CaixaBank Group 44,625 >> **CaixaBank, S.A.** 36,089 | Credit institution Spain

GROUP ENTITIES

>BUSINESS SUPPORT

- **731 CaixaBank Operational Services (100%)** → Services for back office administration
- **739 CaixaBank Tech (100%)** → Provision of IT services
- **0 Centro de Servicios Operativos Ingeniería de Procesos (100%)** → Services for back office administration
- **210 CaixaBank Facilities Management (100%)** → Project management, maintenance, logistics and procurement
- **137 CaixaBank Business Intelligence (100%)** → Development of digital projects

>BUSINESS ACTIVITY

- **588 CaixaBank Payments & Consumer (100%)** → Consumer finance and payment methods
  - 53 Wivai SelectPlace, S.A.U → Product marketing
  - 8 Telefónica Consumer Finance (50%) → Consumer finance
  - 8 CaixaBank Equipment Finance (100%) → Vehicle and equipment leasing
- **199 Building Center (100%)** → Holder of property assets
  - Bankia Habitat (100%) → Real-estate administration, management and operation
  - Living Center (100%)
- **758 VidaCaixa (100%)** → Life insurance and pension fund management
  - Bankia Vida, S.A. (100%)[2] → Life insurance and pension fund management
  - 70 BPI Vida e Pensões (100%) → Life insurance and pension fund management
  - 18 Sa Nostra Vida (100%)[1] → Insurance
- **248 CaixaBank Asset Management (100%)** → Management of collective investment undertakings
  - 39 BPI Gestão de ativos (100%) → Management of collective investment undertakings
  - 6 CaixaBank AM Luxembourg (100%) → Management of collective investment undertakings
- **4,387 Banco BPI (100%)** → Credit institution Portugal
- **20 Bankia Mediación (100%)** → Bancassurance services operator
- **56 Imaginersgen (100%)** → Management of the bank's youth segment
- **38 Nuevo MicroBank (100%)** → Financing of microloans
- **13 CaixaBank Wealth Management Luxembourg (100%)** → Credit institution Luxembourg
- **11 CaixaBank Titulización (100%)** → Securitisation fund management

ASSOCIATE COMPANIES AND JOINT VENTURES

- → **IT Now (49%)** Technology and IT projects and services
- → **Comercia Global *Payments* Entidad de Pago, S.L (20%)** Payment entity
- → **Servired (41%)** Spanish payment method company
- → **Global Payments Money To Pay, S.L. (49%)** Payment entity
- → **Redsys Servicios de Procesamiento (25%)** Payment methods
- → **Coral Homes (20%)** Real estate services
- → **Gramina Homes (20%)** Real-estate administration, management and operation
- → **SegurCaixa Adeslas (49.9%)** Non-life insurance
- → **Companhia de Seguros Allianz Portugal (35%)** Insurance
- → **Unicre (21%)** Payment methods
- → **Cosec (50%)** Credit insurance
- → **Banco comercial e de Investimentos (36%)** Credit institution in Mozambique

N.B.: The most significant entities are included according to their contribution to the Group, excluding shareholder operations (dividends), extraordinary operations and non-core activities: Inversiones Inmobiliarias Teguise Resort S.L. (135 employees), Líderes de Empresa Siglo XXI, S.L. (7), among others.

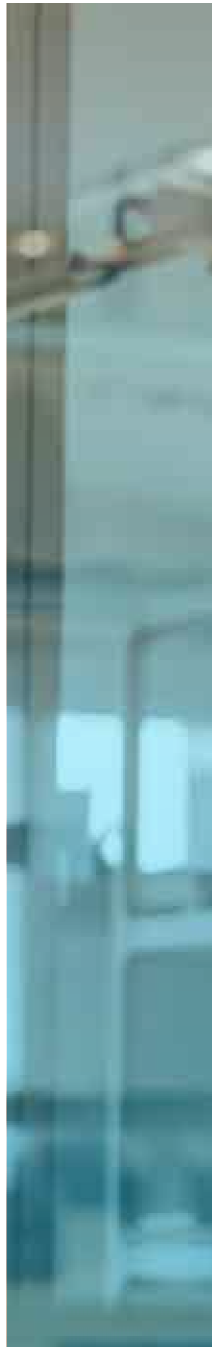
→ Number of employees. Company subgroups. (%) Percentage of stake at 31 December 2022.

[1] On 27 June 2022 CaixaBank reached an agreement with CASER for its subsidiary VidaCaixa to purchase from it its 81.31% stake in the share capital of Sa Nostra Vida, a life insurance and pension plan company operating in the Balearic Islands, which was completed in November 2022. Also in November 2022, CaixaBank transferred the remaining 18.69% of Sa Nostra Vida's share capital to VidaCaixa, thus reaching 100% of Sa Nostra Vida.

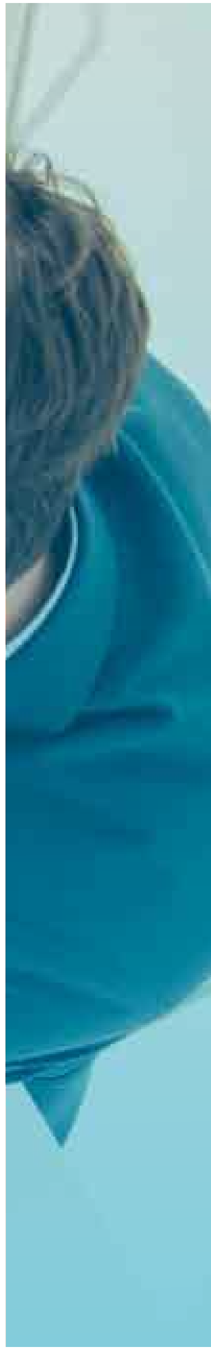
[2] In November 2022, Bankia Vida, S.A. merged into VidaCaixa.

13 Annexes

CaixaBank



Independent verification report



CaixaBank

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

Independent verification report

To the shareholders of CaixaBank, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the Consolidated Non-Financial Information Statement (hereinafter 'NFIS') for the year ended 31 December 2022 of CaixaBank, S.A. (Parent company) and subsidiaries (hereinafter 'CaixaBank' or the Group) which forms part of the accompanying CaixaBank's Consolidated Management Report (hereinafter 'CMR').

The content of the CMR includes additional information to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in tables included in the accompanying CMR:

- 'Law 11/2018 and Taxonomy Regulation, Table of contents',
- 'Global Reporting Initiative (GRI)',
- 'Sustainability Accounting Standards Board (SASB)', and
- "UNEPFI" sections:
    - 2.1 Impact Analysis,
    - 2.2 Target Setting,
    - 2.3 Target Implementation and Monitoring and
    - 5.1 Governance Structure for Implementation of the Principles.

Responsibility of the directors of the Parent company

The preparation of the NFIS included in CaixaBank's CMR and the content thereof are the responsibility of the directors of CaixaBank, S.A. The NFIS has been drawn up in accordance with:

- The provisions of current mercantile legislation and using as a reference the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) as well as those other criteria described as per the details provided for each matter in tables 'Law 11/2018 and Taxonomy Regulation, Table of contents' and 'Global Reporting Initiative (GRI)' of the CMR.

- The criteria of the Sustainability Accounting Standard for Commercial Banks sector of Sustainability Accounting Standards Board (SASB) described as per the details provided for each matter in table 'Sustainability Accounting Standards Board (SASB)' of the CMR.

- The criteria described in the Reporting and Self-Assessment Template of the United Nations' Principles for Responsible Banking (PRB) promoted by the United Nations Environment Programme Finance Initiative (UNEP FI) for sections 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring and 5.1 Governance Structure for Implementation of the Principles included in table 'UNEPFI'.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the NFIS to be free of material misstatement due to fraud or error.

PricewaterhouseCoopers Auditores, S.L., Pº de la Alameda, 35 Bis, 46023 Valencia, España
Tel.: +34 963 036 900 / +34 902 021 111, Fax: +34 963 036 901, www.pwc.es

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

The directors of CaixaBank, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.

Our independence and quality management

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ('IESBA Code') which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements 3000 Revised, 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), in the Guidelines for verification engagements of the Non-Financial Information Statement issued by the Spanish Institute of Auditors ('Instituto de Censores Jurados de Cuentas de España') and in the UNEP FI Guidance for assurance providers Providing Limited Assurance for Reporting on Principles for Responsible Banking issued by the United Nations Environment Programme Finance Initiative (UNEP FI).

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of CaixaBank that were involved in the preparation of the NFIS, of the review of the processes for compiling and validating the information presented in the NFIS, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the CaixaBank personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.

- Analysis of the scope, relevance and integrity of the content of the NFIS for the year 2022, based on the materiality analysis carried out by CaixaBank and described in section 'Materiality', taking into account the content required by current mercantile legislation.

- Analysis of the procedures used to compile and validate the information presented in the NFIS for the year 2022.

- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the NFIS for the year 2022.

- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2022 and that it was adequately compiled using data provided by the sources of the information.

- Obtaining a management representation letter from the directors and management of Parent company.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that NFIS of CaixaBank, S.A. and subsidiaries for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with:

- The provisions of current mercantile legislation and using as a reference the criteria of the GRI Standards as well as those other criteria described as per the details provided for each matter in tables 'Law 11/2018 and Taxonomy Regulation, Table of contents' and 'Global Reporting Initiative (GRI)' of the CMR.

- The criteria of the Sustainability Accounting Standard for Commercial Banks sector of th Sustainability Accounting Standards Board (SASB) described as per the details provided for each matter in table 'Sustainability Accounting Standards Board (SASB)' of the CMR.

- The criteria described in the Reporting and Self-Assessment Template of the United Nations' Principles for Responsible Banking (PRB) promoted by the United Nations Environment Programme Finance Initiative (UNEP FI) for sections 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring and 5.1 Governance Structure for Implementation of the Principles included in table 'UNEPFI'.

Emphasis of matter

The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments establishes the obligation to disclose information on the manner and extent to which the company's investments are associated with eligible economic activities according to the Taxonomy. For such purposes, CaixaBank's directors have incorporated information on the criteria that, in their opinion, best allow compliance with the aforementioned obligation and that are defined in sections 'Sustainable business - Green taxonomy' and 'Taxonomy Regulation (EU) 2020/852 and Delegated Acts' of the accompanying CMR. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Juan Ignacio Marull Guasch

17 February 2023

Annual Corporate Governance Report

CaixaBank

Below is the **Annual Corporate Governance Report of CaixaBank, S.A.** (hereinafter CaixaBank or the Company) for the **2022 financial year,** prepared in free format,

and it comprises the chapter on "Corporate Governance" in the Group Management Report, alongside sections F (ICFR) and G (Extent of compliance with corporate governance recommendations), the Reconciliation table and the "Statistical appendix to the ACGR" presented below.

The ACGR, in its consolidated version, is available on the corporate website of CaixaBank (www.caixabank.com) and on the website of the CNMV. The information contained in the Annual Corporate Governance Report refers to the financial year ending on 31 December 2022. Abbreviations are used throughout the document to refer to the company names of various entities: FBLC ("La Caixa" Banking Foundation), CriteriaCaixa (CriteriaCaixa, S.A.U.); FROB (Fund for Orderly Bank Restructuring); BFA (BFA Tenedora de Acciones, S.A.); as well as CaixaBank governing bodies: the Board (Board of Directors) or the AGM (Annual General Meeting).

Internal Control over Financial Reporting (ICFR) and Risk Management Systems

_Index

_Environment for internal control over financial reporting (F.1)

_Governance and bodies in charge

> GOVERNING BODIES

Board of Directors

Senior body responsible for the existence of adequate and effective ICFR.

Risk Committee

It advises the Board on the Group's overall risk appetite and its strategy in this area, verifying that the Group has the means, systems, structures and resources in line with best practices to implement its strategy for managing any risks that could affect the reliability of financial reporting.

Audit and Control Committee

It monitors the effectiveness of internal control systems by ensuring that internal control policies and systems are effectively implemented, and it also monitors and assesses the effectiveness of financial risk management systems.

Appointments and Sustainability Committee Sustainability

Its functions include proposing the Annual Corporate Governance Report to the Board and supervising and controlling the proper functioning of the Entity's corporate governance system.

> COMMITTEES

Management Committee

Acts as the communications channel between the Board of Directors and Senior Management. It is responsible for developing the consolidated Strategic Plan and Budget, approved by the Board of Directors. In CaixaBank's own sphere of action, the Management Committee adopts resolutions that affect the Bank's organisational life. It also approves structural changes, appointments, expense lines and business strategies.

Global Risk Committee

Responsible for the overall management, control and monitoring of, inter alia, all risks with a potential impact on the reliability of information, as well as the implications for liquidity management, solvency and capital consumption. The Committee therefore will analyse the Group's global risk position and establish policies to optimise the management, monitoring and control of the risks within the framework of its strategic objectives.

> FUNCTIONAL AREAS

Financial Reporting Areas Finance

The Executive Directorate of Financial Accounting, Management and Capital Control is the body that provides most financial reporting and requests the necessary collaboration from the other functional areas of the Company and its Group in order to obtain the level of detail deemed suitable for this information. However, other Directorates are also involved, both in the coordination and the creation of financial reporting.

Information Reliability

Information Reliability Management, who reports to the Directorate of Internal Control and Validation, is responsible for establishing policies and procedures for the management and control of the reliability of financial reporting. It is also responsible for reviewing the implementation of these policies by the financial reporting areas.

CaixaBank has two policies in place that establish the governance framework, management and review of the reliability of financial reporting:

1. **Corporate policy on Information Governance and Data Quality (IGDQ)**, which establishes the Information Governance and Data Quality framework as a compendium of basic rules related to data integrity risk (one of the level 2 risks in the Group's corporate risk catalogue), including management, aggregation, control and use of data.

2. **Corporate policy for the management and control of the reliability of information,** which includes the necessary content for the management and control of the reliability of financial reporting as a whole and whose main objectives are to establish and define:

> A **reference framework** that allows for adequate management and control to ensure the reliability of the financial reporting produced by the company, homogenising the criteria for control and verification activities.

> The **scope** of the financial reporting to be produced.

It should be noted that from July 2022, the reliability of information, including financial information, is no longer considered a level 1 risk in the corporate risk catalogue and is now a critical cross-cutting process. This has not led to any change in the importance given to the need to maintain a suitable control environment that guarantees the Reliability of Information.

Three specific standards derive from this policy, which further describe the activities undertaken:

i) Standard for the management and control of the reliability of information, ii) Pillar III disclosure regulation and iii) Disclosure regulation for Financial Statements, explanatory notes and the management report.

The purpose of the **Standard** for the management and control of the reliability of information is, inter alia, to develop the provisions regarding the ICFR in the "Corporate policy for the management and control of the reliability of information", with the following objectives:

01.
Develop the methodology
applied for the management of ICFR as a whole

02.
Establish the coordination process
With Group entities

03.
Establish activities
of the Directorate for the Reliability of Financial Reporting

04.
Detail the more functional
aspects of the ICFR.

_Organisational structure and responsibility Functions

The review and approval of the organisational structure and the lines of responsibility and authority is carried out by the **CaixaBank Board of Directors**, through the **Management Committee and the Appointments and Sustainability Committee**.

The **Organisation** department designs the corporate structure of CaixaBank, and proposes the necessary organisational changes to the Company's bodies. Subsequently, the **Human Resources Department** proposes appointments to carry out the defined responsibilities.

_Code of Ethics and Principles of Action and other internal policies

CaixaBank has established a series of values, principles and standards inspired by the highest standards of responsibility detailed below:

The **CaixaBank Code of Ethics and Principles of Action** (hereinafter, the "Code of Ethics") is the basis for guiding the actions of the people comprising the company, that is, the employees, directors and members of the Governing Bodies, and it affects all levels in their internal professional relationships with the Company and in their external relationships with customers, suppliers and wider society. By means of the Code of Ethics, CaixaBank aligns itself with the highest national and international standards and takes an active stance against any type of unethical practices and any practices that are contrary to the general principles of action set out in its text.

The Code of Ethics is a company-wide document that serves as a reference for all companies in the Group.These companies' Governing and Management Bodies are tasked with making the necessary decisions to integrate its provisions, by either approving their own Code or adhering to CaixaBank's Code.

CaixaBank's Board of Directors, as the body responsible for establishing the Company's general policies and strategies, is responsible for approving the Code of Ethics, which was last reviewed on March 2021. The Code of Ethics is reviewed biennially or whenever circumstances require it. The following version is therefore expected to be approved in 2023.

CaixaBank bases its corporate and social actions on the Code of Ethic's following **corporate values**:

> **Quality:** understood as the will to serve customers, providing them with excellent service and offering them the products and services that most suit their needs.

> **Trust:** understood as the combination of integrity and professionalism, which is nurtured with empathy, communication, a close relationship and being accessible.

> **Social engagement:** understood as the commitment to not only adding value for customers, shareholders and employees, but also contributing to developing a fairer society with greater equal opportunities. It is CaixaBank's heritage, its founding essence, that which distinguishes it and makes it unique.

Furthermore, its **principles of action**, developed from the corporate values, are as follows:

> Compliance with current laws and standards.

> Respect.

> Integrity.

> Transparency.

> Excellence and Professionalism.

> Confidentiality.

> Social responsibility.

The following content set out in the principles is of note:

- CaixaBank and its employees must act legally, ethically and professionally. CaixaBank's principles of action and reputation cannot be compromised under any circumstances.
- CaixaBank is committed to fully satisfying the financial needs of the greatest number of customers through a **suitable and complete range of products and services** and a commitment to **providing its customers with accurate, truthful and understandable information on their transactions.** Integrity and transparency in the marketing of products and the provision of services is a key aspect for CaixaBank to ensure that these are tailored to the needs of customers by using clear, simple and understandable language in documentation given to customers.
- The commitment to transparency extends to the whole of society in general. In particular, to shareholders and institutional investors through **relevant financial and corporate information;** and the relationship with suppliers, through objective processes and agreements that guarantee best practices in ethics, social and environmental matters.

The values and principles of the Code of Ethics are passed on to CaixaBank Group's suppliers through the Code of Conduct for Suppliers, a mandatory standard that aims to disseminate and promote the values and principles in the suppliers' activities. This is a vital aspect in achieving the services' targets for growth and quality, and its alignment with CaixaBank's position and vocation is essential.

Based on the principles and values of the Code of Ethics, CaixaBank has put in place a company-wide **Code of Conduct**, that is, it is applicable to all the companies comprising the CaixaBank Group. This Code of Conduct was approved by its Governing Bodies. The following points of this Code of Conduct are particularly relevant:

01.
Corporate Policy *on criminal compliance*

Its objective is to ensure that a robust control environment is in place at all times to help prevent and avoid the commission of offences for conduct for which the legal person is criminally liable. This Policy establishes a general framework that guides the CaixaBank Group Crime Prevention Model.

02.
Corporate Anti-corruption Policy

The purpose is to establish a framework for action and rejection of any conduct that may be directly or indirectly related to corruption, in particular, and to the basic principles of action, in general.The scope of action includes both employees of the company and external collaborators, directly or through intermediaries.

03.
General Corporate Policy on Conflicts of Interest at the CaixaBank Group

It provides a global and harmonised framework of general principles and procedures of action to be taken to manage any real or potential conflicts of interest arising in the course of their respective activities and services.

04.
Internal Rules of Conduct for Securities Markets (ICR)

It fosters transparency in markets and uphold the interests of investors in accordance with the investor protection and securities market regulations.

05.
Code of conduct Online

It guarantees the proper use of the resources provided by CaixaBank and raises awareness of the importance of information security among employees. The scope of application extends to all employees and partners with access to the CaixaBank Group IT systems.

06.
Code of Conduct for Suppliers

It establishes the values and ethical principles that will govern the activity of CaixaBank's suppliers of goods and services, subcontractors and third-party collaborators. The Code is applicable to the suppliers of CaixaBank and Group companies with which it shares a purchasing management model.

07.
Corporate Policy on Regulatory Compliance

It establishes and develops the nature of the Regulatory Compliance Function as the component responsible for, inter alia, promoting ethical business principles, reaffirming a corporate culture of respect for the law and ensuring compliance with the law by regularly verifying and assessing the effectiveness of the control environment of the obligations contained therein.

The function ensures the existence of an adequate control environment through the existence of **internal rules and procedures** associated with the main supervised risks, which are as follows:

> Customer Protection

> Markets and integrity

> Tax Compliance

> Data Protection Privacy and Regulatory Compliance Reporting

> Internal Governance

> Prevention of Money Laundering and Sanctions[1].

During the 2022 financial year, CaixaBank successfully passed the follow-up audits for the following certifications:

> UNE/ISO 37301 Certification of Compliance Management Systems

> UNE/ISO 19601 Certification of Criminal Compliance Systems

> UNE/ISO 37001 Certification of Anti-Bribery Management Systems

_Training and circulation

In terms of dissemination of/training on these regulations, it is an essential tool used to raise awareness of the commitment made by CaixaBank and its stakeholders. In this context, the existing training map is detailed below:

> **Annual regulatory training** mandatory for all employees. This training may entail variable remuneration. The training takes place on an internal platform and includes a final test, which makes it possible to ensure the pupil completes the courses successfully. The 2022 regulatory courses were related to Transparency in the Marketing of Banking Products and Payment Services, *Information Security and Prevention of Customer Fraud (Block I and Block II), General Data Protection Regulation CaixaBank and Internal Rules of Conduct.*

> **Microtraining** aimed at a specific audience or at the entire workforce. These courses are designed as training pills with specific content that are launched when there is a need to focus on a specific aspect. In 2022, the company produced a report on Good practices in the marketing of credit cards (*Revolving*).

> **Training for new employees**, who upon joining the company take a package of compulsory courses that include those on the main standards of conduct.

> **Training for new employees[2] within the framework of the CaixaBank Experience programme and other groups (**Private Banking Centres, Business Centres, Business Control and Corporate Investment Banking).Training sessions, inter alia, are held on Compliance, bringing together the main aspects of the risks overseen by Compliance: Integrity, Internal Governance, Conduct/Markets and Prevention of Money Laundering/Sanctions. In 2022, 27 sessions were held.

> **Notices and briefing notes** are sent out to disseminate CaixaBank's values and principles.

> Specialised training. **Members of the Group's Compliance area and other areas of the Bank** are taking a **Postgraduate course in CaixaBank Compliance (UPF)**, the aim of which is to enhance their professional development. In 2022, the fourth and fifth editions began.

Some of these sessions are given to the Bank's Management and Governance Bodies, such as the training on the **Prevention of Money Laundering/Financing of Terrorism/Sanctions** and on **Criminal Responsibility of Legal Persons**, both given **to the Board of Directors**.

[1] Except for the Code of Conduct regarding Data Communication, all the aforementioned standards of conduct are available on the corporate website in its public version ("http://www.caixabank.com"); and internally, they are all accessible via the corporate intranet.
[2] All new recruits are given a document explaining the aforementioned regulations, which they declare they have read, understood and accepted in all its terms, and a questionnaire on compliance with high ethical standards.

_Monitoring and control bodies

Among the main **bodies responsible for monitoring compliance with the regulations**, the following stand out:

> **Corporate Criminal Management Committee,** responsible for overseeing the performance of and compliance with the Criminal Prevention Model. It is a Committee with autonomous powers of initiative and control, with the capacity to raise consultations, request information, propose measures, begin investigations or carry out any process required in relation to crime prevention and managing the Crime Prevention Model.

The multidisciplinary committee is chaired by CaixaBank's Chief Compliance Officer and reports to the CaixaBank Global Risk Committee, to which it provides reports at least every six months and, in any event, whenever the Corporate Criminal Management Committee deems it appropriate. It also informs the Management Committee and Governing Bodies through the Board's Risk Committee (notwithstanding the functions of the Audit and Control Committee in overseeing the internal control system and company's Queries Channel and Whistleblower Channel) when the Corporate Criminal Management Committee submits matters to the Board of Directors.

For companies within CaixaBank's Criminal Perimeter, the Delegate of the Corporate Criminal Management Committee is of note. This person is designated by the governing bodies and/or management of each company and assumes this role as the person with maximum responsibility for monitoring and managing the criminal prevention model at their organisation.

> **ICC Committee**, a collegiate body responsible for overseeing potential breaches of the Internal Code of Conduct.

All potential incidents detected will be reported to the internal committee responsible for applying, where applicable, the disciplinary authority following the opening, analysis, debate and resolution of the cases raised.

_Queries Channel and Whistleblower Channel

In May 2022, the Queries and Whistleblower Channel was separated into a Queries Channel and a Whistleblower Channel in order to improve visibility and accessibility. However, this modification did not modify the guarantees, characteristics and management model as established in the internal regulations.

_Complaints

The **Whistleblower Channel** is a means of communication that the CaixaBank Group makes available to the groups designated by CaixaBank and Group companies to facilitate the confidential and swift reporting of irregularities that may be detected in the course of professional activity and that may involve violations. CaixaBank recognises the following groups: directors, employees, temporary staff, agents and suppliers.

Any whistleblowing should concern acts or behaviour, past or present, related to the scope of the Code of Ethics and Principles of Action, the Corporate Anti-Corruption Policy, the Corporate Policy on Criminal Compliance, the CaixaBank Group Corporate Conflict of Interest Policy, the Internal Code of Conduct in Securities Markets, the Code of Conduct for Suppliers, the Code of Conduct regarding Data Communication or any other policy or internal standards in CaixaBank.

Among the categories/types provided for in the Whistleblower Channel, there is a category for reporting possible **financial and accounting irregularities** in transactions or financial reporting. This is understood to be financial information that does not reflect the rights and obligations through the corresponding assets and liabilities in accordance with applicable regulations, as well as transactions, occurrences or events that:

- Are included in the financial information but which do not exist or which have not been documented at the corresponding time.
- Have not been fully included in the financial information and in which the Company is the party concerned.
- Are not recorded or evaluated in accordance with applicable regulations.
- Are not classified, presented or disclosed in the financial information in accordance with regulations.

If complaints are put forward by customers, they will be submitted to the customer service channels established by CaixaBank for this purpose.

The same is applied to situations of possible harassment, given the importance that CaixaBank Group attaches to dealing with it, for which there is a specific channel managed by a team of specialised managers.

The **main characteristics** of the Channel are as follows:

- **Access** 24 hours a day, 365 days a year, through the following routes:
  - **Directors, Employees (includes any type of employment contract and interns), Temporary Staff, Agents and similar:**
    - Internet.
    - Corporate intranet or similar platform for each Group company with access to the Channel.
    - Financial Terminal (only for CaixaBank).
  - **Suppliers:** through the Supplier Portal:
    - Email.
    - Postal mail.

The concerned party may send the whistleblower complaint at any time, through any type of device (corporate or personal) or medium. Considering CaixaBank Group's international presence, the Channel's platform allows parties to submit queries and complaints in Spanish, Catalan, English and Portuguese.

- **Possible anonymity in complaints**, which can be made anonymously or otherwise.
- **Partial outsourcing of the complaint handling process.** Part of the handling process (the reception and pre-admission) is performed by external experts in order to bolster the independence, objectivity and respect for the guarantees offered by the Channel.

The **main guarantees** offered by the Whistleblower Channel include the following:

- **Confidentiality** throughout the handling process: prohibition on disclosing any information on the content of the complaints to third parties, whereby only to those persons directly involved in the handling process are aware of the content.
- Establishment of the appropriate IT resources to guarantee that **logins on the Queries Channel are deleted automatically.**
- **Protection of the reporting party's identity** (in the event of complaints about a specific person): The protection of the identity of the whistleblower is guaranteed and will not be disclosed to the party being reported under any circumstances. CaixaBank's Regulatory Compliance will only provide the name of whistleblower to the Departments that require it to investigate the case, and in all such cases, the prior consent of the whistleblower will be required. CaixaBank's Regulatory Compliance will not provide details of a complaint, including the identity of the whistleblower, to any party other than those authorised for that purpose, regardless of the position and functions of the requesting party. The corresponding body of each company will take the appropriate disciplinary measures if, outside the provisions of the previous paragraph, the identity of the whistleblower is disclosed or enquiries were made in order to obtain information on complaints lodged.
- **Prohibition of reprisals.** Any form of reprisals against whistleblowers, as well as against persons participating or assisting in the investigation of a complaint, is expressly prohibited and will not be tolerated, provided that they have acted in good faith and have not participated in the act reported. The company will take the measures necessary to guarantee the protection of the reporting party.

- **Sharing of the workplace:** If, in the case of a complaint, the reporting party and the party being reported share the same workplace, the company will determine whether measures should be taken to prevent this.
- **Incompatibilities:** In the event that any party involved in a complaint is related by kinship, marriage or consanguinity with any of the parties tasked with handling, investigating or deciding on the case, the latter will be barred from taking part and will be replaced with a person not under his/her authority.
- **Rights of person reported:** The person reported must be informed of the complaint made against him/her as soon as the suitable checks have been made and the case file has been opened for processing. In any case, CaixaBank's Regulatory Compliance will notify the reported person within a maximum of one month from receipt of the complaint, informing him/her of the existence of the complaint and the matter at hand. If there is no reported person named in the complaint, but in the course of the investigation a person is directly linked to the reported facts, Compliance will duly inform that person.

> THE FOLLOWING GROUP COMPANIES HAVE ACCESS TO THE CORPORATE WHISTLEBLOWER CHANNEL:

01. VidaCaixa, S.A.U. de Seguros y Reaseguros
02. CaixaBank Asset Management S.G.I.I.G., S.A.
03. BuildingCenter, S.A.
04. CaixaBank Payments & Consumer, E.F.C., E.P., S.A.
05. Telefónica Consumer Finance, E.F.C., S.A.
06. CaixaBank Equipment Finance, S.A.
07. Wivai SelectPlace, S.A.U.
08. Banco Português de Investimento ("BPI")
09. CaixaBank Wealth Management Luxembourg, S.A.
10. CaixaBank Operational Services, S.A.
11. CaixaBank Business Inteligence, S.A.U.
12. CaixaBank Facilities Management, S.A.
13. Nuevo Micro Bank, S.A.U.
14. CaixaBank Titulizacion S.G.F.T., S.A.
15. Imaginersgen, S.A.
16. CaixaBank Tech, S.L.U.
17. Credifimo E.F.C., S.A.U.

_Enquiries

The **Queries Channel** is another means of communication that the CaixaBank Group makes available to the groups defined by CaixaBank and to Group companies for the formulation of specific doubts arising from the application or interpretation of the rules of conduct.

At CaixaBank, the groups with access are the same as for the Whistleblower Channel: directors, employees, temporary staff, agents and suppliers. Likewise, Group companies with access to the Queries Channel also have access to the Whistleblower Channel.

The rules eligible for consultation are the same as those for the whistleblower channel, and among the different categories/typologies, interested parties can also enquire about possible **irregularities of a financial and accounting nature** in transactions or financial information.

The **main characteristics** of the Queries Channel are the following:

> **Access** 24 hours a day, 365 days a year, through the following routes:

> **Directors, Employees (includes any type of employment contract and interns), Temporary Staff, Agents and similar:**
  - Internet.
  - Corporate intranet or similar platform for each Group company with access to the Channel.
  - Financial Terminal (only for CaixaBank).

> **Suppliers:** through the Suppliers' Portal (https://proveedor.caixabank.com), both in the public and private sections, after identifying the supplier:
  - Email.
  - Postal mail.

The concerned party may send the query at any time, through any type of device (corporate or personal) or medium. Considering CaixaBank Group's international presence, the Channel's platform allows parties to submit queries and complaints in Spanish, Catalan, English and Portuguese.

The Queries Channel also offers a series of guarantees, including confidentiality throughout the handling process and the express prohibition of disclosing any information on the content of the queries (this information will only be known by the persons who directly handle the query) to third parties; the appropriate IT resources are also in place to guarantee that logins on the Queries Channel are deleted automatically.

The concerned party **may send the query at any time**, through any type of device they consider necessary.

_Queries and Whistleblowing

In terms of ***Governance***:

- The CaixaBank Group Query and Whistleblowing Channel is managed by the Regulatory Compliance function (Group and Regulatory Risk Management).
- Regulatory Compliance functions encompasses raising queries, requesting information, requiring investigations and any other measure or procedure for the proper management of the complaints process. It also resolves complaints, estimating and documenting compliance/non-compliance with regulations on the basis of the events/conducts subject of the complaint. If non-compliance is observed, it submits the relevant information to the bodies responsible for taking the appropriate measures.
- For any complaints in which, according to Regulatory Compliance, there are indications of criminal offences, Regulatory Compliance will inform the Corporate Criminal Management Committee of the reported offence and keep this Committee informed of the procedural milestones and the internal strategy to follow in relation to the investigation. The Corporate Criminal Management Committee may propose such aspects as it deems appropriate.
- CaixaBank's Regulatory Compliance provides Group subsidiaries with a general advisory and management service that covers aspects such as implementation, training, support and handling of queries and whistleblowing.
- Regulatory Compliance continuously oversees the Channels and, at least every six months, reports to the Management and Governance Bodies on the main traffic indicators and volumes, observing strict confidentiality regarding the content and, where required, the identity of the whistleblowers and enquiring parties.

In compliance with the regulations protecting the whistleblower, a series of measures are in place to adapt to the new regulatory framework. These include the drafting of a Corporate Policy for the Whistleblower Channel and the provision of a specific section for such Channel on the corporate website (www.caixabank.com). In any case, the details of the operation and management of the Whistleblower Channel and the Queries Channel are set out in an internal regulation and in an operating protocol.

Lastly, it is important to note that **employees** can **report or enquire about situations** that may involve a conflict of interest using the corporate conflict of interest platform and **obtain the necessary guidelines** for action through mitigating measures.

Such reporting **is voluntary, except in cases where the employee wishes to conduct activities related to the main activities conducted by CaixaBank.** Since 2022, in these cases, **before starting the activity**, the employee must report the activity in question via the aforementioned platform. Once the communication has been completed, Compliance analyses the nature and impact of the activity and tells the employee whether they can start/continue with the second activity and under what terms.

_Training

CaixaBank Group ensures the provision of ongoing training plans adapted to the different positions and responsibilities of the staff involved in preparing and reviewing financial reporting, with a focus on accounting, audits, internal control (including ICFR), risk management, regulatory compliance and remaining up to date on legal/ tax matters.

These training programmes are attended by members of the Directorate of Financial Accounting, Control and Capital, Directorate of Internal Audit, Compliance and Control, Directorate of Non-performing Loans, Recoveries and Assets, as well as the members of the Company's Senior Management. It is estimated that more than 13,000 hours of training in this area have been provided to 1,155 Group employees.

In particular, in terms of ICFR, an online course is launched each year with the following objectives: promote a culture of internal control in the organisation, based on the principles and best practices recommended by the CNMV; inform about the ICFR implemented in the Company; and promote the establishment of mechanisms that contribute to guaranteeing the reliability of the financial information, as well as the duty to ensure compliance with the applicable regulations. In 2022, 48 CaixaBank employees that directly or indirectly intervene in the process of preparing the financial information (Financial Accounting, Control and Capital, Internal Control and Validation, Internal Audit, among other groups) completed the course; 154 employees were certified in 2021.

Furthermore, the Directorate of Financial Accounting, Control and Capital is also active, alongside other areas of the Group, in sector-specific working groups on both the national and international levels. These groups address topics relating to accounting standards and financial matters.

In terms of training for the company's Directors, in 2022, a training plan was conducted with 9 sessions that analysed different topics, such as business branches, sustainability, corporate governance, relevant aspects of regulation, innovation or cybersecurity, among others. In addition, Directors receive up-to-date information on economic and financial developments on a recurring basis.

On the agenda of its ordinary meetings, the Risk Committee also included 15 monographic presentations on significant risks, such as interest rate risk, market risk, ESG risks, conduct and compliance risk, business continuity risk, credit and equity risk, outsourcing risk, business profitability risk, technology risk, legal risk, reputational risk, model risk, business return risk, IT risk, legal risk, reputational risk, model risk, operational risk and information security risk, among others.

The Audit and Control Committee also included a total of 6 monographic presentations in the agenda of its meetings, covering matters relating to audit, internal control and cybersecurity. Similarly, 2 training sessions were held for Committee members on the audit approach with regard to remuneration and non-financial information.

_Risk assessment in financial reporting (F.2)

The Group's Internal Control of Financial Reporting function adheres to the international standards established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its COSO II Model published in 2013, which covers the control objectives regarding: the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with applicable laws and the safekeeping of assets.

The Group has its own methodology for identifying risks, which is implemented in the Group's main subsidiaries in a homogeneous manner, with regard to (i) the responsibility and implementation and updating; (ii) criteria to be followed and information sources to be used; and (iii) criteria to identify the significant components with regard to ICFR, as reflected in the following process:

01. Identification of the scope which includes the selection of financial information, relevant items and the Group companies that generate it, on the basis of quantitative and qualitative criteria.

02. Identification of the relevant group entities and classifying them to determine the required standard of control for each one.

03. Identification of the Group's of the Group that directly or indirectly affect the financial information that is generated

04. Identification of risks potential that may affect the processes

05. Documentation of existing controls to mitigate the identified risks.

06. Continuous evaluation of the effectiveness of internal control over financial reporting

07. Creating reports and reporting to Governing Bodies

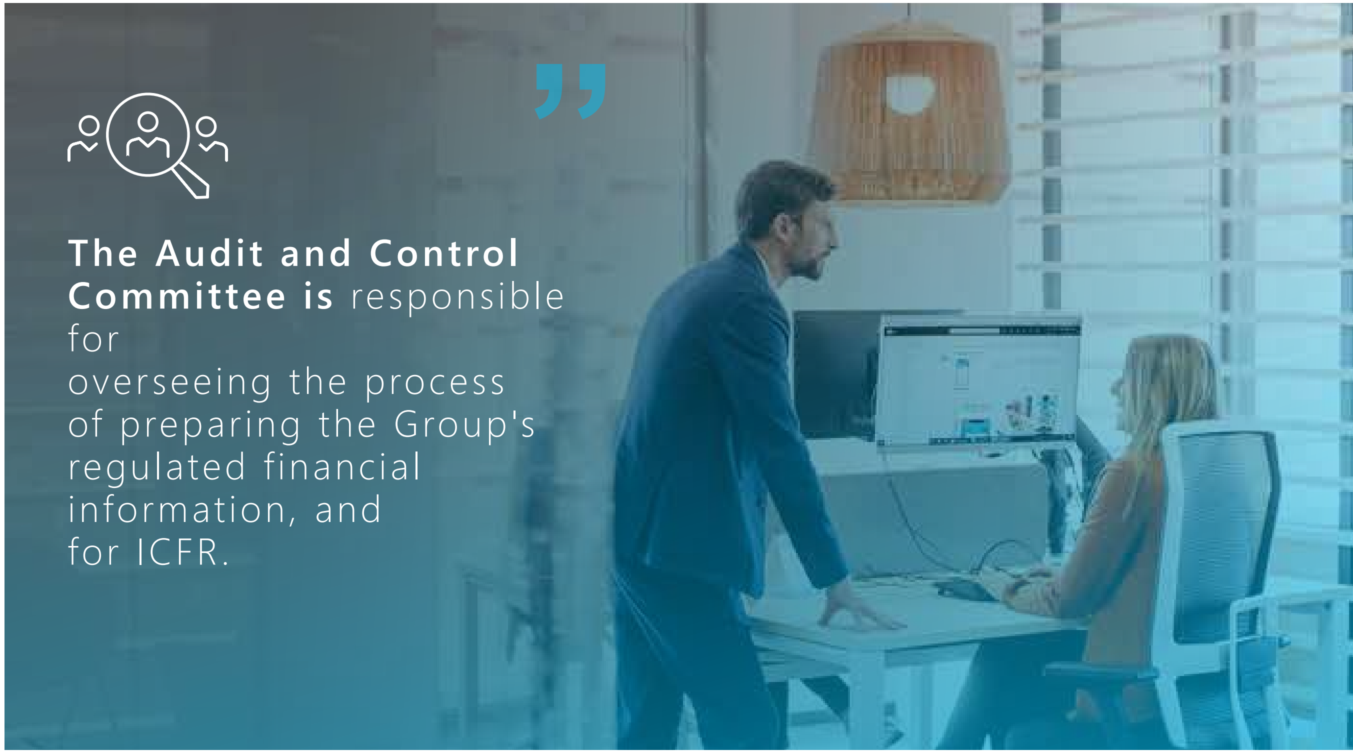
Risks are those that, when they materialise, cause possible errors with potential material impact, including error and fraud, and may affect achieving the following objectives:

- Transactions and events included in the financial information genuinely exist and were documented at the right time (existence and occurrence).
- The information includes all transactions and events in which the Company is the party concerned (completeness).
- Transactions and events are recorded and assessed in accordance with regulations in force (valuation).
- The transactions and events are classified, presented and disclosed in the financial information in accordance with applicable regulations (presentation, disclosure and comparability).
- On the corresponding date, the financial information reflects rights and obligations through the corresponding assets and liabilities, in accordance with applicable regulations (rights and obligations).

The risk identification process takes into account both routine transactions and less frequent transactions which are potentially more complex, as well as the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.). The entity also has an analysis procedure in place implemented by the various business areas involved in corporate transactions and non-recurring or special transactions, with all accounting and financial impacts being studied and duly reported.

The Directorate of Reliability of Financial Reporting reviews control activities designed to mitigate risks associated with the reliability of financial reporting. If, during the course of the year, circumstances arise that could affect the preparation of financial information, the Management must evaluate the need of incorporating new risks to those already identified.

Finally, the Audit and Control Committee is tasked with overseeing the process for preparing the regulated financial reporting process of the Group and ICFR, supported by the work of the Internal Audit function and the conclusions of the external auditor.



01 Our identity
02 Corporate strategy and materiality
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_Procedures and activities for control over financial reporting (F.3)

> CaixaBank promotes a culture within the Group **that encourages a robust internal control framework** that covers the entire organisation and enables fully informed decisions to be taken.

The internal control framework, in relation to the reliability of information, is structured by clearly defining the responsibilities and roles of all parties involved in the process of generating, reviewing and disclosing information and ensuring strict segregation of duties and the existence of several layers of independent control:

- The **operational areas responsible for generating information** must integrate information reliability management and control into their procedures and processes. To do so, they must apply the policies and procedures governing the reliability of information; proactively implement identification, management and mitigation measures; establish and implement appropriate controls, as well as produce supporting evidence of their control activities, in order to obtain reasonable security in terms of the suitability, quality and reliability of this information. They will also be responsible for analysing the impact on risks and controls of new regulations that could affect the information produced.

In CaixaBank's specific area of activity, the main persons responsible for ensuring the reliability of financial information are, among others:

- Directorate of Accounting, Management Control and Capital.
- Directorate General of Risk.
- Financial Directorate.
- Sustainability Directorate.
- Secretary of the Board of Directors
- Human Resources.

- The **Directorate of Compliance and Control** is responsible for ensuring that management and control policies and procedures are in place to guarantee the reliability of information; it shall monitor its implementation, identify possible weaknesses in the control system, supervise implementation of action plans to make corrections and assess the control environment.

- The **Internal Audit** function is an independent and objective assurance and consulting function designed to add value and improve the Group's operations. It helps the CaixaBank Group to accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. In particular, Internal Audit shall supervise the actions carried out both by the operational areas and by the Directorate of Control and Compliance in order to provide reasonable assurance to Senior Management and the Governing Bodies.

As the area responsible for compliance functions in the parent company, the Directorate of Compliance and Control is in charge of strategic orientation, supervision and coordination over the respective internal control functions of the subsidiaries while safeguarding the subsidiaries' own sphere of responsibility.

_Review and authorisation procedures of financial information

The professional profile of the personnel involved in reviewing and authorising the financial information is of a suitable standard, **with knowledge and experience in accounting, audit and/or risk management.**

The preparation and review of financial information is carried out by the various areas of the **Directorate of Financial Accounting, Control and Capital,** which requests collaboration from the business units and support functions, as well as companies within the Group, in order to obtain the level of detail it deems necessary for this information. Financial reporting is monitored by the various hierarchical levels within this Directorate and other areas within the Company. Finally, the relevant financial information to be disclosed to the market is presented by the Directorate to the responsible Governing Bodies and to the Management Committee, where the information is examined and, if appropriate, approved. The Internal Control and Validation Management presents the conclusions of the ICFR certification to the same responsible Governing Bodies and to the Management Committee for examination and approval.

CaixaBank has in place a **process whereby it constantly revises all documentation concerning the activities** carried out, any risks inherent in reporting the financial information and the controls needed to mitigate said risks:

01.
Processes/ Subprocesses

02.
Linked financial risks/statements

> Existence and Occurrence Completeness Valuation Rights and Obligations Presentations, Break down and compatibility

03.
Control Activities

> Importance (key/ standard) Automation Evidence System (linked computer applications) Purpose (preventive, detective, corrective) Frequency Certification Component COSO

> Executor

> Validator

04.
Reporting to senior management and governing bodies

> Certification of the effectiveness of key controls

With respect to the systems used for **ICFR management,** the Company has the **SAP Fiori** tool (GRC tool) in place. This allows for a comprehensive management of the risks and process controls related to the preparation of financial information and relevant documentation and evidence. The tool can be accessed by employees with different levels of responsibility in the assessment and certification process for the Group's internal financial information control system.

During the 2022 financial year, quarterly certification processes have been carried out and no significant weaknesses have been revealed. In addition, for certain financial information to be disclosed to the markets, further certifications were carried out beyond those conducted at the end of the quarter as standard. In this case, also, no material weaknesses were detected.

The preparation of the financial statements requires senior executives to make certain **judgments, estimates and assumptions** in order to quantify assets, liabilities, income, expenses and obligations. These estimates are based on the best information available at the date the financial statements are prepared, using generally accepted methods and techniques and observable and tested data and assumptions. In accordance with the provisions of internal regulations, the Board and the Management Committee are responsible for approving these judgments and estimates, described in Note 1.3 of the Consolidated Financial Statements, mainly in relation to:

> Impairment losses on financial assets, and of the fair value of guarantees associated thereto, according to their classification in accounts, which entail the need to make judgements regarding: i) the consideration of "significant increase in credit risk" (SICR); ii) definition of default; and iii) the incorporation of *forward-looking* information and the post-model adjustment macroeconomic uncertainties.

> The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations.

> The valuation of shares in joint ventures and associates.

> Determination of share of profit (loss) in associates.

> Actuarial assumptions used to measure liabilities arising under insurance contracts.

> The useful life of and impairment losses on tangible assets, including right-of-use assets, and intangible assets.

> The measurement of goodwill and intangible assets.

> Impairment losses on non-current assets and disposal groups classified as held for sale.

> Actuarial assumptions used to measure post-employment liabilities and commitments.

> The measurement of the provisions required to cover labour, legal and tax contingencies.

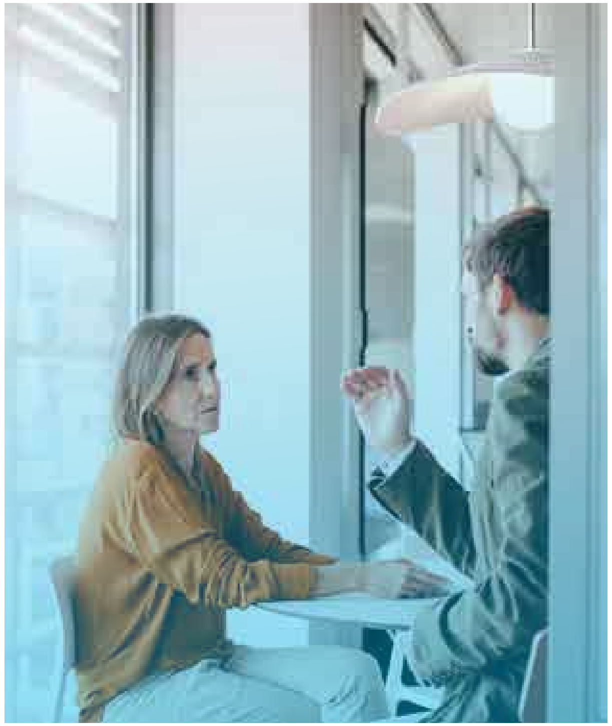
> The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets.

> The fair value of certain financial assets and liabilities.

> The term of the lease agreements used in the assessment of the lease liabilities.

_Procedures regarding IT systems

The **information systems** that support the processes that the financial information is based on is subject to internal control **policies and procedures**, to ensure the completeness of the elaboration and publication of financial information.



Specifically, CaixaBank's IT systems guarantee security by adhering to the requirements defined in **international best practices** for information security, such as the ISO/IEC 27000 standards, NIST, CSA, etc. Likewise, they were developed on the basis of the requirements of the SREP Guidelines on ICT Risk of the EBA (European Banking Authority). These standards form part of the CaixaBank Group Regulations on Information Security. Compliance with these Regulations is monitored at all times, and reports are shared with key players both within and outside the organisation.

The main activities are certified, of which the following stand out:

> CaixaBank Group's corporate cybersecurity activities, carried out at headquarters in Barcelona, Madrid and Porto are certified by **ISO 27001:2013 (BSI).**

> The official **CERT** (Computer Emergency Response Team) accreditation recognises the company's ability to manage information security.

In addition, with regard to operational and business continuity, the Company has in place an **IT Contingency Plan** to deal with serious situations to guarantee its IT services are not interrupted. It also has strategies in place to enable it to recover information in the shortest time possible. This IT Contingency Plan has been designed and operates according to **ISO 27031:2011**. Ernst&Young has certified that the CaixaBank's Technological Contingency governance regulations have been designed, developed and are operating in accordance with this Standard.

Furthermore, the BSI has certified the CaixaBank's Business Continuity Management Plan is compliant with **ISO 22301:2019**, which certifies:

> The **commitment** of CaixaBank's senior management with respect to Business Continuity and Technological Contingency.

> The implementation of Business Continuity and Technological Contingency management **best practices**.

> The existence of a cyclical process based on **continual improvement.** That CaixaBank has deployed and operates **business continuity and technological contingency management systems** which are compliant with international standards.

Which offer:

01.
Trust
to our customers, investors, employees and society in general, in the Company's capacity to respond to serious incidents that affect business operations.

02.
Compliance
with recommendations of regulators, the Bank of Spain, MiFID and Basel III in these areas.

03.
Benefits
to the Company's image and reputation.

04.
Audits
internal and external annual audits, which check whether our management systems are updated.

In terms of **IT Governance**, CaixaBank's information and technology (IT) governance model ensures that its IT services are aligned with the Organisation's business strategy and comply with all regulatory, operational and business requirements. IT governance is an essential part of overall governance and encompasses organisational structures and guidelines to ensure that the IT services support and facilitate the fulfilment of strategic objectives.

CaixaBank's IT Governance Regulations are developed on the basis of requirements specified in the standard **ISO 38500**

CaixaBank's IT services have been designed to meet the business' needs, guaranteeing the following:

> Segregation of duties.

> Change management.

> Incident management.

> IT Quality Management.

> Risk management: operational, reliability of financial reporting, etc.

> Identification, definition and monitoring of indicators (scorecard).

> Existence of governance, management and monitoring committees.

> Periodic reporting to management.

> Rigorous internal controls which include annual internal and external audits in addition to a comprehensive Technological Risk control framework.

_Procedures for managing outsourced activities and independent experts

The CaixaBank Group has a **Cost, Budget Management and Purchasing Policy**, approved by the Management Committee on 18 June 2018, which defines the global reference framework for the companies of the Group, and details the general principles and procedures regarding the definition, management, execution and control of the budget for CaixaBank Group's operational and investment costs.

This policy is implemented by internal standards of the **Group**, which primarily govern processes relating to:

> **Budget** drafting and approval.

> Budget execution and **demand** management.

> Purchases and contracting **services.**

> Payment of invoices to **suppliers**.

Most of the processes carried out between Group entities and suppliers are managed and recorded by programs which include all activities. The Efficiency Committee is responsible for ensuring that the budget is applied in accordance with internal regulations.

To ensure correct management of costs and engagement of suppliers, the CaixaBank Efficiency Committee has delegated duties to two committees:

- **Expenses and Investments Committee (EIC):** reviews and ratifies all expenses and investment proposed by the various areas and subsidiaries in projects. It queries the need and reasonableness of expenditure proposals by means of a profitability and/or efficiency analysis from the standpoint of the Company.
- **Purchasing Panel:** ensures the proper implementation of the purchasing/engagement policies and procedures defined in the regulations, encouraging equal opportunities among suppliers. The Company's Code of Business Conduct and Ethics stipulates that goods must be purchased and services engaged objectively and transparently, avoiding situations that could affect the objectiveness of the people involved. Purchases above a certain threshold must be managed by the specialised team of buyers for the given purchase category: IT, Professional Services, Marketing, Facilities and Building Works.

The purchasing process is the negotiation and contracting process that allows agreements to be established with suppliers whose proposals represent a competitive advantage, in terms of total costs and suitability of the quality-service relationship, for the CaixaBank Group. CaixaBank manages purchases under the following Procurement Principles: Efficiency, Sustainability, Integrity and Transparency, Compliance, Proximity and Monitoring.

Among others, the Committee's main functions are to:

- Analyse the supplier market.
- Identify innovation in the market.
- Maintain a transversal vision of needs.
- Register and approve suppliers.
- Negotiation.
- Adjudication.
- Collaboration in the formalisation of the contract with the successful supplier.

Purchases are managed through a corporate negotiation tool. When selecting suppliers, criteria of participation, objectivity, professionalism, transparency and equal opportunities are applied. The approval of awards is governed by the matrix of powers in force at any given time. This matrix has been approved by the Efficiency Committee.

CaixaBank Group has a **Corporate Purchasing tool** called SAP Ariba offering a quick and easy communication channel that provides access to the comprehensive purchasing management tool, including the approval of suppliers. Through this channel, suppliers register accepting the Procurement Principles and the Code of Conduct for Suppliers and submit all the necessary documentation and certifications when bidding for contracts and processing their standard-approval for eligibility.

CaixaBank has a **Corporate Outsourcing Risk Management Policy** approved by the Board of Directors on 30 September 2021. It is mainly based on the Guidelines on Outsourcing EBA/GL/2019/02 of the European Banking Authority (EBA) and Circular 2/2016 and 3/2022 of the Bank of Spain.

Said Policy establishes the corporate principles and premises that regulate the outsourcing process from start to finish. In addition, the Policy establishes the scope, governance, management framework and risk control framework of CaixaBank Group, on which the actions to be carried out in the full life cycle of outsourcing must be based.

The Policy, prepared by the Directorate of Non-Financial Risk Control in collaboration with Outsourcing Governance Directorate, ensures:

- CaixaBank Senior Management's **commitment** to outsourcing governance.
- The existence of outsourcing management initiative **best practices**.
- The existence of a cyclical process of **constant improvement to** ensure that it is in line with the relevant standards and best practices of the national and international banking sector.

Formalisation of this Policy means:

- Our customers, investors, employees and other stakeholders **trust** in the decision-making and control process for outsourcing initiatives.
- **Compliance** with the recommendations of regulators, such as the Bank of Spain and the EBA, in these matters.
- **Advantages** in terms of the Company's image and reputation.

CaixaBank continues to increase its control efforts, ensuring that future outsourcing does not represent a loss of supervision, analysis and enforcement capacities of the service or activity in question.

The following procedure is followed when there is a new outsourcing initiative:

01.
Analysis
of the applicability of the outsourcing model to the service to be outsourced.

02.
Assessment
of the decision to outsource using criticality, risks and the associated outsourcing model.

03.
Approval
of the risk inherent in the initiative by a collegial internal body.

04.
Application
of the supplier.

05.
Internal transfer
of the service to the external provider.

06.
Monitoring
and monitoring of the activity or service provided.

All outsourced activities are subject to controls, largely based on **service performance indicators, evidence submitted and mitigation measures** included in the contract. These help to mitigate the risks detected in the outsourcing decision assessment. Each outsourcing manager in the Company asks the provider to update their indicators report, which are reviewed internally from time to time.

In **2022**, the **activities** outsourced to third parties in relation to valuations and calculations of independent experts mainly concerned the following:

- Internal and technological audit services.
- Financial consulting and *business intelligence* services. Marketing and purchasing services.
- Information technology services.
- Financial services.
- Financial, Tax and Legal consulting services.
- Processes related to Human Resources and purchasing.
- Processes relating with Information Systems.

_Reporting and communication (F.4)

_Accounting policies

Exclusive responsibility for specifying and communicating the Group's accounting criteria falls to the Directorate of Accounting and Comprehensive Legal Reporting, specifically the **Accounting Policies and Regulation Department**, which is integrated into the Directorate of Accounting, Control Management and Capital.

Its responsibilities include **monitoring and analysing regulations** relating to financial reporting applicable to the Group, for their interpretation and subsequent application in financial reporting, uniformly across all companies that comprise the Group; it also **continually updates** accounting criteria applied for any new kind of contract or operation, or any regulatory change.

The monitoring of new regulations in relation of non-financial reporting is also included among the duties of the Accounting Policies and Regulation Department. In particular, it carries out a **continuous analysis** of the new information requirements and the trends in national, European and international regulations in terms of sustainability and non-financial reporting. Alongside the other relevant areas in CaixaBank Group, it analyses the resulting implications and works to ensure that these implications are managed and incorporated into the Group's working practices.

Furthermore, this Department analyses and studies the **accounting implications of individual transactions**, to anticipate impacts and ensure the correct accounting process is applied in the consolidated financial statements, and resolves any questions or conflicts surroundings accounting matters that are not included in a cost sheet, or where there are any doubts regarding their interpretation.

Ongoing communication is maintained with the rest of the Directorate of Accounting and Comprehensive Legal Reporting, sharing when necessary the accounting queries concluded by the Department and providing an explanation of the technical reasoning behind them or the interpretations made, as well as the issues under analysis.

In the process of **creating new products**, through their participation in the Group's Product Committee, they analyse the **accounting implications** of the products on the basis of their characteristics, whereby this analysis leads to the creation or update of a cost sheet, detailing all the potential events that a contract or transaction may involve. In addition, the main characteristics of the administrative operation, tax regulations, accounting criteria and applicable standards are described. Additions and amendments to the accounting circuits are notified immediately to the Organisation and most of them can be consulted on the Company's intranet.

This department also participates in and supports the **Regulation Committee of the CaixaBank Group** in terms of regulations on financial and non-financial reporting. In the event of any applicable regulatory change that must be implemented in the Group, the Department communicates this to the Departments or Group subsidiaries affected and participates or leads the implementation projects for such changes where relevant. With regard to the Audit and Control Committee, it coordinates and prepares all the documentation relating to the Directorate of Financial Accounting, Control and Capital, and it is responsible for reporting on a quarterly basis the judgments and estimates made during the period that have impacted the consolidated financial statements.

The Accounting Policies and Regulation Department is also involved in individual projects related to **sustainability and non-financial reporting**, be it in transversal Group projects, internal and external training courses, or through its participation in working groups with peers and external stakeholders.

The previous activities in relation to financial reporting are materialised in the existence and maintenance of a **Manual on accounting policies**, which establishes the standards, principles and accounting criteria adopted by the Group. This manual guarantees the comparability and quality of the financial information of all companies of the Group and is complemented by the queries received by the Department. Communication with operation managers is permanent and fluid.

Additionally, the Policies and Regulation Department is responsible for developing **training activities** in the organisation's relevant business departments, on accounting updates and regulatory amendments.

_Mechanisms for the preparation of financial reporting

CaixaBank has internal IT tools that ensure completeness and homogeneity in the preparation processes for financial reporting. All the applications have IT contingency mechanisms to ensure the conservation and accessibility of information under any circumstances.

For the purposes of elaborating **consolidated information**, both CaixaBank and the companies that comprise the Group use specialised tools to employ information capturing, analysis and preparation mechanisms with homogeneous formats. The accounts plan, which is incorporated in the consolidation application, has been defined to comply with requirements of the various regulators.

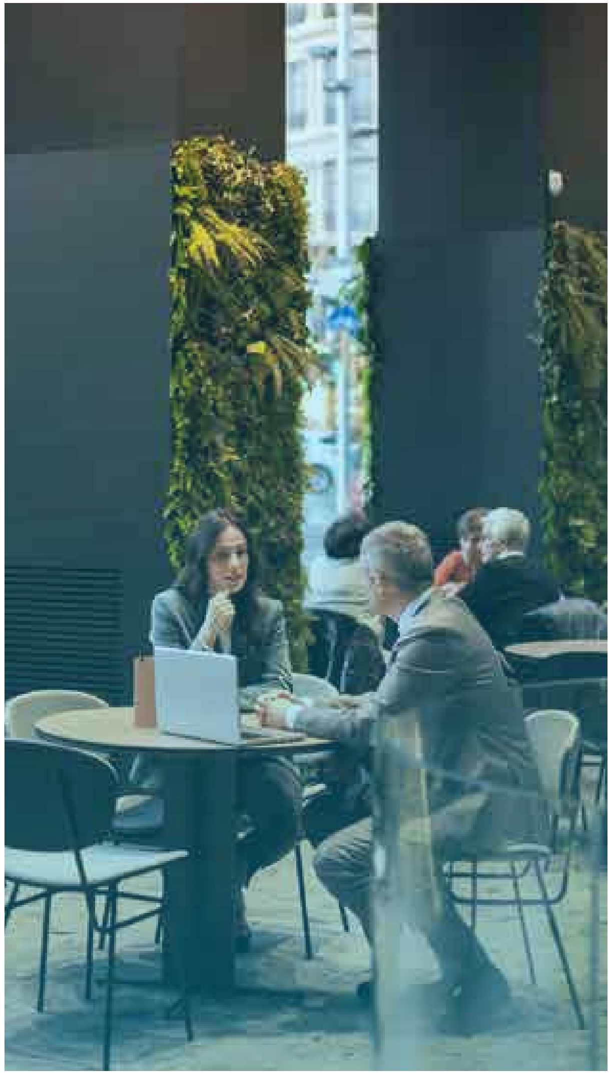
With respect to the systems used for **ICFR management**, as previously mentioned, the Company has the **SAP Fiori** tool in place. This tool works to guarantee completeness and reflect the existing risks and controls.

Oversight of the operation of the system for Internal Control over Financial Reporting (F.5)

The **Audit and Control Committee** is entrusted with overseeing the preparation and submission process for regulated financial information and the effectiveness of the internal control and risk management systems in place at the Company. These duties are explained in detail in the section "The Administration — The Board Committees — Audit and Control Committee". In addition, the CAA (Audit and Control Committee) also oversees the ICFR through the statements signed by its managers and the bottom-up certification carried out by Information Reliability Management.

The **Internal Audit** function, represented in the Management Committee, is governed by the principles contained in the CaixaBank Group Internal Audit Regulations, approved by the CaixaBank Board of Directors. It is an **independent and objective function** that offers a systematic approach to the assessment of risk management processes and controls, as well as corporate governance. Its purpose is to support the Audit and Control Committee in its supervisory role. In order to establish and ensure this independence, Internal Audit reports to the Chair of the Audit and Control Committee, without prejudice to obligation to report to the Chair of the Board of Directors for the proper performance of its duties.

Internal Audit has **268 auditors distributed in different teams specialised in different areas.** These include a group tasked with coordinating the oversight of processes relating to CaixaBank Group's financial reporting, which is attached to the Directorate of Accounting, Solvency and Human Resources Auditing.



The activities of the internal audit function are periodically reported to the Audit and Control Committee, which, in turn, reviews the following within the scope of the financial information reliability risk: (i) internal audit planning and the adequacy of its scope; (ii) the conclusions of the audits carried out and the impact on financial reporting; and (iii) monitoring corrective action.

Internal Audit implements **a specific work programme to review the design, effectiveness and adequacy of the Group's ICFR** based on the evaluation of the regulatory environment developed by the company, the control implemented in the main subsidiaries, the identification of the material areas affected by ICFR, the monitoring of control certifications, as well as, for certain processes, the review of the risks identified, controls implemented and evidence provided of their execution. Based on this, the Internal Audit function publishes an annual global report which includes an assessment of the performance of ICFR during the year. The 2022 assessment focused on:

> Verification of application of the Corporate Policy on the Financial Information Reliability Risk and the ICFR Standard to ensure that ICFR across the group is adequate.

> Assessment of the functioning of the bottom-up internal certification process of key controls, Evaluation of the descriptive documentation of relevant processes, risks and controls included in the Audit Plan.

Furthermore, in 2022, Internal Audit carried out a range of reviews of processes that affect the generation, preparation and presentation of financial information, focused on financial and accounting areas, corporate risk management, financial instruments, information systems and the insurance business, among other matters.

The company also has procedures for regular discussions with its external auditor, which assists the Audit and Control Committee and reports on its audit planning and the conclusions reached before publishing the results, as well as any weaknesses found in the internal control system.

_External auditor's report

In accordance with the recommendation concerning the Auditor's Report included in the guidelines on the information relating to Internal Control over Financial Reporting in Listed Companies published by the National Securities Market Commission on its website, the auditor of the financial statements of CaixaBank has reviewed the information on internal control over financial reporting system. The final report concludes that, as a result of the procedures applied regarding information on ICFR, there are no relevant inconsistencies or incidents.

This report is attached as an Appendix to the Annual Corporate Governance Report.

_Degree of compliance with Corporate Governance recommendations (G)

>CROSS-REFERENCE TABLE FOR COMPLIANCE OR EXPLANATION OF CORPORATE GOVERNANCE RECOMMENDATIONS

	RECOMMENDATION 1	RECOMMENDATION 2	RECOMMENDATION 3	RECOMMENDATION 4
Description	The By-laws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.	When the listed company is controlled, pursuant to the meaning established in Article 42 of the Commercial Code, by another listed or non-listed entity, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them, shall report precisely about: **a.** The respective areas of activity and possible business relationships between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries. **b.** The mechanisms established to resolve any conflicts of interest that may arise.	During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's Corporate Governance, supplementing the written information circulated in the Annual Corporate Governance Report. In particular: **a.** Changes taking place since the previous annual general meeting. **b.** The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.	The company should draw up and implement a policy of communication and contacts with shareholders and institutional investors, in the context of their involvement in the company, as well as proxy advisors, which complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation. Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.
Compliant	Yes	Not applicable	Yes	Yes
Comments		This Recommendation is not deemed to be applicable, as CaixaBank is not a company controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code.		

RECOMMENDATION 5

Description

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

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

Compliant

Partial compliance

Comments

As of 3 May 2021, the Law includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions the possibility of not applying this 20% limit to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

Therefore, CaixaBank, by its nature as a credit institution, is expressly authorised by law to not apply the 20% limit to the convertible bond issues it carries out, provided that these issues comply with the requirements set out in Regulation (EU) 575/2013.

In this regard and in line with what is currently set out in the regulations, already in 2020, the General Meeting of Shareholders of the Company on 22 May 2020 approved the authorisation of the Board of Directors to increase the share capital on one or more occasions and at any time, within a period of five years from that date, by the maximum nominal amount of 2,990,719,015 euros (equivalent to 50% of the share capital at the time of the authorisation), by issuing new shares –with or without premium and with our without voting rights–, the consideration for the new shares to be issued consisting of cash contributions, with the power to set the terms and conditions of the capital increase. This authorisation replaced and rendered ineffective, for the unused part, the previous delegation approved at the General Meeting of 23 April 2015.

The authorisation of the General Meeting of Shareholders of 22 May 2020, currently in force, provides for the delegation to the Board of the power to exclude, in whole or in part, pre-emptive subscription rights, although in this case, the amount of the capital increases will be limited, in general terms, to a maximum of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation). As an exception, the resolution of 22 May 2020 provides that this limit shall not apply to the increases in share capital that the Board may approve, with suppression of pre-emptive subscription rights, to cover the conversion of convertible securities that the Board of Directors resolves to issue pursuant to the authorisation of the General Meeting of Shareholders, with the general limit of 2,990,719,015 euros applying to such capital increases.

In this regard, the General Meeting of Shareholders held on 14 May 2021 approved the authorisation of the Board of Directors to issue convertible securities that allow or are intended to meet regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments up to a maximum aggregate amount of EUR 3,500,000,000 for a period of three years, with the power to exclude pre-emptive subscription rights if the corporate interest so justifies. Details of the instruments issued under this agreement are presented in Note 22.3 to the Annual Financial Statements. In accordance with the foregoing, the capital increases agreed by the Board of Directors to cover the conversion of these securities shall not be subject to the limit of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation).

Please note that as of 3 May 2021, the Capital Companies Act expressly stipulates that the 20% limit will not apply to convertible bond issues by credit institutions, provided that these issues comply with the requirements set out in Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms in order for the convertible bonds issued to qualify as additional Tier 1 capital instruments of the issuing credit institution, as is the case of the securities authorised for issue by the General Meeting of Shareholders of 14 May 2021, in which case the general limit of 50% for capital increases applies.

At the last General Meeting held on 8 April 2022, the reports of the Board of Directors and BDO Auditores S.L.P. (independent expert appointed by the Commercial Registry of Valencia) were communicated and made available to the shareholders for the purposes of the provisions of article 511 of Royal Legislative Decree 1/2010, of 2 July, regarding the issue of preference shares convertible into shares for a total nominal amount of 750,000,000 euros and excluding the pre-emptive subscription right. This issue was approved by the Board of Directors on 29 July 2021 under the delegation of powers granted in its favour by the Ordinary General Shareholders' Meeting of 14 May 2021, the final terms being set on 2 September 2021, as published in a privileged information communication of the same date.

	RECOMMENDATION 6	RECOMMENDATION 7	RECOMMENDATION 8	RECOMMENDATION 9
Description	Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory: **a.** Report on auditor independence. **b.** Reviews of the operation of the audit committee and the nomination and remuneration committee. **c.** Audit committee report on third-party transactions.	The company should broadcast its general meetings live on the corporate website. The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the general shareholders' meeting.	The Audit Committee should strive to ensure that the financial statements that the Board of Directors presents to the general shareholders' meeting are drawn up in accordance to accounting legislation. And in those cases where the auditor includes any qualification in its report, the chairman of the Audit Committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.	The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website. Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.
Compliant	Yes	Yes	Yes	Yes
Comments				

	RECOMMENDATION 10	RECOMMENDATION 11	RECOMMENDATION 12
Description	When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should: **a.** Immediately circulate the supplementary items and new proposals. **b.** Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors. **c.** Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes. **d.** After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.	In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.	The Board of Directors should perform its duties with unity of purpose and independent judgement, giving the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success in the long term, while maximising its economic value. In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.
Compliant	Partial compliance	Yes	Yes
Comments	With regard to section c), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal). Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising voting rights.		

01 Our identity
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03 Governance and risk management
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12 Glossary and Group structure
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	RECOMMENDATION 13	RECOMMENDATION 14	RECOMMENDATION 15	RECOMMENDATION 16	RECOMMENDATION 17
Description	The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.	The Board of Directors should approve a policy aimed at promoting an appropriate composition of the board that: **a.** Is concrete and verifiable. **b.** It ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board; **c.** Favours diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity. The results of the prior analysis of competences required by the board should be written up in the Appointments Committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director. The Appointments Committee should run an annual check on compliance with this policy and set out its findings in the Annual Corporate Governance Report.	Proprietary and independent Directors should constitute an ample majority on the Board of Directors, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control. The number of female directors should represent at least 40% of the total number of members of the board of directors before the end of 2022 and not being below 30% before that time.	The percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital. This criterion can be mitigated/attenuated: **a.** In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings. **b.** In companies with a plurality of shareholders represented on the board but not otherwise related.	Independent Directors should be at least half of all Board members. However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent Directors should occupy at least a third of Board places.
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					

	RECOMMENDATION 18	RECOMMENDATION 19	RECOMMENDATION 20	RECOMMENDATION 21	RECOMMENDATION 22
Description	Companies should post the following Director particulars on their websites, and keep them permanently updated: **a.** Professional experience and background. **b.** Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature. **c.** Statement of the Director class to which they belong, in the case of proprietary Directors indicating the shareholder they represent or have links with. **d.** Dates of their first appointment as a board member and subsequent re-elections. **e.** Shares held in the company, and any options on the same.	Following verification by the Appointments Committee, the Annual Corporate Governance Report should disclose the reasons for the appointment of proprietary Directors at the request of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board seat from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.	Proprietary Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Directors, the latter's number should be reduced accordingly.	The Board of Directors should not propose the removal of independent Directors before the expiry of their tenure as mandated by the By-laws, except where they find just cause, based on a proposal from the Appointments Committee. In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation. The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in Recommendation 16.	Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, related or not to their actions within the company, and tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial. When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. The board should give a reasoned account of all such determinations in the Annual Corporate Governance Report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, at the time it adopts the corresponding measures.
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					

	RECOMMENDATION 23	RECOMMENDATION 24	RECOMMENDATION 25	RECOMMENDATION 26
Description	Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other Directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation. When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation. The terms of this Recommendation also apply to the Secretary of the Board, even if he or she is not a Director.	Directors who give up their position before their tenure expires, through resignation or resolution of the general meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter to be sent to all members of the board. This should all be reported in the Annual Corporate Governance Report, and if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.	The Appointments Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively. The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.	The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.
Compliant	Yes	Yes	Yes	Yes
Comments				

	RECOMMENDATION 27	RECOMMENDATION 28	RECOMMENDATION 29	RECOMMENDATION 30
Description	Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.	When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.	The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.	Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.
Compliant	Partial compliance	Yes	Yes	Yes
Comments	In the event of unavoidable absences, in order to prevent de facto changes to the balance of the Board of Directors, legislation allows for delegation to another director (non-executives only to other non-executives) - this is established in Principle 14 of the Good Governance Code and also envisaged in By-laws (article 37), as well as the Board's Regulations (article 17), which determine that Directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. Non-executive Directors may only delegate a proxy who is another non-executive Director, while independent Directors may only delegate to another independent Director. It should also be noted that CaixaBank's Corporate Governance Policy states that in relation to the duty of directors to attend Board meetings, if they cannot attend in person for justified reasons, they shall endeavour to grant their proxy in writing, and separately for each meeting, to a fellow Board member. Every effort must be made to ensure that each and every director attends at least 80% of Board meetings. As such, proxies are a comparative rarity at CaixaBank. The Board of Directors considers, as good corporate governance practice, that when directors are unable to attend meetings, proxies are not generally delegated with specific instructions. This does not amend, de facto, the balance of the Board given that delegations may only be made by non-executive directors to other non-executive directors, and independent directors may only delegate to other independent directors, while directors are always required to defend the company's corporate interest regardless of their director status. Moreover, and reflecting the freedom of each director who may also delegate with the appropriate instructions as suggested in the Board's Regulations, the decision to delegate without instructions represents each director's freedom to consider what provides most value to their proxy, and they may finally decide on the grounds that they want to give their proxy freedom to adapt to the result of the Board meeting debate. This, in addition, is in line with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all directors, safeguarding their right to adopt any position or stance they see fit. Therefore, the freedom to appoint proxies with or without specific instructions, at the discretion of each director, is considered good practice and, specifically, the absence of instructions is seen as facilitating the proxy's ability to adapt to the content of the debate.			

	RECOMMENDATION 31	RECOMMENDATION 32	RECOMMENDATION 33	RECOMMENDATION 34	RECOMMENDATION 35
Description	The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need. For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.	Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.	The Chairman, as the person responsible for the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's By-laws, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so dictate.	When a coordinating director has been appointed, the By-laws or Regulations of the Board of Directors should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Vice-Chairmen; give voice to the concerns of non-executive directors; maintain contact with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance; and coordinate the Chairman's succession plan.	The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					

	RECOMMENDATION 36	RECOMMENDATION 37	RECOMMENDATION 38	RECOMMENDATION 39	RECOMMENDATION 40
Description	The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in: **a.** The quality and efficiency of the Board's operation. **b.** The performance and membership of its committees. **c.** The diversity of Board membership and competences. **d.** The performance of the Chairman of the Board of Directors and the company's Chief Executive. **e.** The performance and contribution of individual directors, with particular attention to the chairs of Board committees. The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee. Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointments Committee. Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report. The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.	When there is an Executive Committee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the Board of Directors.	The Board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all Board members should receive a copy of the committee's minutes.	All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.	Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's Non-Executive Chairman or the Chairman of the Audit Committee.
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					

RECOMMENDATION 41

Description

The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

Compliant

Yes

Comments

RECOMMENDATION 42

Description

The Audit Committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a. Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b. Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c. Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

d. In general, ensure that the internal control policies and systems established are applied effectively in practice.

2. With respect to the external auditor:

a. Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b. Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c. Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d. Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e. Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant

Yes

Comments

RECOMMENDATION 43

Description

The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Compliant

Yes

Comments

RECOMMENDATION 44

Description

The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Compliant

Yes

Comments

	RECOMMENDATION 45	RECOMMENDATION 46	RECOMMENDATION 47	RECOMMENDATION 48	RECOMMENDATION 49	RECOMMENDATION 50
Description	The risk control and management policy should identify or establish at least: **a.** The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks. **b.** A risk control and management model based on different levels, of which a specialised risk committee will form part when sector regulations provide or the company deems it appropriate. **c.** The level of risk that the company considers acceptable. **d.** Measures in place to mitigate the impact of risk events should they occur. **e.** The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.	Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities: **a.** Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified. **b.** Participate actively in the preparation of risk strategies and in key decisions about their management. **c.** Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.	Appointees to the Appointments and Remuneration Committee - or of the Appointments Committee and Remuneration Committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent Directors.	Large cap companies should operate separately constituted Appointments and Remuneration Committees.	The Appointments Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors. When there are vacancies on the Board, any Director may approach the Appointments Committee to propose candidates that it might consider suitable.	The Remuneration Committee should operate independently and have the following functions in addition to those assigned by law: **a.** Propose to the Board the standard conditions for senior officer contracts. **b.** Monitor compliance with the remuneration policy set by the company. **c.** Periodically review the remuneration policy for Directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior officers in the company. **d.** Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages. **e.** Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.
Compliant	Yes	Yes	Yes	Yes	Yes	Yes
Comments						

	RECOMMENDATION 51	RECOMMENDATION 52	RECOMMENDATION 53	RECOMMENDATION 54	RECOMMENDATION 55
Description	The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive Directors and senior officers.	The rules of performance and membership of supervision and control committees should be set out in the board of directors' regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include: **a.** Committees should be formed exclusively by non-executive Directors, with a majority of independents. **b.** Committees should be chaired by an independent Director. **c.** The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's missions, discuss their proposal sand reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting. **d.** They may engage external advice, when they feel it necessary for the discharge of their functions. **e.** Meeting proceedings should be minuted and a copy made available to all Board members.	The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the Audit Committee, the Appointments Committee, a committee specialising in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.	The minimum functions referred to in the previous recommendation are as follows: **a.** Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values. **b.** Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored. **c.** Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders. **d.** Ensure the company's environmental and social practices are in accordance with the established strategy and policy. **e.** Monitor and evaluate the company's interaction with its stakeholder groups.	Environmental and social sustainability policies should identify and include at least: **a.** The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts. **b.** The methods or systems for monitoring compliance with policies, associated risks and their management. **c.** The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct. **d.** Channels for stakeholder communication, participation and dialogue. **e.** Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					

	RECOMMENDATION 56	RECOMMENDATION 57	RECOMMENDATION 58	RECOMMENDATION 59	RECOMMENDATION 60
Description	Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.	Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive Directors. The company may consider the share-based remuneration of non-executive Directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.	In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind. In particular, variable remuneration items should meet the following conditions: **a.** Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome. **b.** Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies. **c.** Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.	The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component. Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.	In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					

	RECOMMENDATION 61	RECOMMENDATION 62	RECOMMENDATION 63
Description	A major part of executive Directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.	Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed. Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments. The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favourable assessment of the Appointments and Remuneration Committee, to address an extraordinary situation.	Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.
Compliant	Yes	Yes	Yes
Comments			

01 Our identity
02 Corporate strategy and materiality
03 Governance and risk management
04 Risk management
05 Value creation model
06 Customers
07 People and culture
08 Shareholders and investors
09 Society
10 Environment and climate
11 SNFI
12 Glossary and Group structure
13 Annexes

RECOMMENDATION 64

Description

Termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the Director with the company, including previously unconsolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

Compliant

Partial compliance

Comments

Payments for termination or expiry of the Chairman's and CEO's contracts, including severance pay in the event of termination or expiry of the relationship in certain cases and the post-contractual non-competition agreement, do not exceed the amount equivalent to two years of the total annual remuneration for each of them.

In addition, the Bank has recognised a social security supplement for the CEO to cover retirement, death and permanent total, absolute or severe disability, and for the Chairman to cover death and permanent total, absolute or severe disability.

In the case of the commitment to cover the retirement contingency, this is a system established under a defined contribution plan, for which the annual contributions to be made are fixed in advance.

By virtue of this commitment, the CEO is entitled to receive a retirement benefit when he/she reaches the legally established retirement age. This benefit will be the result of the sum of the contributions made by the Bank and their corresponding returns up to that date, provided that he/she is not terminated for just cause, and without prejudice to the applicable treatment of discretionary pension benefits in accordance with the remuneration regulations applicable to credit institutions.

With the termination of the CEO's contract, the contributions would be consolidated (except in the event of termination for just cause attributable to the CEO) but in no case is there any provision for the possibility of receiving an early retirement benefit, since its accrual and payment would occur only on the occasion and at the time of retirement (or the occurrence of the other contingencies covered) and not on the occasion of the termination of the contract.

The nature of these savings systems is not to indemnify or compensate for the loss of rights to the assumption of non-competition obligations, as they are configured as a savings system that is endowed over time with periodic contributions and which form part of the fixed components of the usual remuneration package of the Executive Directors; unlike indemnities or compensations for not competing, it grows over time and is not set in absolute terms.

Therefore, the institution would only be in breach of recommendation 64 if the mere consolidation of savings scheme entitlements, without actual accrual or payment at the time of termination, were to be included in the concept of termination payments or termination of contract payments as defined therein.

This Annual Corporate Governance Report has been approved by the company's Board of Directors on **16 February 2023.**

> TABLE RECONCILING THE CONTENTS WITH THE TEMPLATE OF THE CNMV ANNUAL CORPORATE GOVERNANCE REPORT

A. Ownership structure (1/1)

CNMV template section	Included in the statistical report	Comments
A.1	Yes	CMR section "Corporate Governance - Governance - Ownership - Share Capital" CMR section "Corporate Governance - Governance - Ownership - Authorisation to increase share capital"
A.2	Yes	CMR Section "Corporate Governance - Governance - Ownership - Significant shareholders"
A.3	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
A.4	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Parasocial agreements"
A.5	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
A.6	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
A.7	Yes	CMR Section "Corporate Governance - Governance Ownership - Parasocial agreements"
A.8	Yes	Not applicable
A.9	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Treasury stock"
A.10	No	CMR Section "Corporate Governance - Governance - Ownership - Treasury Stock"
A.11	Yes	CMR Section "Corporate Governance - Governance Ownership - Regulatory Floating Capital"
A.12	No	CMR Section "Corporate Governance - Governance - Ownership - Shareholder rights"
A.13	No	CMR Section "Corporate Governance - Governance - Ownership - Shareholder rights"
A.14	Yes	CMR Section "Corporate Governance - Governance Ownership - Share Capital"

B. General shareholders' meeting (1/1)

CNMV template section	Included in the statistical report	Comments
B.1	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The General Shareholders' Meeting"
B.2	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The General Shareholders' Meeting"
B.3	No	CMR Section "Corporate Governance - Governance - Ownership - Shareholder rights"
B.4	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The General Shareholders' Meeting"
B.5	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The General Shareholders' Meeting"
B.6	Yes	CMR Section "Corporate Governance - Governance - Ownership - Shareholder rights"
B.7	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The General Shareholders' Meeting"

B.8	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The General Shareholders' Meeting"

3. Company management structure

C.1 Board of Directors (1/2)

CNMV template section	Included in the statistical report	Comments
C.1.1	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
C.1.2	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
C.1.3	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
C.1.4	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Diversity Board of Directors"
C.1.5	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Diversity Board of Directors"
C.1.6	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Diversity Board of Directors"
C.1.7	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Diversity Board of Directors"
C.1.8	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
C.1.9	No	CMR section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors" CMR section "Corporate Governance - Governance - The Management and Administration of the Company - The Board Committees"
C.1.10	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
C.1.11	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
C.1.12	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
C.1.13	Yes	CMR Section "Corporate Governance - Governance - Remuneration"
C.1.14	Yes	CMR Section "Corporate Governance - Governance - Senior Management" CMR Section "Corporate Governance - Governance - Remuneration"
C.1.15	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Functioning of the Board of Directors"
C.1.16	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Selection, appointment, re-election, evaluation and removal of Board members"
C.1.17	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Selection, appointment, re-election, evaluation and removal of Board members"
C.1.18	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Selection, appointment, re-election, evaluation and removal of Board members"

C.1.19	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Selection, appointment, re-election, evaluation and removal of Board members"
C.1.20	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Functioning of the Board of Directors"
C.1.21	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Selection, appointment, re-election, evaluation and removal of Board members"
C.1.22	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Selection, appointment, re-election, evaluation and removal of Board members"
C.1.23	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Selection, appointment, re-election, evaluation and removal of Board members"
C.1.24	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Functioning of the Board of Directors"
C.1.25	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Functioning of the Board of Directors" CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board Committees"
C.1.26	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Functioning of the Board of Directors"
C.1.27	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board Committees - Audit and Control Committee - Actions during the financial year - Supervision of financial reporting" CMR Section "Internal Control over Financial Reporting System (ICFR) - Procedures and activities for the control of financial reporting"
C.1.28	No	CMR Section "Corporate Governance - Governance - Management and Administration of the Company - Board Committees - Audit and Control Committee - Actions during the year - Supervision of financial information" CMR Section "Internal Control System of Financial Information (SCIIF) – Procedures and control activities of financial information” CMR Section “Internal Control System for Financial Information (SCIIF) – Supervision of the operation of the internal control system”
C.1.29	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors"
C.1.30	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the independence of the external auditor" and "Relations with the market"
C.1.31	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
C.1.32	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
C.1.33	Yes	Not applicable
C.1.34	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
C.1.35	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Functioning of the Board of Directors"
C.1.36	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Selection, appointment, re-election, evaluation and removal of Board members"

C.1.37	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Selection, appointment, re-election, evaluation and removal of Board members"
C.1.38	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - The Board of Directors - Functioning of the Board of Directors"
C.1.39	Yes	CMR section "Corporate Governance - Governance - Remuneration - Executive position"

C.2 Committees of the Board of Directors (1/1)

CNMV template section	Included in the statistical report	Comments
C.2.1	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
C.2.2	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
C.2.3	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"

D. Related-party and Intragroup transactions (1/2)

CNMV template section	Included in the statistical report	Comments
D.1	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
D.2	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
D.3	Yes	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
D.4	Yes	Not applicable
D.5	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"
D.6	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"
D.7	No	CMR Section "Corporate Governance - Governance - The Management and Administration of the Company - Board Committees"

E. Risk Control and Management Systems (1/1)

CNMV template section	Included in the statistical report	Comments
E.1	No	See section 3.2. Risk governance, management and control in Note 3 to the CFS.
E.2	No	See section 3.2. Risk governance, management and control - 3.2.1. Governance and Organisation in Note 3 to the CFS; section C.2. Committees of the Board of Directors in this document; and the section Corporate Governance - Ethical and Responsible Behaviour - Fiscal Transparency in the CMR.
E.3	No	See section 3.2. Risk governance, management and control - 3.2.2. Strategic risk management processes - Corporate Risk Catalogue in Note 3 to the CFS and the sections on Corporate Governance - Ethical and Responsible Conduct - Ethics and integrity, Tax transparency and Risk Management in the CMR.
E.4	No	See section 3.2. Risk governance, management and control - 3.2.2. Strategic risk management processes - Risk Appetite Framework in Note 3 to the CFS.

E.5	No	See CMR Risk Management section; sections 3.3, 3.4 and 3.5 (description of each risk in the Corporate Risk Catalogue) in Note 3; and section 23.3. Provisions for pending legal issues and tax litigation in Note 23 to the CFS.
E.6	No	See section 3.2. Risk governance, management and control - 3.2.4. Internal Control Framework and sections 3.3, 3.4 and 3.5 (detail of each risk in the Corporate Risk Catalogue) in Note 3 of the CFC and the section Corporate Governance - Ethical and Responsible Behaviour in the CMR.

F. Internal Control over Financial Reporting (1/1)

CNMV template section	Included in the statistical report	Comments
F.1	No	CMR Annex "System of Internal Control over Financial Reporting (SCIIF) - Financial Reporting Control Environment"
F.2	No	CMR Annex "System of Internal Control over Financial Reporting (SCIIF) - Risk Assessment of Financial Reporting"
F.3	No	CMR Annex "System of Internal Control over Financial Reporting (SCIIF) - Financial Reporting Control Procedures and Activities"
F.4	No	CMR Annex "System of Internal Control over Financial Reporting (SCIIF) - Information and Communication"
F.5	No	CMR Annex "System of Internal Control over Financial Reporting (SCIIF) - Monitoring the functioning of the System of Internal Control over Financial Reporting"
F.6	No	Not applicable
F.7	No	CMR Annex "Internal Control over Financial Reporting System (ICFR) - External Auditor's Report"

G. Degree of Compliance with Corporate Governance (1/1)

CNMV template section	Included in the statistical report	Comments
G.	Yes	CMR Annex "Extent to which corporate governance recommendations are followed"

H. Other Information of Interest (1/1)

CNMV template section	Included in the statistical report	Comments
H.	No	

CFS - Consolidated Financial Statements of the Group for 2022
CMR - Consolidated Management Report of the Group for 2022

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

Auditor's report on "Information regarding the Internal Control System over Financial Reporting (ICSFR)"

To the administrators of CaixaBank, S.A.:

In accordance with the request of the Board of Directors of CaixaBank, S.A. ("the Company") and our engagement letter dated 30 November 2022, we have applied certain procedures in respect of the attached "Information regarding the Internal Control System over Financial Reporting" ("ICSFR"), included in pages 478 to 500 of the Consolidated Management Report of Group CaixaBank and in the annex "Annual Corporate Governance Report" included in the Management Report of CaixaBank S.A., for the 2022 financial year, which includes a summary of the Company's internal control procedures relating to its annual financial information.

The administrators are responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate internal control system, and for developing improvements to that system and preparing and establishing the content of the accompanying Information regarding the ICSFR.

In this regard, it should be borne in mind that, regardless of the quality of the design and operating efficiency of the internal control system used by the Company in relation to its annual financial information, only a reasonable, but not absolute, degree of assurance may be obtained in relation to the objectives it seeks to achieve, due to the limitations inherent in any internal control system.

In the course of our audit work on the consolidated annual accounts and in accordance with Spanish Auditing Standards, the sole purpose of our evaluation of the Company's internal control system is to enable us to establish the scope, nature and timing of our audit procedures in respect of the Company's annual accounts. Accordingly, our internal control evaluation, performed for the purposes of our audit, is not sufficient in scope to enable us to issue a specific opinion on the effectiveness of such internal control over the regulated annual financial information.

For the purposes of the present report, we have exclusively applied the specific procedures described below, as indicated in the "*Guidelines concerning the auditor's Report on the Information regarding the Internal Control System over Financial Reporting for listed entities*" published by the National Securities Market Commission (hereinafter NSMC) on its web site, which sets out the work to be performed, the scope of such work and the content of this report. In view of the fact that, in any event, the scope of the work resulting from these procedures is reduced and substantially less than the scope of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, its design or operational efficiency, in relation to the Company's annual financial information for the 2022 financial year described in the accompanying Information regarding the ICSFR. Had we applied additional procedures to those determined by the aforementioned Guidelines, or had we performed an audit or review of the internal control system in relation to the regulated annual financial information, other matters could have come to light in respect of which you would have been informed.

PricewaterhouseCoopers Auditores, S.L., Pº de la Alameda, 35 Bis, 46023 Valencia, España
Tel.: +34 963 036 900 / +34 902 021 111, Fax: +34 963 036 901, www.pwc.es

In addition, provided that this special work neither constitutes an account audit it is not even submitted to the governing regulations of audit, we do not express an opinion of audit in the terms foreseen in the mentioned regulation.

The Procedures applied were as follows:

1. Reading and understanding the information prepared by the Company in relation to the ICSFR – as disclosed in the Management Report – and the evaluation of whether such information includes all the information required as per the minimum content set out in the Seventh additional disposal of the Royal Decree 4/2015, of October 23, by which the revised text of the Securities Market Law is approved.

2. Making enquiries of personnel in charge of preparing the information mentioned in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that enables us to assess whether the terminology used is in line with the framework of reference; (iii) obtain information as to whether the control procedures described have been implemented and are functioning in the Company.

3. Review of supporting documentation explaining the information described in point 1 above and which mainly comprises the information made directly available to the persons responsible for preparing the information on the ICSFR. Such documentation includes reports prepared by the internal audit function, senior management and other internal and external specialists in support of the functions of the audit committee.

4. Comparison of the information described in point 1 above with our knowledge of the Company´s ICSFR, obtained by means of the application of the procedures performed within the framework of the audit engagement on the consolidated annual accounts.

5. Reading the minutes of meetings of the Board of Directors, audit committee and other committees of the Company, for the purposes of evaluating the consistency between the matters dealt with therein in relation to the ICSFR and the information described in point 1 above.

6. Obtaining a representation letter concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in point 1 above.

As a result of the procedures applied in relation to the Information regarding the ICSFR, no inconsistencies or incidents have been identified which could affect such information.

This report has been prepared exclusively within the framework of the requirements as established by the Seventh additional disposal of the revised text of the Securities Market Law, for the purposes of describing the ICSFR in the Management Report.

PricewaterhouseCoopers Auditores, S.L.

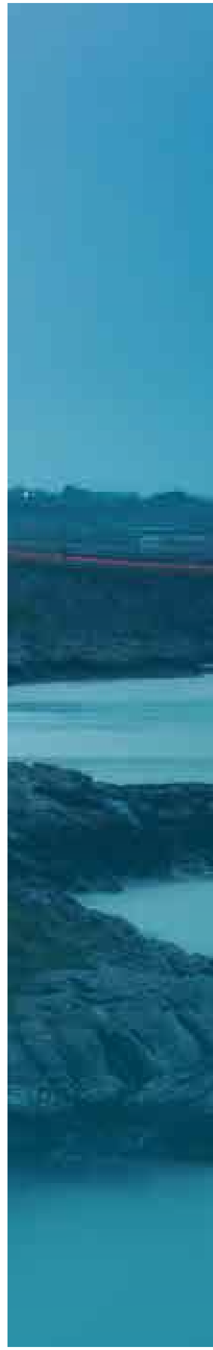
PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Raúl Ara Navarro

February 17, 2023

Annual Director Remuneration Report

CaixaBank



_01. Introduction

This **Annual Report on Directors' Remuneration** for the financial year 2022

(hereinafter, **Report or ARR**) is prepared by the Remuneration Committee of CaixaBank, S.A. (hereinafter, **CaixaBank, Company or Entity)** in accordance with the provisions of article 541 of the Capital Companies Act (hereinafter, **LSC**), following the content and instructions established in Circular 3/2021 of the Spanish National Securities Market Commission (hereinafter, **CNMV**)[1].

In this regard, the Entity has opted to prepare the report in free format, as in previous years, including the content required by regulations, the statistical appendix set out in Circular 3/2021, as well as other relevant information for understanding the remuneration system for the directors of CaixaBank. The purpose of this report is to provide transparency around director remuneration schemes and to facilitate shareholder understanding of the remuneration practices in place at the Bank.

> For the financial year 2022, the Directors' Remuneration Policy applicable to the Entity (hereinafter, **Remuneration Policy or Policy**) has been approved by the General Shareholders' Meeting on 8 April 2022, which replaces in its entirety the Remuneration Policy of the Board of Directors in force for the financial years 2020 to 2022, both inclusive.

This Remuneration Policy can be consulted on the CaixaBank website through the following link:

https://www.caixabank.com/es/accionistas-inversores/gobierno-corporativo/remuneracion-consejeros.html

Notwithstanding the above, for the 2023 financial year, an amendment to the Directors' Remuneration Policy approved by the CaixaBank General Meeting of 8 April 2022 is expected to be submitted for approval at the next General Shareholders' Meeting.

[1] Circular 3/2021, of 28 September, of the National Securities Market Commission, amending Circular 4/2013, of 12 June, which establishes models for annual remuneration reports for directors of listed public limited companies and members of the board of directors and the control committee of savings banks that issue securities admitted to trading on official securities markets; and Circular 5/2013 of 12 June, which establishes models for the annual corporate governance report of listed public limited companies, savings banks and other entities that issue securities admitted to trading on official securities markets.

The main reasons justifying the need to approve a modification of the Policy are the following:

01

Increased transparency and control by the General Shareholders' Meeting over changes to the remuneration components of executive directors.

02

The alignment of the Policy with the Guidelines on Sound Remuneration Policies under Directive 2013/36, applicable as of 1 January 2022, which have amended certain provisions relating to early termination payments, based on the provisions of Guideline 172.b. of the EBA Guidelines.

03

Updating of remuneration for membership of the Board and its committees for directors in their capacity as such. Updating of remuneration for membership of the Board and its committees for Directors in their capacity as such, with a maximum annual increase of 5%.

04

Updating of the fixed and target remuneration of the Chairman and the CEO, as well as the contributions to the CEO's pension scheme. Increase of 5%.

Thus, section 5 of this Report describes the characteristics of the Policy that, as of the date of preparation of this Report, is expected to be submitted to the Annual General Meeting in 2023.

As stipulated in article 541 of the Corporate Enterprises Act, this report, which was unanimously approved by the Board of Directors at its meeting of 16 February 2023, will be submitted to a consultative vote of the shareholders at the General Shareholders' Meeting in 2023, as a separate item on the agenda.

_Remuneration

The following sections make up the **Annual Report on the Remuneration of Directors**, which the Board of Directors must draw up and lay before the Annual General Meeting for a consultative vote among shareholders.

_02. Governing principles and responsibilities when managing the Remuneration Policy

CaixaBank establishes its Remuneration Policy on the basis of general remuneration policies, committed to a market position that allows it to attract and retain the talent needed and to encourage behaviour that ensures long-term value generation and the sustainability of results over time. Market practices are analysed each year with wage surveys and specific studies conducted as and when needed by top tier companies, based on a comparable sample of peer financial institutions operating in the markets in which CaixaBank is present and a sample of comparable IBEX 35 companies.

General principles of the policy		Executive Directors	Non-executive directors
Creating value	Variable remuneration takes into consideration not only the achievement of targets but also the way in which they are achieved, ensuring prudent risk management.	■	
Linking targets and commitment	The targets of staff are defined on the basis of the commitment they establish with their managers.	■	
Professional development	Remuneration policy bases its strategy of attracting and retaining talent on providing professional people with a distinctive corporate business project, the possibility of professional development and enjoyment of competitive overall remuneration.	■	
Competitive positioning of total compensation	Within these conditions of total compensation, the Remuneration Policy is committed to a competitive positioning in terms of the sum of fixed remuneration and social benefits, basing its capacity to attract and retain talent mainly on both remuneration components.	■	
Corporate pension plan	The main element of the benefits offer is the corporate welfare programme offered to professionals, which stands out in comparison with other financial institutions in the Spanish market, constituting a key element in the remuneration offer.	■	
Remuneration mix	The fixed remuneration and benefit components constitute the dominant part of the remuneration package where, in general, the variable remuneration concept tends to be conservative due to its potential role as a risk generator.	■	
Linkage to the General Remuneration Policy	In setting the Remuneration Policy, and in establishing the remuneration conditions for Executive Directors in particular, CaixaBank has taken into account the remuneration policy for the Entity's employees.	■	■
Sustainability	The Policy is consistent with the management of sustainability risks, incorporating metrics linked to this aspect in the variable remuneration component, and taking into account responsibilities and assigned functions.	■	
Non-discrimination	The Policy seeks to ensure non-discrimination and to promote equal pay with regard to gender.	■	■
Professional promotion	The promotion system is based on the assessment of the skills, performance, commitment and professional merits of the professionals on a sustained basis over time.	■	■
Best practices in director remuneration	The remuneration of the members of the CaixaBank Board of Directors, established within the general framework defined in this Remuneration Policy, is approved by the competent board and delegated committees of CaixaBank.	■	■

In the financial year 2022, the Remuneration Policy submitted by the Board to the binding vote of the General Shareholders' Meeting of 8 April 2022 received 75.86% of the voting quorum in favour. This result is conditioned mainly by the abstention of the same shareholder, who holds 16.1% of the share capital, on this agenda item, as well as on resolutions 11 and 12 on remuneration. On the other hand, the consultative vote on the Annual Remuneration Report for the previous fiscal year obtained 97.26% of votes in favour over the voting quorum.

Excluding this sole shareholder from the votes, the New Remuneration Policy would have obtained a 96.23% approval. Likewise, the rest of the proposals concerning remuneration (agreements 11 and 12) would have been approved with percentages above 98%. Moreover, all of these proposals received support from the main voting advisers of institutional investors.

_2.1 Remuneration of Directors

In accordance with the Regulations of the Board of Directors, all decisions on director remuneration made within the framework of the By-laws and the Remuneration Policy are non-delegable and must always be taken by the Board of Directors sitting in plenary session (the "Board").

_Directors in their capacity as such

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

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

_Remuneration of directors discharging executive functions

In relation to members of the Board with executive duties (hereinafter, Executive Directors), the By-laws recognise remuneration for their executive functions, in addition to the directorship itself.

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

> Fixed remuneration based on the subject's responsibility and track record, which constitutes a major portion of the total remuneration.

> Variable remuneration tied to the achievement of previously-established annual and long-term targets and prudent risk management.

> Pension scheme and other social benefits.

CaixaBank, S.A. is subject to Law 10/2014[2] (hereinafter referred to by its Spanish acronym of "LOSS"), particularly in relation to the remuneration policy of professionals whose activities have a material impact on the Company's risk profile (hereinafter referred to as "Identified Staff"). In line with the objective of achieving a reasonable and prudent balance between fixed and variable remuneration components, the amounts of fixed remuneration paid to Executive Directors are considered sufficient, while the percentage of variable remuneration in the form of a bonus above and beyond their annual fixed remuneration is comparatively low and does not exceed 100% of their fixed remuneration, unless the General Shareholders' Meeting approves a higher level, limited to 200% thereof.

No guaranteed variable remuneration is included in the remuneration package of Executive Directors. However, the Company may offer this guaranteed variable remuneration for new hires in exceptional cases, provided it has a healthy and solid capital base and the remuneration is applied to the first year of their contract only. As a general rule, the guaranteed variable remuneration should not exceed the amount of one annuity of the fixed remuneration components.

[2] Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, as amended by Royal Decree Law 7/2021, of 27 April, transposing certain EU directives, including the CRD V

_2.2 Remuneration Committee

_Composition

As at 31 December 2022, the Remuneration Committee was composed of three (3) Independent Directors and one (1) Proprietary Director, as well as a non-member secretary and deputy secretary. All members of the Commission have extensive experience, skills and knowledge commensurate with its tasks.

Full name	Position	Category	Date of first appointment
Amparo Moraleda Martínez	Chairwoman	Independent	25-09-2014
Joaquín Ayuso García	Member	Independent	30-03-2021
Cristina Garmendia Mendizábal	Member	Independent	22-05-2020
José Serna Masiá	Member	Proprietary	30-03-2021
Óscar Calderón de Oya	Secretary (non-director)	--	01-01-2017
Óscar Figueres Fortuna	First Deputy Secretary (non-director)	--	23-10-2017

_Functions

Meanwhile, the Remuneration Committee advises the Board and submits proposals and motions for its scrutiny and approval in relation to those matters that fall within the committee's remit by virtue of article 15 of the Regulations of the Board of Directors, including:

- Preparing decisions regarding remuneration, **and in coordination with the Risk Committee**, including those with implications for the Company's risk and risk management, to be taken by the Board of Directors. In particular, it shall inform and propose to the Board of Directors the remuneration policy, the system and amount of the annual remuneration of Directors and Senior Executives, and the individual remuneration of executive Directors and Senior Executives and the other conditions of their contracts, especially of a financial nature, and without prejudice to the powers of the Appointments and Sustainability Committee with regard to conditions proposed by the latter and unrelated to remuneration.
- Ensure compliance with the Remuneration policy for Directors and Senior Executives, as well as to report on the basic conditions established in their contracts and the compliance of these contracts.
- Report and prepare the Bank's general remuneration policy and in particular the policies relating to the categories of personnel whose professional activities have a significant impact on the Bank's risk profile and those that are intended to prevent or manage conflicts of interest with the Bank's customers.

- Analysing, formulating and periodically reviewing remuneration programmes, weighing their adequacy and performance and ensuring compliance.
- Proposing to the Board the approval of the remuneration reports or policies that it is required to submit to the Annual General Meeting, as well as reporting to the Board on any remuneration-related proposals the Board may intend to bring to the Annual General Meeting.
- Ensuring that any conflicts of interest do not impair the independence of the external advice given to the Committee related to the exercise of its functions.
- Considering the suggestions it receives from the Company's Chairman, Board members, executives, and shareholders.

In accordance with the above, the preparation, reporting and proposal of decisions regarding the remuneration of Board members is the responsibility of the Remuneration Committee, with the support of the General Secretariat in the case of Non-Executive Directors and of the Human Resources Department in the case of Executive Directors.

The proposals of the Remuneration Committee are elevated to the Board of Directors of CaixaBank for its consideration and, where applicable, approval. If the decisions correspond to the CaixaBank General Shareholders' Meeting, in accordance with its powers, the Board of Directors of CaixaBank approves their inclusion on the agenda and the proposals for the corresponding agreements, accompanied by the necessary reports.

Any services rendered for a significant amount (other than those inherent to the position) or any transactions that may be carried out between CaixaBank and members of the Board of Directors or related parties shall be subject to the regime of communication, exception, individual exemption, and publicity provided for in the regulations applicable to CaixaBank as a listed credit institution.

With respect to other remunerative items such as the granting of advance payments, loans, guarantees or any other remuneration, CaixaBank does not currently envisage the assignment of financial facilities as a means of remunerating its directors.

_External advisors

The Remuneration Committee has been advised by Ernst & Young Abogados S.L.P. ("EY") in the preparation of the Policy to be submitted for approval at the 2023 Annual General Meeting, as well as by Willis Towers Watson in respect of market analysis and benchmarking of remuneration and market compensation of Executive Directors and Senior Management.

_Commission activities during 2022

In 2022, CaixaBank's Remuneration Committee met 9 times and carried out, among other tasks, the following activities relating to remuneration:

Month	Activities
January	For its proposal to the board, CaixaBank's Remuneration Committee determined the result of the individual and corporate challenges of the previous year's Bonus scheme for Executive Directors, members of the Management Committee, and Independent Control Functions, as well as the proposed bonus for 2021 and economic conditions for 2022. The proposed corporate, annual and multi-year metrics, applicable to the new variable remuneration scheme for 2022.
February	CaixaBank's Remuneration Committee drew up the reasoned proposal and the new Remuneration Policy for CaixaBank's Board of Directors for the years 2022-2024, and drafted the proposed resolutions for the delivery of shares to Executive Directors as part of the Company's variable remuneration programme, the authorisation of the maximum ratio of variable remuneration above 100% for certain positions of the Identified Staff, and the Annual Remuneration Report of the members of the Board of Directors. The Bonus proposal for some members of Senior Management and the Corporate challenges for 2022 were modified. The adjustment of the first cycle of the PIAC 2019 - 2021 and the achievement of the Provisional Incentive of the third cycle of the same plan were also presented for approval by the Board.
March	An amendment to the CaixaBank Group's Remuneration Policy for Identified Staff was proposed for approval by the Board, to introduce the new features approved by the Board of Directors in the section on the Risk Adjustment Indicator and adapt the wording of the section on deferral and payment corresponding to payments for early termination in line with the provisions of the CaixaBank Directors' Remuneration Policy.
May	Quantification of the individual challenges of some members of the Management Committee to include business objectives.
June	The Remuneration Committee reviewed the Request for exclusions from Identified Staff of 2022 and the result of the Identified Staff Composition Audit. At the request of the same Committee, a report was presented with CaixaBank's Variable Remuneration Structure, the Governance model and a summary of the Retail Banking bonus model and the Incentive model.
July	The Conclusions and degree of progress of the CaixaBank Group Remuneration Audits - Plan 2022 were presented to the Remuneration Committee.
October	In addition, the status of implementation of the new variable remuneration model with multi-year metrics for the Group's Identified Staff and First Executives was reported and the result of the audit of the review of the application of the 2021 Redundancy Agreement was presented.
December	The CaixaBank Remuneration Committee approved the proposal for the CaixaBank Group's 2023 Identified Staff and the remuneration management calendar for the 2022-2023 financial year. The new benchmarking group for the analysis of the external competitiveness of Senior Management was presented and approved.

_03. Remuneration policy 2022

_3.1 Remuneration of directors in their capacity as such

The remuneration accrued by all directors acting in their capacity as such consists of a fixed annual amount set by the General Shareholders' Meeting. This amount will remain in force until shareholders agree to modify it.

The amount established by the General Shareholders' Meeting shall be used to remunerate the Board of Directors and its committees, and shall be distributed among members as the Board sees fit, though based on a recommendation from the Remuneration Committee. In apportioning the remuneration, the Board shall pay due regard to the duties and dedication of each member and any seats they occupy on the various committees. It shall also determine the frequency and method of payment, whether through attendance allowances, bylaw-stipulated remuneration, and so forth. The 2021 Annual General Meeting agreed that the maximum annual amount payable to all directors would be EUR 2,925,000, without counting remuneration payable for executive functions.

Accordingly, the amounts approved for membership of the Board and its Committees in 2022 and 2021 are as follows:

> REMUNERATION FOR BOARD MEMBERSHIP AND MEMBERSHIP OF BOARD COMMITTEES

€ million	Total 2022	Total 2021
Base remuneration of each Board member	90	90
Additional remuneration of the Coordinating Director	38	38
Additional remuneration of each member of the Executive Committee	50	50
Additional remuneration of the Chairman of the Executive Committee	10	10
Additional remuneration of each member of the Risks Committee	50	50
Additional remuneration of the Chairman of the Risks Committee	10	10
Additional remuneration of each member of the Audit and Control Committee	50	50
Additional remuneration of the Chairman of the Audit and Control Committee	10	10
Additional remuneration of each member of the Appointments and Sustainability Committee	30	30
Additional remuneration of the Chairman of the Appointments and Sustainability Committee	6	6
Additional remuneration of each member of the Remuneration Committee	30	30
Additional remuneration of the Chairman of the Remuneration Committee	6	6
Additional remuneration of each member of the Innovation, Technology and Digital Transformation Committee[1]	30	30

[1] The Chairman and the Chief Executive Officer do not receive additional remuneration for their membership of the Innovation, Technology and Digital Transformation Committee, which is included in their overall remuneration as members of the Board.

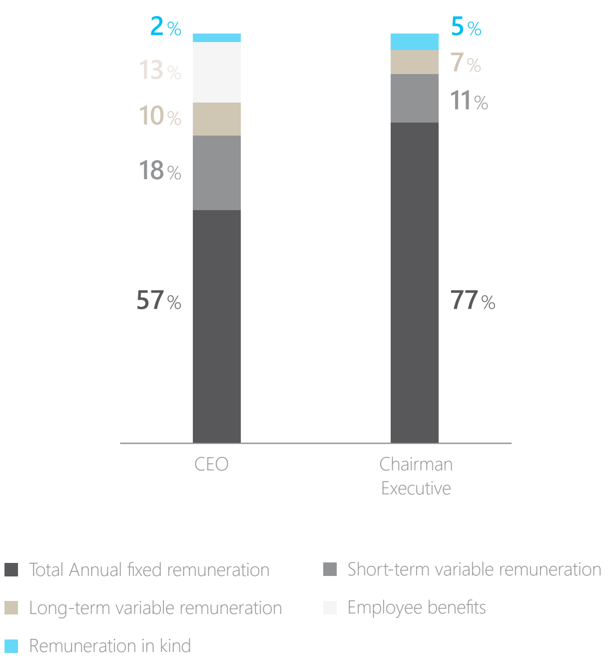
(thousands of euros)	Total 2022	Total 2021*
Remuneration distributed to directors in their capacity as such	2,736	2,854

** The remuneration distributed in 2021 takes into account the part of the non-executive chairman's additional remuneration accrued up to the date of termination of office.*

All Directors are covered by the terms of a civil liability policy arranged for directors and senior managers to cover any third-party liability they may incur when discharging their duties. The Remuneration Policy does not envisage any long-term savings systems for Non-Executive Directors.

_3.2 Remuneration of directors discharging executive functions

By way of summary, the remuneration mix corresponding to the remuneration earned by CaixaBank's executive directors in 2022 is as follows:



_Fixed items of remuneration

Fixed remuneration for Executive Directors is largely based on the level of responsibility and the professional career of each Director, combined with a market approach taking account of salary surveys and specific ad hoc studies. The salary surveys and specific ad hoc studies in which CaixaBank participates are carried out by leading specialist companies, with the sample used for 2023 being a group of European financial institutions comparable to CaixaBank and the IBEX 35 companies as a whole.

Peer Group of reference for the remuneration of executive directors

Santander	BBVA	Banco Sabadell	Bankinter	ABN Amro	Commerzbank
Societe General	Deutsche Bank	Erste Group	KBC Groep	Lloyds Banking Group	ING Groep
NatWest	Standard Chartered	SwedBank	UniCredit		

CaixaBank also takes into account a multi-sector sample obtained from publicly available information on the Executive Directors of a representative number of companies whose size (market capitalisation, assets, turnover and number of employees) is comparable to that of CaixaBank.

As a general rule, the fixed remuneration accrued by Executive Directors includes remuneration received in connection with duties carried out at CaixaBank Group entities or other entities in the interests of CaixaBank. This further remuneration is deducted from the net amount of fixed remuneration to be paid by CaixaBank.

In addition, as a fixed component of remuneration, the contracts of Executive Directors may include pre-determined contributions to pension and savings schemes, which are described in the corresponding section.

Accrued remuneration linked to fixed components for Executive Directors is presented below:

Fixed remuneration accrued by Executive Directors

(thousands of euros)	Position	Salary	Remuneration for being a member of the Board	Remuneration for membership on board committees	Remuneration for positions held at Group companies	Remuneration for membership of boards outside the Group	Total Annual fixed remuneration
Gonzalo Gortazar	CEO	2,061	90	50	60		2,261
José Ignacio Goirigolzarri	Executive Chairman	1,485	90	60		15	1,650
Total per item 2022		3,546	180	110	60	15	3,911
Gonzalo Gortazar	CEO	1,917	90	50	204		2,261
José Ignacio Goirigolzarri[1]	Executive Chairman	1,122	69	45		11	1,247
Total per item 2021		3,039	159	95	204	11	3,508

[1] The Executive Chairman's accruals have been calculated on a pro-rata basis for his time in office during the financial year 2021 (from 30 March 2021 to 31 December 2021). The Total fixed annual remuneration agreed for 2021 was 1,650,000 euros. The total fixed annual remuneration of the Executive Chairman was maintained between 2022 and 2021.

The annual Total Fixed Remuneration of the CEO was maintained for the year 2022 compared to 2021.

Executive Directors may also receive remuneration in kind in the form of health insurance for themselves and their immediate family, the use of a vehicle or family home, or similar benefits that are common within the sector and commensurate to their professional status, in keeping with the standards established by CaixaBank at any given time for the professional segment to which they belong. Remuneration in kind earned by Executive Directors is presented below:

Remuneration in kind of Executive Directors

(thousands of euros)	Position	Own and family medical care[2]	Use of car and housing	Other	Total
Gonzalo Gortazar	CEO	5			5
José Ignacio Goirigolzarri	Executive Chairman	2			2
Total per item 2022		7			7
Gonzalo Gortazar	CEO	5		2	7
José Ignacio Goirigolzarri	Executive Chairman	2			2
Total per item 2021		7		2	9

[2] Medical insurance for the CEO, spouse, and all children aged under 25.

_Variable components of remuneration

_Variable Remuneration Scheme with Multi-year Metrics

From January 2022, the variable remuneration of Executive Directors, similar to the model applicable to the other members of the Group's Identified Staff, consists of a risk-adjusted variable remuneration scheme based on performance measurement that is awarded annually on the basis of annual metrics with a long-term adjustment through the establishment of multi-year metrics.

This scheme is determined on the basis of a target variable remuneration established for each of the Executive Directors by the Board of Directors, at the recommendation of the Remuneration Committee, which represents the amount of variable remuneration to be received in the event of 100% compliance with the established targets. In the case of overachievement, a maximum achievement rate of 120% can be reached.

Annual factors, with quantitative corporate (financial) and qualitative corporate (non-financial) criteria, which must be specified and clearly documented, are used for performance measurement and for the evaluation of results. In addition, multi-year factors based on corporate criteria are also used, which adjust, as a reduction mechanism, the payment of the deferred portion subject to multi-year factors. This scheme is based solely on the fulfilment of corporate challenges which are weighted at 100%, eliminating individual challenges from previous years.

Under this system, 40% of the variable remuneration corresponding to the current year will be paid to the Company's executive directors in equal parts in cash and CaixaBank shares, while the remaining 60% will be deferred, 30% in cash and 70% in shares, over a period of five years. In this regard, the payment for the first two years of deferral is subject to annual factors, while the payment for the following three years will be subject to compliance with the approved multi-year factors.

The receipt of variable remuneration with multi-year metrics by Executive Directors is subject to the maintenance of their service relationship as at 31 December of the year in which such variable remuneration is to vest.

The remuneration for 2022 of Executive Directors did not vary with respect to 2021. Thus, the target amount of the new variable remuneration scheme with multi-year metrics, in accordance with the new Director Remuneration Policy, is the sum of the target amounts for 2021 of the annual bonus and the long-term incentive (PIAC).

As a consequence of the above, the percentage that variable remuneration may represent over fixed remuneration has been reformulated, and may reach 100 % of the fixed component of the remuneration of each executive director.

(thousands of euros)	Position	Variable target remuneration (thousands of euros)
Gonzalo Gortazar	CEO	909
José Ignacio Goirigolzarri	Executive Chairman	320

For financial year 2022, the CEO has been assigned an annual variable target remuneration equivalent to 40,2 % of his Annual Fixed Total Remuneration, in the event of 100 % compliance with the targets set at the beginning of the year by the Board, which may reach up to a maximum of 48,2 % of the Annual Fixed Total Remuneration.

On the other hand, the Chairman of the Board has been assigned a variable annual target remuneration equivalent to 19,4 % of his Total Annual Fixed Remuneration, in the event of 100 % compliance with the targets set at the beginning of the year by the Remuneration Committee, which may reach up to a maximum of 23,3 % of the Total Annual Fixed Remuneration.

CaixaBank

_Corporate challenges of variable bonus remuneration for executive directors in 2022

_Multi-year measurement metrics

The corporate challenges, with a weighting of 100 %, are set annually by the Board on the recommendation of the Remuneration Committee, subject to a degree of achievement [80 %-120 %], which is determined on the basis of the following concepts aligned with the strategic objectives:

Criteria		Metric	RW	Degree of compliance	Degree of achievement	Purpose	Result	Recognition of the challenge (%)
Corporate	Financial	ROTE	20 %	> 7.7 = 120 %	120 %	6.7	9.8	120 %
				Between 7.7 and 5.7	Between 120 and 80 %			
				< 5.7 = 0 %	0			
		CER	20 %	< 53.4 = 120 %	120 %	54.7	50.2	120 %
				Between 53.4 and 56.1	Between 120 and 80 %			
				> 56.1 = 0 %	0			
		NPAs	10 %	<-1,054 = 120 %	120 %	- 527	- 3,850	120 %
				Between -1,054 and 0	Between 120 and 80 %			
				> = 0 = 0 %	0			
	Non-financial	RAF	20 %	<= 3 ambar	120 %	Five amber	0 ambers	120 %
				3.5 ambers	115 %			
				4 ambers	110 %			
				4.5 ambers	105 %			
				5 ambers	100 %			
				5.5 ambers	95 %			
				6 ambers	90 %			
				6.5 ambers	85 %			
				7 ambers	80 %			
				> = 7.5 ambers	0			
		Sustainability	10 %	> 22,962 = 120 %	1.2	19,135	23,583	120 %
				Between 22,962 and 15,308	Between 120 and 80 %			
				< 15,308 = 0 %	0			
		Quality	10 %	Each challenge individually on scales between 0 % and below 80 % and up to a maximum of 120 %	Maximum of 120 % and a minimum of 80 % below 0	NPS branch 52.2 IEX 88.2 NPS digital 41.8	NPS branch 64.0 IEX 89.1 NPS digital 55.5	120 %
				Weighted average (NPS branch and IEX segments) 70% and 30 % NPS digital				

Criteria		Metric	RW	Degree of compliance	Degree of achievement	Purpose	Result	Recognition of the challenge (%)
Corporate	Non-financial	Compliance	10 %	> 96.25 and corrective factor 0 = 100 %	Between 120 % and 0	96,25	99,2	116 %
				Between 96.25 and 95 = 90 %	Between 108 % and 0			
				Between 95 and 94 = 80 %	Between 96 % and 0			
				< 94 - 0 %	0			
Achievement								119.6 %

The established metrics and targets pursued with each of them are defined in detail below:

_ROTE (20%)

Definition: Measures the profitability index of the tangible assets and is calculated as the Profit/(loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon) and net equity plus valuation adjustments for the last 12 months, minus the intangible assets or goodwill. The degree of compliance with the ROTE in 2022 has been calculated as follows: 2,884 (result net of AT1 coupon) / 29,532 (own funds and average valuation adjustments net of intangibles).

The target for the challenge was 6.7, and a result of 9.8 has been achieved, which means a recognition rate in 2022 of 120%.

_Core Efficiency Ratio (CER) (20%)

Definition: This is the percentage of recurring expenses in relation to the income from the company's core business. It is calculated as the ratio of the Group's recurring expenses to core revenues (net interest income, net fee and commission income and insurance-related revenues).

The degree of compliance with the CER in 2022 has been calculated as follows: 6,020 (recurrent expenses) / 11,997 (core revenues).

The target for the challenge was 54.7, and a result of 50.2 has been achieved, which means a degree of fulfilment of the challenge in 2022 of 120%.

_NPAs (10%)

Definition: This is the change, in absolute terms, in the Group's problematic assets (defined as non-performing and foreclosed loans and auction rights).

The degree of compliance with this metric in 2022 has been calculated as follows: the target for the challenge was a variation of -527, with a result of -3,850 achieved, meaning the degree of compliance with the challenge in 2022 is the maximum of 120%.

_Risk Appetite Framework (RAF): (20%)

Definition: To calculate the fulfilment of the objective related to the RAF metric, an aggregate level of the scorecard of the Company's Risk Appetite Framework is used. This scorecard consists of quantitative metrics that measure the different types of risk, and the Board of Directors establishes areas of appetite (green), tolerance (amber) or non-compliance (red), and determines the scale of fulfilment that establishes penalisation or bonus percentages according to the variation of each metric, between the actual situation at the end of the year and that initially forecast for the same year in the budget.

The target for the challenge was 5 ambers, having achieved a result of 0 ambers with all metrics equal to or better than budgeted, so the degree of compliance with the challenge in 2022 is 120%.

_Sustainability (10 %)

Definition: Mobilising sustainable finance, this measures the new production of sustainable finance. The achievement is determined by comparing the achieved result of 23,583 with the target set according to the sustainability plan for 2023 of 19,135, which is an achievement of 120 %.

_Quality 10 %

Definition: This metric combines the Net Promoter Score index (customers who recommend us) with a customer experience index.

The target of the challenge was:

> NPS branch: 52.2

> IEX: 88.2

> NPS digital; 41.8

Having reached a result of:

> NPS branch: 64

> IEX: 89.1

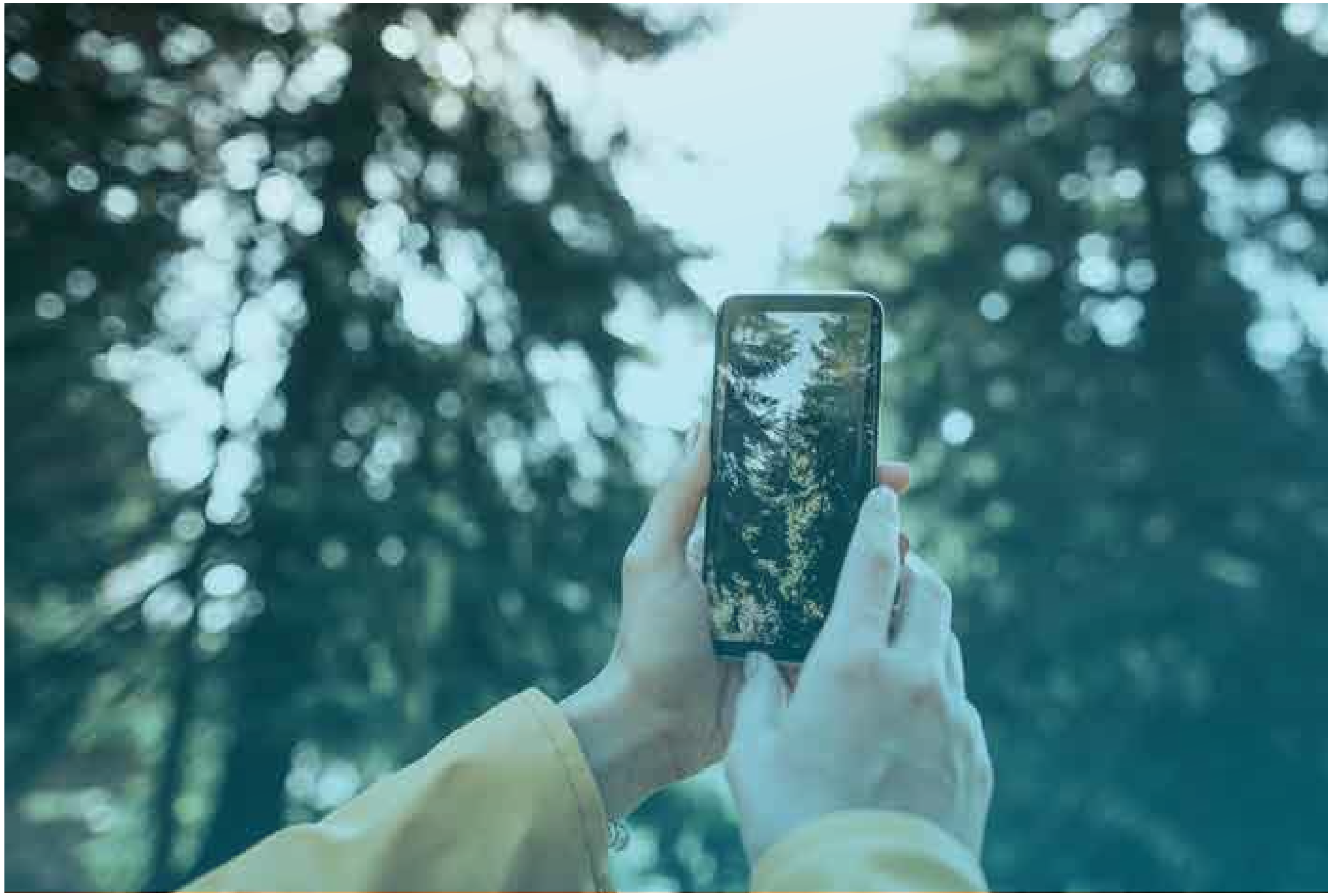
> NPS digital; 55.5

Therefore, the degree of fulfilment of the challenge in 2022 is a maximum of 120 %.

_Compliance 10 %

Definition: Aggregate index of metrics that measure processes for the Prevention of Money Laundering, MiFID and correct marketing of products and services.

The target for the challenge was 96.25, and a result of 99.2 was achieved, meaning the degree of achievement of the challenge in 2022 was 116 %.



Based on the above results, the Board of Directors, at the recommendation of the Remuneration Committee, has approved the recognition of 119.6 % of variable remuneration in the form of bonus targets linked to corporate challenges (100 %).

> MULTI-YEAR FACTOR MEASUREMENT METRICS

Criteria	Metric	RW	Target value	Degree of compliance	Degree of penalty
Corporate	CET1	25%	RAF measure for risk tolerance in green	Red = 0%	100%
				Amber = 50%	50%
				Green = 100%	-%
	TSR	25%	Value of the EUROSTOXX Banks – Gross Return index	>= index = 100%	-%
				< index = 0%	100%
	Multi-year ROTE	25%	Average amounts repaid annually in the measurement period	> Average = 100%	-%
				Between 80% and 100%	Between 0 and 100%
				< 80% = 0%	100%
	Sustainability	25%	63,785	> = 63,785 = 100%	-%
				Between 63,785 and 47,838 = between 75 and 100%	Between 0 and 100%
				< 47,838 = 0%	100%

The level of achievement for the multi-year factor metrics is set solely on the basis of corporate criteria and determines the adjustment of payments from the third year of deferral (i.e. 36 per cent of the remaining variable remuneration).

The metrics associated with the multi-year factors are described below:

_CET1 (25%)

Definition: It is set as a metric linked to the colour (tolerance level) of the indicator in the CET1 RAF at the end of the multi-year period.

_TSR (25%)

Definition: Comparison with the average of the EUROSTOXX Banks – Gross Return index.

_Multi-year ROTE (25%)

Definition: This is set as the average achievement of the ROTE challenge for each of the years of the multi-year measurement period.

_Sustainability (25%)

Definition: This is set to reach a cumulative sustainable finance mobilisation figure in the period 2022-2024 defined in the sustainability master plan.

The aforementioned metrics will have associated compliance scales so that if the targets established for each are not met within the three-year measurement period, the deferred portion of the variable remuneration pending payment can be reduced but never increased.

In addition, the remaining conditions of the system for granting, vesting and payment of variable remuneration to Executive Directors provided for in the Remuneration Policy shall apply to the variable remuneration.

_Determination of Variable Remuneration with Multi-year Metrics

The Board of Directors shall ratify **the final degree of attainment of the variable remuneration as an accrued bonus based at the recommendation of the Remuneration Committee.**

After assessing the total set of targets above, the Board of Directors has considered the following:

>% OF CHALLENGE ACHIEVEMENT FOR THE PURPOSE OF AWARDING VARIABLE BONUS REMUNERATION

_CEO

Variable Remuneration with Multi-year Metrics target 2022 (thousands of euros)	% achievement of corporate challenges	Variable remuneration with multi-year metrics 2022 (thousands of euros)
909	119.6%	1087

The variable remuneration in the form of bonus accrued by the CEO in the financial year 2022 amounts to 1,086,924.80 euros, which corresponds to 48,1% of his Total Annual Fixed Remuneration.

Variable remuneration 2022	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Equivalent remuneration (thousands of euros)
Initial part	40%	Shares	20%	55,654	217
		Cash on hand	20%		217
Deferred remuneration	24 %	Shares	17%	46,751	183
		Cash on hand	7%		79
Subject to multi-year factors	36%	Shares	25%	70,122	274
		Cash on hand	11%		117

_Executive Chairman

Variable Remuneration with Multi-year Metrics target 2022 (thousands of euros)	% achievement of corporate challenges	Variable remuneration with multi-year metrics 2022 (thousands of euros)
320	119.6%	383

The variable remuneration in the form of bonus accrued by the Executive Chairman in the financial year 2022 amounts to 382,720 euros, which corresponds to 23.2% of his Total Annual Fixed Remuneration.

Variable remuneration 2022	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Equivalent remuneration (thousands of euros)
Initial part	40%	Shares	20%	19,596	77
		Cash on hand	20%		77
Deferred remuneration	24 %	Shares	17%	16,464	64
		Cash on hand	7%		28
Subject to multi-year factors	36%	Shares	25%	24,690	96
		Cash on hand	11%		41

_Deferral and payout in variable remuneration instruments

_Gonzalo Gortázar – CEO

Variable remuneration components paid in 2022 in the form of a bonus for the CEO

(thousands of euros)

Variable remuneration in form of bonus	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Equivalent remuneration	Unrealised deferred remuneration
Payment of upfront variable remuneration of 2022	Shares	20%	55,654	40%	217	653
	Cash on hand	20%			217	
Payment of deferred variable remuneration of 2021	Shares	6%	18,141	52%	50	396
	Cash on hand	6%			50	
Payment of deferred variable remuneration of the 2019 bonus	Shares	6%	16,256	76%	46	183
	Cash on hand	6%			46	
Payment of deferred variable remuneration of the 2018 bonus	Shares	6%	15,613	88%	47	94
	Cash on hand	6%			47	
Payment of deferred variable remuneration of the 2017 bonus	Shares	6%	7,824	100%	31	
	Cash on hand	6%			31	

[1] In 2020, the CEO voluntarily waived the annual variable remuneration in the form of a bonus for that year as an act of responsibility for the exceptional economic and social situation generated by COVID-19.

Interest and returns on deferred variable remuneration accrued in the year by the CEO in the form of a bonus amounted to 100 EUR.

_José Ignacio Goirigolzarri – Chairman

Variable remuneration components paid in 2022 in the form of a bonus for the Chairman:

(thousands of euros)

Variable remuneration in form of bonus	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Equivalent remuneration	Unrealised deferred remuneration
Payment of variable upfront remuneration for 2022	Shares	20%	19,596	40%	77	229
	Cash on hand	20%			77	
Upfront payment of *deferred* variable remuneration – 2021	Shares	6%	5,120	52%	14	112
	Cash on hand	6%			14	

In addition, the Chairman has certain deferred amounts pending payment as a result of his services at Bankia.

(thousands of euros)

Variable remuneration	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Equivalent remuneration	Unrealised deferred remuneration
RVA 2019	Shares	25%	20,420	50%	53	106
	Cash on hand	25%			53	
RVA 2018	Shares	13%	6,740	75%	28	57
	Cash on hand	13%			28	
RVA 2017	Shares	13%	5,350	100%	31	0
	Cash on hand	13%			31	
RVP 2017	Shares	50%	4,280	100%	25	0
	Cash on hand	50%			25	

_Long-term variable components of the remuneration systems from prior years

_Conditional Annual Incentives Plan linked to the 2019-2021 Strategic Plan

On 5 April 2019, the Annual General Meeting approved the implementation of a Conditional Annual Incentives Plan (hereinafter "CAIP") linked to the 2019-2021 Strategic Plan, whereby eligible subjects may receive a number of CaixaBank shares once a certain period of time has elapsed and provided the strategic objectives and a set of specific requirements are met.

Under the CAIP, units (**hereinafter** "**Units**") will be assigned to each beneficiary in 2019, 2020 and 2021. The units will be used as the basis on which to establish the number of CaixaBank shares to be delivered to each beneficiary. The allocation of Units does not confer any shareholder voting or dividend rights on the beneficiary, who will eventually become a shareholder once the Company shares have been delivered and not before. The rights conferred are non-transferable, without prejudice to any special circumstances envisaged in the Regulations of the CAIP.

With regard to the second cycle of the Plan, as a measure of responsibility on the part of CaixaBank management in view of the exceptional economic and social situation generated by COVID-19, the Board of Directors, at its meeting of 16 April 2020, approved the non-allocation of shares to the Beneficiaries of the second cycle of the Plan.

Detailed information on the CAIP in force during 2021 is described below.

_Beneficiaries

CAIP beneficiaries will be the Executive Directors, the members of the Management Committee and the other members of the senior management and any other key Group employees whom the Board may expressly invite to take part in the plan. Although the maximum number of beneficiaries initially authorised by the 2019 General Meeting was 90 persons, the General Shareholders' Meeting of 14 May 2021 approved an increase in the estimated number of Beneficiaries to 130 persons. This increase is a consequence of the Merger, with the aim of bringing the group of Beneficiaries up to date with CaixaBank's new organisational structure.

_Duration, target measurement periods and liquidation dates of the CAIP:

The CAIP has three cycles, each of three years, with three Unit assignments. Each of the allocations took place in 2019 (period 2019-2021), 2020 (period 2020-2022) and 2021 (period 2021-2023).

Each cycle includes two target measurement periods:

> The first measurement period (**"First Measurement Period"**) will pertain to year one of each cycle, in which certain targets linked to the metrics described in due course must be met. Depending on the extent of attainment of targets at the First Measurement Period, and based on the Units assigned at the start of each cycle, the beneficiaries will be granted a provisional incentive (**"Provisional Incentive"**) in year two of each cycle (the "**Award Date**"), equivalent to a certain number of shares ("**Award of the Provisional Incentive**"). This will not entail the actual delivery of shares at that time.

> The second measurement period ("**Second Measurement Period**") will cover the three-year duration of each of the cycles, in which the targets linked to the described metrics must also be met. The final number of shares to be effectively delivered (the **"Final Incentive"**) following the end of each Plan cycle, and will be subject to and dependent on the attainment of targets at the Second Measurement Period for each cycle ("**Determination of the Final Incentive**"). Under no circumstances may this exceed the number of shares deliverable under the Provisional Incentive.

For the CEO and members of the Management Committee, the shares corresponding to the Final Incentive of each cycle will be delivered in three instalments on the third, fourth and fifth anniversary of the Award Date (the **"Settlement Dates"**). For the remaining beneficiaries who are not part of the Identified Staff in 2021, the shares are delivered in full on a single Settlement Date, on the third anniversary of the Award Date. For beneficiaries who are part of the 2021 Identified Staff, the shares will be delivered in halves in full on a single Settlement Date, on the third and fourth anniversary of the Award Date.

The PIAC was formally launched on 5 April 2019 (the "**Start Date**"), except for those beneficiaries subsequently added to the CAIP. The CAIP will end on the last Settlement Date for shares pertaining to the third cycle, i.e. in 2027 for Executive Directors and members of the Management Committee, and in 2025 for all other beneficiaries (the "**End Date**").

_Reference share value

The share value to be used as a reference when assigning the Units will be the arithmetic mean price, rounded to three decimal places, of the CaixaBank share price at close of trading during the trading sessions in January of each year in which a Plan cycle begins (i.e., 01/2019, 01/2020 and 01/2021).

The value of the shares pertaining to any Final Incentive that may be finally delivered will be equivalent to the listed CaixaBank share price at the close of trading on each Settlement Date for each Plan cycle.

_Number of Units to be assigned

The Board shall use the following formula to determine the Units to be assigned to each beneficiary:

NU = TA / AMP

> **NU =** Number of units to be assigned to every beneficiary, rounded up to the closest whole number.

> **TA =** Reference Target Amount for the beneficiary, based on their position.

> **AMP =** Arithmetic mean price, rounded to three decimal places, of the CaixaBank share at close of trading during the stock market trading sessions of January of each year in which a cycle begins.

_Number of shares pertaining to the award of the Provisional and Final Incentive

The following formula will be used to determine the total number of shares pertaining to the Award of the Provisional Incentive:

NSA = NU x DIA

> **NSA =** Number of shares pertaining to the Award of the Provisional Incentive for each beneficiary rounded up to the nearest whole number.

> **NU =** Number of Units assigned to the beneficiary at the start each cycle.

> **DIA =** Degree of Incentive Attainment, showing the extent to which the targets pegged to CAIP metrics are met during the first year of each cycle (see section on "Metrics").

The following formula will be used to determine the number of shares pertaining to the Final Incentive:

NS = NSA x Ex-post Adj.

> **NSA** = Number of shares pertaining to the Final Incentive to be delivered, rounded up to the nearest whole number.

> **Ex-post adj**. = Ex-post adjustment of the Provisional Incentive for each cycle, depending on attainment of the target for each cycle.

_Maximum number of shares to be delivered

For the first cycle of the CAIP, the maximum total number of shares to be delivered to the Beneficiaries of the CAIP in the years 2023, 2024 and 2025, in the event of maximum achievement in which all the targets corresponding to the first cycle of the CAIP are exceeded, in all cases, over and above those budgeted, amounts to a total of 1,242,768 shares, of which 73,104 shares correspond, as a maximum, to the CEO.

With regard to the second cycle of the CAIP, as a measure of responsibility on the part of CaixaBank management in view of the exceptional economic and social situation generated by COVID-19, the Board of Directors, at its meeting of 16 April 2020, approved the non-allocation of shares to the Beneficiaries of the second cycle of the CAIP.

For the third cycle of the CAIP, the maximum total number of shares that the Beneficiaries of the Plan may receive in the years 2025, 2026 and 2027, in the event of maximum achievement in which all the corresponding targets are exceeded, in all cases, over and above those budgeted, amounts to a total of 4,094,956 shares, of which 176,309 shares will correspond, as a maximum, to the CEO and 105,786 shares will correspond, as a maximum, to the Chairman.

_Metrics

a. Determination of the Degree of Achievement of Provisional Incentive

The Degree of Provisional Incentive Attainment (DIA) will depend on the extent to which the targets are met during the First Measurement Period for each cycle, as per the following metrics:

Metric	of incentive attainment (DIA)	Minimum degree of attainment	Maximum degree of attainment
CIR (Cost Income Ratio)	40%	80%	120%
ROTE (Return on Tangible Equity)	40%	80%	120%
CX (Customer Experience Index)	20%	80%	120%

_REC (Ratio of Core Efficiency)

Achievement scale

CER	Coefficient
≤ 55.5%	1.2
56.6%	1
57.8%	0.8
> 57.8%	0

_ROTE (Return on Tangible Equity)

Achievement scale

ROTE	Coefficient
≥ 7.1%	1.2
6.20%	1
5.30%	0.8
< 5.3%	0

_CX (Customer Experience Index)

Achievement scale

CX	Coefficient
≥ 84.5	1.2
84.3	1
84.1	0.8
< 84.1	0

The following formula is used to determine the Degree of Incentive Attainment:

DIA = CCER x 40% + CROTE x 40% + CCEI x 20%

> **DIA =** Degree of Incentive Attainment for the Provisional Incentive, expressed as a percentage rounded to one decimal place.

> **CCER =** Coefficient attained in relation to the CER target.

> **CROTE =** Coefficient attained in relation to the ROTE target.

> **CCEI =** Coefficient attained in relation to the CEI target.

The Award of the Provisional Incentive in each cycle will be conditional on the ROTE metric exceeding, at the end of the First Measurement Period, a specific minimum value to be set by the Board.

_Multiplier coefficient

When determining the shares pertaining to the Award of the Provisional Incentive on the Award Date of the third cycle, an additional multiplier of up to 1.6 will be applied to the DIA, depending on the change in CaixaBank's TSR indicator in comparison with the 17 peer banks during the first cycle. However, if CaixaBank ranks below the median on the ranking table at the end of the first cycle, no additional multiplying factor will be applied to the DIA.

Position in the comparison group	Multiplier Coefficient
1st to 3rd	1.6
4th to 6th	1.4
7th to 10th	1.2
11th to 18th	1

The achievement scale of this multiplier coefficient is as follows:

b. Calculation of the Final Incentive

The Ex-post Adjustment will be calculated on the basis of the targets reached in relation to the following metrics at the end of each cycle. The Ex-post Adjustment may have the effect of lowering the final number of shares to be delivered when compared with the number of shares pertaining to the Provisional Incentive at each Award Date but shall never increase that number.

Metric	Weighting	Minimum degree of attainment	Maximum degree of attainment
RAF	60 %	-%	100 %
TSR (Total Share Return)	30 %	-%	100 %
GRI (Global Reputation Index of the CaixaBank Group)	10 %	-%	100 %

>PARAMETERS LINKED TO THE EX-POST ADJUSTMENT TO DETERMINE THE FINAL INCENTIVE OF THE CAIP

To be calculated as follows:

Ex-post adj. = CTSR x 30 % + CRAF x 60 % + CGRI x 10 %

> Ex-post adj. = Ex-post adjustment to be applied to the Provisional Incentive awarded, expressed as a percentage [capped at 100 %].

> CTSR = Coefficient attained in relation to the TSR target.

> CRAF = Coefficient attained in relation to the RAF target.

> CGRI = Coefficient attained in relation to the GRI target.

_CTSR

The change in the TSR in each cycle will be measured by comparison between CaixaBank and 17 reference banks. A coefficient of between 0 and 1 will be used, depending on where CaixaBank ranks. The coefficient will be 0 when CaixaBank is ranked below the median.

To ensure that there are no atypical movements when determining the TSR, the reference values to be used at the start and end date of the Second Measurement Period for each cycle will be the arithmetic mean price —rounded to three decimal places— of the closing price of the CaixaBank share over 31 calendar days. These 31 days will include 31 December and the 15 days preceding and following the date in question. An independent expert will be asked to calculate the TSR metric at the end of each cycle.

_CRAF

When calculating attainment of the RAF target, the Bank shall use the aggregate scorecard for the Risk Appetite Framework, comprising quantitative metrics that measure the different risks, classified into appetite zones (green), tolerance zones (amber) and breach zones (red). The Board shall establish the scale of attainment, generating certain penalty or bonus percentages based on the change in each metric between the initial RAF situation and the final RAF situation.

_ CGRI

GRI attainment will be calculated on the basis of the change in this metric in each cycle. For the first cycle, the change between the values calculated at 31/12/2018 and at 31/12/2021 will be measured; for the second cycle, the change between 31/12/2019 and 31/12/2022 will be calculated; and for the

third cycle will be measured by developments between 31/12/2020 and 31/12/2023. If the change is negative, the degree of attainment will be 0%. Otherwise, it will be 100%.

The GRI indicator includes metrics related to reputational risk, which measure social, environmental and climate-change-related aspects, among others. Any negative impact for any of these issues would trigger an adjustment to the total number of shares under the Final Incentive.

_Requirements for receiving shares

Aside from the attainment of targets to which the CAIP is pegged, as explained in its Regulations, the following requirements must also be met in order to receive shares for each cycle:

> The beneficiary must remain at the Company through to the Settlement Date for each cycle, unless certain special circumstances apply, such as death, permanent disability or retirement. The beneficiary will forfeit their entitlement to the shares in the event of their resignation or fair dismissal.

> Shares will be delivered only to the extent that doing so is sustainable and justified given CaixaBank's prevailing situation and earnings. If, at the end of the 2019-2021 Strategic Plan, CaixaBank reports losses, decides not to distribute dividends or fails the stress tests required by the European Bank Authority (hereinafter EBA), the shares that would otherwise have been delivered will not be delivered and the beneficiaries will forfeit their right to receive them.

_First CAIP Cycle - Final Incentive Calculation

_CEO

> PARAMETERS LINKED TO THE CALCULATION OF THE FINAL VARIABLE REMUNERATION INCENTIVE - CAIP

In accordance with the information published in the 2019 CaixaBank Annual Remuneration Report for Directors, the Provisional Incentive determined in the First Cycle for the CEO is as follows:

Variable remuneration CAIP target 2021 (I) (thousands of euros)	PMA (II) (euros)	Assigned units (III = I/II) (unit)	Degree of Achievement of the Provisional Incentive (IV) (%)	Shares provisionally granted (V=III*IV) (unit)
200	3.283	60,920	85%	51,782

The Provisional Incentive determined after the completion of the first measurement period of the first cycle of the CAIP (2019) was subject to a second measurement period based on an ex-post adjustment based on the fulfilment of multi-year objectives over a period of three years (2019-2021). Once the Second Measurement Period has been completed, the Final Incentive will be calculated.

The multi-year targets include previously established achievement scales, meaning that if the thresholds set for each of them are not effectively met, the Provisional Incentive could be reduced, even to its full extent, but never increased.

The calculation of the Final First Cycle Incentive for the CEO is related to the following parameters:

Metric	Weighting	Target for non-reduction	Ratio achieved	Reduction (%)
RAF (Risk Appetite Framework)	60%	7 amber	5 amber	0
TSR (Total Shareholder Return)	30%	10th	14th	100
GRI (Global Reputation Index)	10%	711	740	0

_RAF:

CaixaBank's RAF reached 5 ambers, which is why a reduction of 0% is applied.

_TSR:

With regard to the TSR indicator, the development of the TSR indicator has been tested over the three-year period from the beginning to the end of the Second Measurement Period with a comparison group of 17 banks of reference.

CaixaBank has reached the 14th position.

The scale of attainment for the additional multiplying factor approved by the Board, at the proposal of the Remuneration Committee, was as follows:

Position in the comparison group	Multiplier Coefficient
1 to 9	1
10 to 18	0

_GRI

CaixaBank's GRI reached 740 and therefore a reduction of 0% is applied.

> FINAL INCENTIVE FOR THE FIRST CYCLE OF VARIABLE REMUNERATION - CAIP

Shares provisionally granted (unit)	% Reduction over the Provisional Incentive	Shares finally granted (unit)
51,782	30%	36,248

Remuneration accrued in 2022 linked to variable components of the CEO:

Variable long-term remuneration	Settlement instrument	% of variable remuneration under the LTI for the year in question	Number of gross shares	Total amount paid (%) to variable remuneration under the LTI for each year	Degree of Achievement of the Provisional Incentive (%)
Bonus of the 1st CAIP cycle 2019-2021	Shares	34%	12,324	66%	23,924

_Third CAIP cycle - Provisional incentive determination

> PARAMETERS LINKED TO THE DEGREE OF IMPLEMENTATION OF THE PROVISIONAL VARIABLE REMUNERATION INCENTIVE - CAIP

As explained above, the third and last cycle of the CAIP linked to the Strategic Plan 2019-2021 started in 2021.

The degree of achievement of the Provisional Incentive has been determined based on the degree of achievement of the following targets linked to the following metrics during the financial year 2021:

Metric	Weighting	Purpose	Result	Degree of achievement of the target (%)	Degree of Achievement of the Provisional Incentive (%)
CER (Core Efficiency Ratio)	40%	56.6	56	110.5	44.2
ROTE (*Return on Tangible Equity*)	40%	6.2	7.6	120	48
CX (Customer Experience Index)	20%	84.3	86.3	120	24
					116.2%

To determine the degree of achievement of the Provisional Incentive of the variable remuneration corresponding to financial year 2021, the Remuneration Committee has taken into account the degree of achievement of the targets and their associated scales of achievement with their corresponding gradients (relationship between degree of achievement of the target and degree of achievement of the provisional incentive):

_REC

CaixaBank's REC achieved a compliance rate of 110.5% in 2021, which means a provisional incentive achievement rate of 44.2%.

_ROTE

CaixaBank's ROTE reached a compliance level of 120% in 2021, which represents a 48% achievement of the provisional incentive.

_CX

CaixaBank's CX reached a compliance level of 120% in 2021, which represents a 24% achievement of the provisional incentive.

_Multiplier coefficient

For the Granting of the Provisional Incentive on the Third Cycle Grant Date, a multiplier of up to 1.6 was included, to be applied to the GCI, depending on the performance of CaixaBank's TSR indicator compared to the 17 comparable banks over the period 2019-2021.

The scale of attainment for the additional multiplying factor approved by the Board, at the proposal of the Remuneration Committee, was as follows:

Position in the comparison group	Multiplier Coefficient
1st to 3rd	1.6
4th to 6th	1.4
7th to 10th	1.2
11th to 18th	1

In this respect, it has been verified that CaixaBank has finished in 14th position, so a multiplier coefficient of 1 will be applied.

>% DETERMINATION OF THE DEGREE OF ACHIEVEMENT OF THE INTERIM VARIABLE REMUNERATION INCENTIVE - CAIP

_Gonzalo Gortázar – CEO

Variable remuneration CAIP target 2021 (I) (thousands of euros)	PMA (II) (euros)	Assigned units (III = I/II) (unit)	Degree of Achievement of the Provisional Incentive (IV) (%)	Multiplier coefficient applied (V)	Shares provisionally granted (VI=(III*IV)*V) (unit)
200	2.178	91,828	116.2%	1	106,705

With respect to the first cycle of the CAIP, the measurement period of the ex-post adjustment, as detailed previously in this report, has not yet been completed. Therefore, the final incentive has not yet been calculated and no shares have been delivered.

_José Ignacio Goirigolzarri – Executive Chairman

Variable remuneration CAIP target 2021 (I) (thousands of euros)	PMA (II) (euros)	Assigned units (III = I/II) (unit)	Degree of Achievement of the Provisional Incentive (IV) (%)	Multiplier coefficient applied (V)	Shares provisionally granted (VI=(III*IV)*V) (unit)
120	2.178	55,097	116.2%	1	64,023

With respect to the first cycle of the CAIP, the measurement period of the ex-post adjustment, as detailed previously in this report, has not yet been completed. Therefore, the final incentive has not yet been calculated and no shares have been delivered.

_(i) Long-Term Incentive linked to the 2015-2018 Strategic Plan

The General Shareholders' Meeting held on 23 April 2015 approved the implementation of a four-year Long-Term Incentive (LTI) for 2015-2018, pegged to compliance with the Strategic Plan in effect at that time. At the end of the four years, the participants would be entitled to receive a number of CaixaBank shares, providing certain strategic objectives and requirements were met. Plan participants included serving Executive Directors at that time.

During 2022, the third deferral in shares was paid to the beneficiaries of this plan.

The remuneration consolidated during the year, which has been deferred from previous years under the long-term plans and which will be paid in May 2023, is detailed below:

_Gonzalo Gortázar – CEO

Variable long-term remuneration	Settlement instrument	% of variable remuneration under the LTI for the year in question	Number of gross shares	Total amount paid (%) to variable remuneration under the LTI for each year	Unrealised deferred remuneration in gross shares
Payment of long-term remuneration (2015-2018 LTI)	Shares	12 %	13,553	88 %	13,553

_Tomás Muniesa – Non-executive Deputy Chairman

As consideration for the managerial functions he used to discharge, the non-executive Deputy Chairman of the Board of Directors is entitled to the following amounts of deferred long-term variable remuneration yet to be delivered, such amounts having accrued through to 22/11/2018 (the date on which he took office as Deputy Chairman):

Variable long-term remuneration	Settlement instrument	% of variable remuneration under the LTI for the year in question	Number of gross shares	Total amount paid (%) to variable remuneration under the LTI for each year	Unrealised deferred remuneration in gross shares
Payment of long-term remuneration (2015-2018 LTI)	Shares	12 %	8,247	88 %	8,247

_Common requirements applicable to variable remuneration

_Lock-up policy

The instruments delivered are subject to a three-year retention period, during which time they may not be disposed of by the Director. Instruments and cash whose delivery has been deferred are owned by CaixaBank.

However, one year after the delivery of the instruments, the Director may dispose of the instruments if he/she maintains, after the disposal or exercise, a net economic exposure to the change in the price of the instruments for a market value equivalent to an amount of at least twice his/her Total Annual Fixed Remuneration through the ownership of shares, options, rights to deliver shares or other financial instruments reflecting the market value of CaixaBank.

In addition, after the first year of holding, the Director may dispose of the instruments to the extent necessary to meet the costs related to their acquisition or, subject to the favourable opinion of the Remuneration Committee, to meet any extraordinary situations that may arise.

During the retention period, the exercise of the rights conferred by the instruments is vested in the Director as the holder of the instruments.

_Situations warranting recovery of variable remuneration

The amounts of variable remuneration paid to executive directors shall be totally or partially reduced, including the amounts pending payment, whether cash or share-based payments, in the event of a poor financial performance by CaixaBank overall or by one of its divisions or areas, or because of any material exposure generated. For such purposes, CaixaBank must compare the assessed performance with the subsequent performance of the variables that helped attain the targets. The following scenarios may entail a reduction in variable remuneration:

- Material failures in risk management committed by CaixaBank, or by a business unit or risk control unit, including the existence of qualified opinions in the external auditor's report or other circumstances that have the effect of impairing the financial para - meters used to calculate the variable remuneration.
- An increase in capital requirements for CaixaBank or one of its business units that was not envisaged at the time the exposure was generated.
- Regulatory sanctions or adverse legal rulings attributable to the unit or the employee responsible for those proceedings and to the executive director.
- Non-compliance with internal regulations or codes of conduct within the Group, including:
  a. Serious or very serious breaches of regulations attributable to them.
  b. Serious or very serious breaches of internal regulations.
  c. Failure to comply with applicable suitability and behavioural requirements.
  d. Regulatory breaches for which they are responsible, irrespective of whether tthey cause losses that jeopardise the solvency of a business line and, in general, any involvement in, or responsibility for, behaviour that causes significant losses.
- Improper conduct, whether committed individually or with others, with specific consideration of the adverse effects of the sale of unsuitable products and the responsibility of executive directors in taking such decisions.
- Justified disciplinary dismissal carried out by the Company (in which case the remuneration will be reduced to zero). Just cause shall be understood as any serious and culpable breach of the duties of loyalty, diligence and good faith pursuant to which the Executive Directors must discharge their duties at the Group, as well as any other serious and culpable breach of the obligations assumed under their contract, or any other organic or service-based relationship between the individual concerned and the Group.

- Where payment or vesting of these amounts is not sustainable in light of CaixaBank's overall situation, or where payment cannot be justified in view of the results of CaixaBank as a whole, the business unit, or the director concerned.

- Any other situation or circumstance that may be expressly included in the contract or imposed by applicable law and regulations.

- Variable remuneration shall be reduced if, at the time of the performance assessment, CaixaBank is subject to any requirement or recommendation issued by a competent authority to restrict its dividend distribution policy, or if this is required by the competent authority under its regulatory powers.

_Situations warranting recovery of variable remuneration (clawback)

- If any of the above situations occurred prior to payment of any amount of variable remuneration but comes to light after payment has been made, and if it that situation would have led to the non-payment or all or part of that remuneration had it been known, then the executive director must repay CaixaBank the part of the variable remuneration that was unduly received, along with any interest or return the director may have earned on that undue payment.

- Situations in which the executive director made a major contribution to poor financial results or losses will be treated as being particularly serious, as shall cases of fraud or other instances of wilful misconduct or gross negligence leading to significant losses.

The Remuneration Committee shall advise the Board of Directors on whether to reduce or abolish the director's right to receive deferred amounts, or whether to insist on the full or partial clawback of those amounts, depending on the circumstances of each case. Situations involving a reduction in variable remuneration will apply over the entire deferral period for that variable remuneration. Meanwhile, situations involving the clawback of variable remuneration will apply over the term of one year running from payment of that remuneration, except where there has been wilful misconduct or gross negligence, in which case applicable law and regulations governing prescription periods will apply.

_Termination or suspension of professional relations

Termination or suspension of professional relations, and departures due to invalidity, early retirement, retirement or partial retirement shall not interrupt the payment cycle of variable remuneration, notwithstanding the provision made for deductions and recovery of variable remuneration. In the event of the director's death, the Human Resources Division and the General Risks Division shall work together to determine and, as the case may be, propose a suitable calculation and payment process for pending payment cycles under criteria compatible with the general principles contained in the LOSS, its implementing regulations and CaixaBank's own Remuneration Policy.

_Special situations

In the event of any unexpected special situation (meaning corporate operations that affect ownership of shares to have been delivered or deferred), specific solutions must be applied in accordance with the LOSS and the principles set out in the Remuneration Policy, so as not to artificially alter or dilute the value of the consideration in question.

_Incompatibility with personal coverage strategies or circumvention mechanisms

Executive Directors undertake not to engage in personal hedging or insurance strategies related to their remuneration that might undermine the sound risk management practices the Company is attempting to promote. Furthermore, CaixaBank shall pay no variable remuneration through instruments or methods that aim to breach or result in a breach of the remuneration requirements applicable to Executive Directors.

_Contributions to pension schemes and other cover

Executive Directors may have a social prevision system recognised in addition to the ordinary employee pension scheme. If they hold a commercial contract, they may be eligible for specific pension schemes equivalent to the complementary pension scheme.

The commitments assumed with the Executive Directors can be of a contribution defined for the cases of retirement, disability and death, and, additionally, coverage for service can be defined for the cases of disability and death. These commitments will be instrumented through an insurance contract.

The updating of the amount of the contributions for these commitments will be based on the same principles as those applied to their establishment as a fixed component, although increases over the term of the Remuneration Policy should not exceed a cumulative total equivalent to 10 per cent per annum, irrespective of their distribution over the different annual periods.

_Non-discreet character

With the exception of the mandatory variable-base contributions, the benefit or contribution system for the pension scheme does not qualify as a discretionary benefit system. It must be applied to the person, meaning that the individual will be eligible upon becoming an executive director or otherwise qualifying for a change in their remuneration, whether as a lump sum or an amount linked to their fixed remuneration, depending on the terms of their contract.

The amount of the contributions or the degree of coverage of the benefits: (i) must be pre-defined at the start of the year and clearly set out in the contract; (ii) may not originate from variable parameters; (iii) may not take the form of extraordinary contributions (e.g., bonuses, awards or extraordinary contributions made in the years leading up to retirement or departure); and (iv) must not be related to substantial changes in the terms of retirement (including any changes arising from merger processes or business combinations).

_Elimination of duplicities

The contributions paid to pension schemes shall be less the amount of any contributions made under equivalent instruments or policies that may be established as a result of positions held at Group companies or at other companies on CaixaBank's behalf. This procedure shall also be followed for benefits, which must be adjusted accordingly to avoid any overlap or duplication.

_Rights consolidation scheme

Under the pension and benefits scheme for Executive Directors, economic rights will become vested in the event that the professional relationship is terminated or ends before the date the covered contingencies occur, unless that termination is for just cause, as the case may be, or for other specific causes specified in the contracts. There is no provision for payments on the actual date of termination or expiry of the employment relationship.

_Mandatory contributions for variable remuneration

15 % of the contributions paid to complementary pension schemes will be considered a target amount (the remaining 85 % is considered a fixed component). This amount is determined following the same principles and procedures as those established for the award of remuneration based on annual factors in the variable remuneration scheme with multi-year metrics, and is subject to contribution to a Discretionary Benefits Pension Policy.

The contribution shall be considered deferred variable remuneration. Accordingly, the Discretionary Benefits Pension Policy shall contain clauses ensuring that the contribution is explicitly subject to the same malus and clawback clauses described above for variable remuneration with multi-year

metrics. It shall also count towards the relevant limits on the total amount of variable remuneration.

If the executive director leaves CaixaBank to take up retirement or leaves prematurely for any other reason, the discretionary pension benefits shall be subject to a lock-up period of five years from the date on which the director ceases to provide services at the Bank. During the lock-up period, CaixaBank shall apply the same requirements in relation to the malus and clawback clauses described above.

The following table shows the accrued remuneration of Executive Directors in 2022 through long-term savings systems:

> REMUNERATION THROUGH LONG-TERM SAVINGS SCHEMES FOR EXECUTIVE DIRECTORS

Long-term savings system (defined contribution)

	Position	Fixed component (85 %)	Variable component (15 %)	Coverage for death, permanent disability, and severe disability	Total
Gonzalo Gortazar	CEO	425	88	73	586
José Ignacio Goirigolzarri	Executive Chairman			101	101
Total per item 2022		425	88	174	687
Gonzalo Gortazar	CEO	425	80	66	571
José Ignacio Goirigolzarri	Executive Chairman			71	71
Total per item 2021		425	80	137	642

The following table shows contributions in the form of variable remuneration made to the pension system of the CEO during the year ended.

Contribution to the total social prevision system for the financial year 2022 (thousands of euros)	Contribution on a variable basis (15 %)	Result of individual challenges 2021	Contributions to the social prevision system on a variable basis for the financial year 2022 (thousands of euros)
500	75	118 %	88

_Remuneration accrued by Board members as consideration for representing CaixaBank at other companies

The following remuneration is payable for seats held on the Boards of Directors of Group companies or of other companies when acting on CaixaBank's behalf, as per the amounts currently set as remuneration payable for representing CaixaBank at other companies (which forms part of the director's Total annual fixed remuneration):

> REMUNERATION FOR POSITIONS HELD IN GROUP COMPANIES AND OTHER COMPANIES IN THE INTEREST OF CAIXABANK

(thousands of euros)	Position	Investee	Total
Jose Ignacio Goirigolzarri Tellaeche	Director	CECA	15
Gonzalo Gortazar	Director	Banco BPI, S.A.	60
Tomás Muniesa	Deputy Chairman	VidaCaixa	435
Tomás Muniesa	Deputy Chairman	SegurCaixa Adeslas	13
Total per item 2022			523

_Remuneration of Board members aside from their responsibilities as directors

Fernando Maria Ulrich Costa Duarte is the non-executive Chairman of the Board of Directors of Banco BPI. His remuneration for seating on said board is 750,000 euros.

_04. Terms and conditions of general contracts and of those of the CEO and Chairman

_4.1 General conditions of the contracts

Nature of contracts: The type of contract will be determined by the managerial functions (if any) performed by the subject above and beyond those of director, pursuant to the case law of the Supreme Court concerning the so-called "relationship theory".

Duration: In general, contracts shall be drawn up for an indefinite term.

Description of duties, dedication, exclusivity and incompatibilities: The contract shall provide a clear description of the duties and responsibilities to be undertaken and the functional location of the subject and to whom he/she reports within the organisational and governance structure of CaixaBank. It must likewise stipulate the duty of exclusive dedication to the Group, without prejudice to other authorised activities in the interests of the CaixaBank Group or occasional teaching activities and participation in conferences or responsibilities at own or family-run businesses, provided these activities do not prevent the director from discharging their duties diligently and loyally at CaixaBank and do not pose a conflict of interest with the Company.

Executive Directors will be subject to the legal system governing incompatibilities from serving as director.

The contract may also include other permanency obligations that are in CaixaBank's best interests.

Compliance with duties and confidentiality: The contract shall contain certain obligations requiring the director to discharge the duties inherent to the role of director, as well as non-disclosure obligations in respect of the information to which the director becomes privy while holding office.

Civil liability coverage and compensation: Executive Directors and all other directors are named as the insured parties under the civil liability insurance policy taken out for Group directors and managers.

Likewise, the contracts may state that CaixaBank shall hold Executive Directors harmless for any losses or damages arising from claims by third parties, unless the Executive Directors have acted negligently or with wilful deceit.

Post-contractual non-competition agreements: The contracts will include post-contractual non-compete obligations in relation to financial activities, to remain binding and in effect for no less than one year following the termination of the contract. Unless otherwise justified, consideration for non-compete undertakings shall be set as the sum of all fixed components of remuneration that the executive director received over the term of that undertaking. The amount of the consideration will be divided into equal instalments and paid at regular intervals over the non-compete period.

Breach of the post-contractual non-compete undertaking will entitle CaixaBank to seek and obtain compensation from the executive director for a proportional amount of the consideration effectively paid.

Early termination clauses: Contracts shall set out the situations in which Executive Directors may terminate their contract with the right to compensation. These may include breach of contract on the part of CaixaBank, wrongful or unfair dismissal, or a change of control at the Company.

Likewise, the contracts must recognise CaixaBank's right to terminate the contract in the event of breach by the executive director, in which case no compensation will be payable to the director.

In the event of any contract termination, CaixaBank shall be entitled to demand the resignation of the Executive Directors from any positions or functions performed in companies in the interest of CaixaBank.

Contracts shall provide for a notice period of at least three months and adequate compensation in case of non-performance, proportionate to the fixed remuneration to be earned during periods foregone.

The amount of compensation payable for contract termination will be established at all times such that it does not exceed legal limits on the maximum ratio of variable remuneration, as per EBA criteria. Payments for early termination must be based on the results secured over time, and must not compensate poor results or undue conduct.

Payments for early termination that qualify as variable remuneration shall be deferred and paid in the manner stipulated for variable remuneration. They shall likewise be subject to the rules described previously in relation to malus and clawback.

Payments for cancellation of previous contracts: Where remuneration packages relating to compensation for departure from previous contracts are agreed to, these should be tailored to the long-term interests of the Entity by applying the limits and requirements set out in the LOSS and the EBA Guidelines, with pay cycle provisions similar to those set out in the Remuneration Policy for variable remuneration.

Other contractual conditions: The contracts may contain standard contractual clauses compatible with the Act on the Organisation, Supervision and Solvency of Credit Institutions, the Capital Enterprises Act, other applicable law and regulations and the Remuneration Policy.

_4.2 Special conditions of the contracts for the CEO and Executive Chairman

Appointment	Special conditions of the CEO's contract	Special conditions of the CEO's contract
Type of contract	Commercial contract	
Duration	Open-ended contract	
Description of duties, dedication, exclusivity and incompatibilities	The contract shall provide a clear description of the duties and responsibilities and of the obligation to work exclusively for CaixaBank. It does not contain any minimum term conditions and includes provisions to ensure that the contract is consistent with the Remuneration Policy.	
Compliance with duties and confidentiality obligation	It also contains clauses regarding compliance with duties, confidentiality and liability coverage.	
Civil liability coverage and compensation	Executive Directors and all other directors are named as the insured parties under the civil liability insurance policy taken out for Group directors and managers.	
Post-contractual non-compete undertakings	The contract contains a post-contractual non-compete undertaking of one year running from termination of the contract, covering any direct or indirect activities carried out within the financial sector. Consideration for the non-compete undertaking is set at one year of the fixed components of the director's remuneration and the resulting amount will be reduced by any sums received from Group companies or other companies at which he or she represents CaixaBank as compensation for other post-contractual non-compete undertakings This compensation shall be paid in 12 equal monthly instalments, the first of which shall be payable at the end of the calendar month in which the director's service contract terminates. If the CEO breaches his post-contractual non-compete undertaking, he shall pay CaixaBank an amount equivalent to one year of his fixed remuneration.	
Early termination clauses	Aside from the compensation payable under the non-compete clause, the CEO will be entitled to receive compensation amounting to one year of the fixed components of his remuneration if his services contract is terminated for any of the following reasons: (i) unilateral termination by the CEO due to a serious breach by the Company of the obligations set out in the services contract; (ii) unilateral termination by the Company without just cause; (iii) removal from or non-renewal of his position as Board member and of his duties as CEO without just cause; or or (iv) acquisition of a controlling stake in the Company by an entity other than "la Caixa" Banking Foundation, or the transfer of all or a relevant part of the Company's business activities or assets and liabilities to a third party, or its integration within another business group that obtains control of the Company The resulting amount of compensation must be paid in accordance with the law and the terms of the Remuneration Policy and shall also be reduced by any amounts of compensation received from the companies described in the preceding paragraph. To be eligible for the compensation, the CEO must simultaneously stand down from all posts of representation and management at other Group companies where he is representing the Company and at any external companies at which he may be acting on CaixaBank's behalf. Meanwhile, the Company may remove the CEO from his post and terminate his services contract with just cause in the following situations: (i) any serious and culpable breach of the duties of loyalty, diligence and good faith under which the CEO is bound to discharge his duties at the Group; (ii) where the CEO becomes unfit to hold office as such for reasons attributable to himself; or or (iii) any other serious and culpable breach of the obligations assumed under the services contract, or any other organic or service-based relationship that may be established between the CEO and the respective entities at which he represents CaixaBank. If the services contract is terminated with just cause or voluntarily by the CEO for reasons other than those just described, he will not be entitled to the compensation described previously. Voluntary resignation requires notice of at least three months. In the event of non-compliance, the CEO shall be obliged to pay the entity the amount of the fixed components of remuneration corresponding to the time remaining for the completion of the corresponding term.	
Other contractual conditions	The contract also contains provisions to ensure that it is consistent with the Remuneration Policy.	

_05. Director Remuneration for Directors for 2023

The Ordinary General Shareholders' Meeting held on 8 April 2022 approved the Remuneration Policy for the financial years 2022 to 2024 inclusive.

An amendment to the current Directors' Remuneration Policy is expected to be submitted for approval at the 2023 Annual General Meeting.

Reasons for changing the remuneration policy The proposed amendment to the Remuneration Policy is justified by the following reasons:

a. The desire to improve transparency and control by the General Shareholders' Meeting over changes to the main components of executive directors' remuneration by eliminating updating mechanisms foreseen in the policy.

b. The amendment of provisions on severance payments resulting from the revision of the Guidelines on sound remuneration policies (Guideline 172.b of the EBA Guidance) under Directive 2013/36, applicable from 1 January 2022.

c. The CEO has had no pay increases since 2019, when his contribution to non-vested pension schemes was increased, but Fixed Remuneration and Target Remuneration were maintained.

The Chairman's remuneration was set at the time of the merger with Bankia, and has not been changed since then.

The executive directors have demonstrated the ability to successfully lead the integration with Bankia resulting in a bank with a new dimension compared to its European and Spanish peers.

Considering the comparative remuneration with the European and local markets, and taking into account the effect of inflation, their remuneration is revised according to market criteria.

Although the policy itself allows for the updating of fixed and variable target remuneration as well as contributions to pension schemes, in the interest of maximum transparency, the proposed amendment is made for the reasons stated above.

d. Remuneration for membership of the Board and its committees has not been updated since 2015.

Main changes introduced in the remuneration policy.

The main changes that are expected to be introduced in the Remuneration Policy to be submitted to the General Shareholders' Meeting can be summarised as follows:

a. Elimination of the mechanisms for updating the main components of the remuneration of executive directors currently provided for in the policy.

b. Modification to include the use of certain predefined generic formulas in some situations where indemnities are granted to Directors, based on the provisions of Guideline 172.b of the EBA Guidelines.

c. Updating of remuneration for membership of the board and its committees for directors in their capacity as such. The maximum annual amount is increased by 5%.

d. Updating of the fixed and target remuneration of the Chairman and the CEO, in line with market information. It is increased by 5%.

e. Updating of the CEO's contribution to pension schemes. It is increased by 5%.

_5.1 Remuneration of directors in their capacity as such

The maximum remuneration figure for all Directors, without taking into account remuneration for executive functions (€2,925,000) was set at the 2021 General Shareholders' Meeting and its distribution may give rise to different remuneration for each of the Directors. It is planned to raise the modification of the maximum remuneration figure for all directors at the 2023 Annual General Shareholders' Meeting. Amounts for the current financial year are shown below:

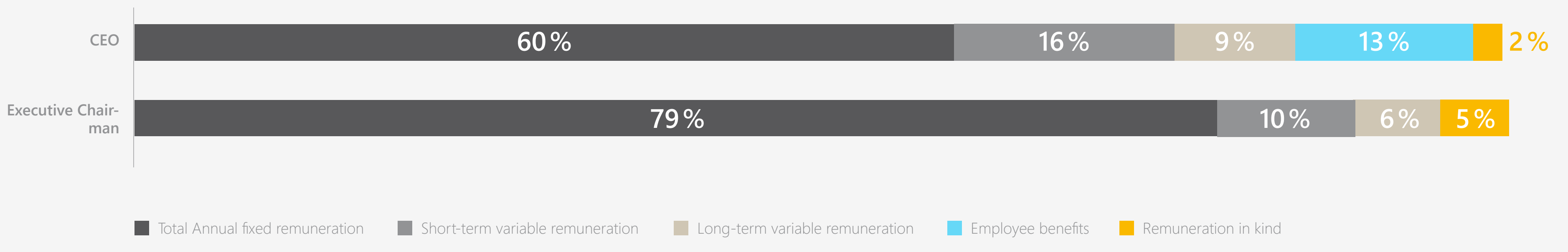
>REMUNERATION FOR BOARD MEMBERSHIP AND MEMBERSHIP OF BOARD COMMITTEES

(thousands of euros)	Total 2023
Base remuneration of each Board member	94.5
Additional remuneration of the Coordinating Director	38
Additional remuneration of each member of the Executive Committee	52.5
Additional remuneration of the Chairman of the Executive Committee	27.5
Additional remuneration of each member of the Risks Committee	52.5
Additional remuneration of the Chairman of the Risks Committee	27.5
Additional remuneration of each member of the Audit and Control Committee	52.5
Additional remuneration of the Chairman of the Audit and Control Committee	27.5
Additional remuneration of each member of the Appointments Committee	31.5
Additional remuneration of the Chairman of the Appointments Committee	15.75
Additional remuneration of each member of the Remuneration Committee	31.5
Additional remuneration of the Chairman of the Remuneration Committee	15.75
Additional remuneration of each member of the Innovation, Technology and Digital Transformation Committee	31.5

(thousands of euros)	Total 2023
Remuneration to be distributed in 2023 under the maximum remuneration approved in 2023	3,071.25

_5.2 Remuneration of directors discharging executive functions

By way of summary, the remuneration mix corresponding to the remuneration earned by CaixaBank's executive directors in 2023 is as follows:



_Fixed items of remuneration

The maximum amount of the variable components of remuneration accruable to Executive Directors in 2023 is as follows:

>FIXED REMUNERATION ACCRUED BY EXECUTIVE DIRECTORS

(thousands of euros)	Position	Wages	Remuneration for board membership	Remuneration for membership on board committees	Remuneration for positions held at Group companies	Remuneration for membership of boards outside the Group	Total fixed remuneration expected for 2023
Gonzalo Gortazar	CEO	2,167.3	94.5	52.5	60	0	2,374.3
Jose Ignacio Goirigolzarri	Executive Chairman	1543	94.5	80	0	15	1,732.5
Total Executive Directors		3,710.3	189	132.5	60	15	4,106.8

Executive Directors are also due to accrue the following amounts of remuneration in kind during the year:

> REMUNERATION IN KIND OF EXECUTIVE DIRECTORS

(thousands of euros)	Position	Own and family medical care*	Use of car and housing	Other	Total projected for 2023
Gonzalo Gortazar	CEO	5			5
Jose Ignacio Goirigolzarri	Executive Chairman	2			2
Total Executive Directors		7			7

_Variable components of remuneration

_Variable Remuneration Scheme with Multi-year Metrics

The target amounts for this item determined in 2023 are as follows:

(thousands of euros)	Position	Variable target remuneration (thousands of €)
Gonzalo Gortazar	CEO	954
José Ignacio Goirigolzarri	Executive Chairman	336

Annual factors, with quantitative corporate (financial) and qualitative corporate (non-financial) criteria, which must be specified and clearly documented, are used for performance measurement and for the evaluation of results.

Multi-year factors with only corporate criteria which adjust, as a reduction mechanism, the payment of the deferred portion subject to multi-year factors are also used.

>ANNUAL FACTOR MEASUREMENT METRICS

Criteria	Metric	RW	Degree of compliance	Degree of achievement
Corporate Financial	ROTE	20%	> 12.4 = 120%	1.2
			Between 12.4 and 9.3	Between 120 and 80%
			< 9.3 = 0%	0
	CER	20%	< 41.0 = 120%	1.2
			Between 41.0 and 44.4	Between 120 and 80%
			> 44.4 = 0%	0
	NPAs	10%	< 1,942 = 120%	1.2
			Between 1,942 and 2,914	Between 120 and 80%
			> 2,914 = 0%	0
Corporate Non-financial	RAF (*)	20%	0 ambers	1.2
			0.5 ambers	1.15
			1 amber	1.1
			1.5 ambers	1.05
			2 ambers	1
			2.5 ambers	0.95
			3 ambers	0.9
			3.5 amber	0.85
			4 amber	0.8
			> = 4.5 amber	0
	Quality	10%	Each challenge individually on scales between 0% and below 80% and up to a maximum of 120%	Maximum of 120% and a minimum of 80% below 0
			Weighted average (NPS branch and IEX segments) 70% and 30% NPS digital	
	COMPLIANCE(**)	10%	> 97.5	Between 120% and 0
			Between 97.5 and 96 = 90%	Between 108% and 0
			Between 94.5 and 96 = 80%	Between 96% and 0
			< 94.5 = 0%	0
	Sustainability	10%	> 23,673	1.2
			Between 23,673 and 15,782	Between 120 and 80%
			< 15,782	0

**Achievement may be adjusted downwards to 100% in the event that any metric included in the RAF is in recovery.*

*** 10% of the Bonus will be affected by a corrective factor depending on the resolution or re-evaluation of CaixaBank's High and Medium criticality GAPs.*

The degree of achievement for the annual factor measurement metrics is determined solely on the basis of corporate criteria and includes the upfront payment of the variable remuneration as well as the first two deferred payments

(i.e. 64 % of the variable remuneration).

The corporate criteria are set for each year by the CaixaBank Board of Directors, at the recommendation of the Remuneration Committee, and their weighting is distributed among objective items based on the Entity's main targets.

The corporate financial criteria have been aligned with the most relevant management metrics of the Entity, adapting their weighting for the executive directors according to their functions. These are related to the following metrics:

_ ROTE (20 %)

Definition: Measures the profitability index of the tangible assets and is calculated as the Profit/(loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon) and net equity plus valuation adjustments for the last 12 months, minus the intangible assets or goodwill.

_CER(20 %)

Definition: This is the percentage of recurring expenses in relation to the income from the company's core business. It is calculated as the ratio of the Group's recurring expenses to core revenues (net interest income, net fee and commission income and insurance-related revenues).

For 2023, the challenge is a target set with the preliminary view of the impact of the IFRS17 regulations, and is therefore pending definitive reprocess of 2022. If the final impacts materially differed the assumptions on which the challenge is based, it would be updated accordingly.

_NPAs (10 %)

Definition: This is the change, in absolute terms, in the Group's problematic assets (defined as non-performing and foreclosed loans and auction rights).

Non-financial corporate criteria relate to the following metrics:

_RAF (20 %)

Definition: The target linked to the RAF metric is set from an aggregate level of the Entity's Risk Appetite Framework scorecard. This scorecard consists of quantitative metrics that measure the different types of risk, and the Board of Directors establishes areas of appetite (green), tolerance (amber) or non-compliance (red), and determines the scale of fulfilment that establishes penalisation or bonus percentages according to the variation of each metric, between the actual situation at the end of the year and that initially forecast for the same year in the budget.

_Quality (10 %)

Definition: Metric that combines the Net Promoter Score index (an index based on the information obtained from customers to find out if they would recommend CaixaBank) with a customer experience index.

_Compliance (10 %)

Definition: Aggregate index of metrics that measure processes for the Prevention of Money Laundering, MiFID and correct marketing of products and services.

_Sustainability (10 %)

Definition: Mobilisation of sustainable finances, in accordance with the objective of the revised sustainability plan 2022-2024.

For the purpose of determining variable remuneration for the annual factors (financial and non-financial) described above, once the 2023 financial year has ended, the result of each metric will be compared with its target value, and depending on the degree of compliance therewith, variable remuneration to be received will be calculated by applying the corresponding scales of degree of achievement, according to the weighting associated with each indicator, on the basis of the target value.

The resulting amount shall constitute the annual factor-linked variable remuneration of each Executive Director, which shall be subject to the terms of the vesting, consolidation and payment system set out below.

> MULTI-YEAR FACTOR MEASUREMENT METRICS

Criteria	Metric	RW	Objective value	Degree of compliance	Degree of penalty
Corporate Financial	CET1	25 %	RAF measure for risk tolerance in green	Red = 0 %	100 %
				Amber = 50 %	50 %
				Green = 100 %	— %
	TSR	25 %	Value of the EUROSTOXX Banks – Gross Return index	>= index = 100 %	— %
				< index = 0 %	100 %
	Multi-year ROTE	25 %	Average amounts repaid annually in the measurement period	> Average = 100 %	— %
				Between 80 % and 100 %	Between 0 and 100 %
				< 80 % = 0 %	100 %
	Sustainability	25 %	66,961	> = 66,961 = 100 %	— %
				Between 66,961 and 50,221 = between 75 and 100 %	Between 0 and 100 %
				< 50,221 = 0 %	100 %

The level of achievement for the multi-year factor metrics is set solely on the basis of corporate criteria and determines the adjustment of Payments from the third Year of deferral

(i.e. 36 % of the remaining variable remuneration).

The metrics associated with the multi-year factors are described below:

_CET1 (25 %)

Definition: It is set as a metric linked to the colour (tolerance level) of the indicator in the CET1 RAF at the end of the multi-year period.

_TSR (25 %)

Definition: Comparison with the average of the EUROSTOXX Banks – Gross Return index.

_Multi-year ROTE (25 %)

Definition: This is set as the average achievement of the ROTE challenge for each of the years of the multi-year measurement period.

_Sustainability (25 %)

Definition: This is set to reach a cumulative sustainable finance mobilisation figure in the period 2023-2025

The aforementioned metrics will have associated compliance scales so that if the targets established for each are not met within the three-year measurement period, the deferred portion of the variable remuneration pending payment can be reduced but never increased.

In addition, the remaining conditions of the system for granting, vesting and payment of variable remuneration to Executive Directors provided for in the Remuneration Policy shall apply to the variable remuneration.

>TERMS AND CONDITIONS OF THE VARIABLE REMUNERATION AWARD, VESTING AND PAYMENT SYSTEM

In accordance with the vesting, consolidation and payment system applicable to variable remuneration under the Variable Remuneration Scheme with Multi-Year Metrics for the Entity's Executive Directors, 40% of the variable remuneration corresponding to the current year will be paid, if the conditions are met, in equal parts in cash and CaixaBank shares, while the remaining 60% will be deferred, 30% in cash and 70% in shares, over a period of five years.

In this regard, the payment for the first two years of deferral is subject to annual factors, while the payment for the following three years will be subject to compliance with the approved multi-year factors.

_Contributions to pension schemes and other cover

In the case of the CEO, a total defined contribution of €446,250 will be made each year to cover the contingencies of retirement, death and total, absolute or severe permanent disability.

The annual target amount corresponding to the Discretionary Pension Benefits Policy, in accordance with the provisions of section 5.8.e), is €78,750 in the case of Mr. Gonzalo Gortazar Rotaeche.

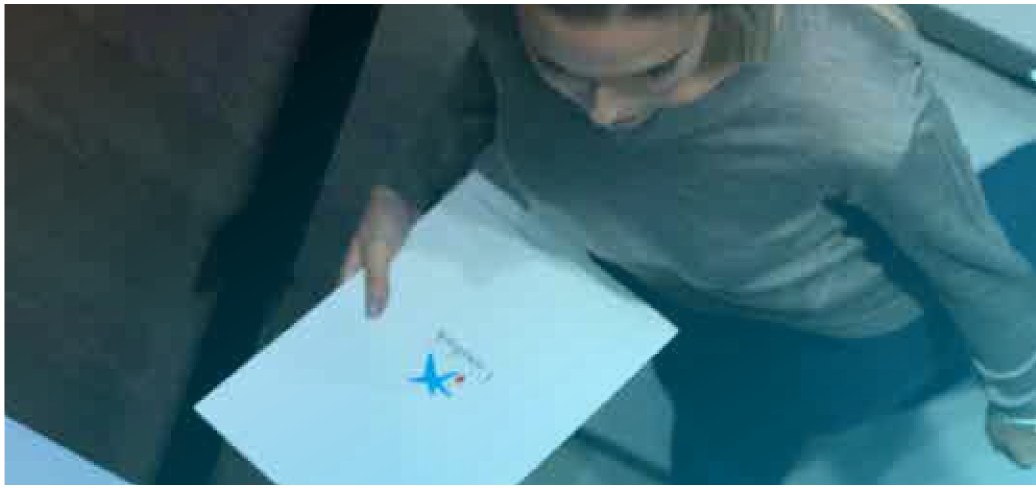
In addition to the defined contribution described above, coverage will be established for death and permanent, total, absolute and severe disability for the amount of two annuities of the Total Fixed Annual Remuneration at the time the contingency occurs. The estimated premium for this cover is €84,077.

Coverage in favour of Mr José Ignacio Goirigolzarri Tellaeche for death and permanent, total, absolute and severe disability for the amount of two annuities of the Total Annual Fixed Remuneration at the time the contingency occurs is recognised. The estimated premium for this cover is €113,812 for each year that this Remuneration Policy is in effect.

>REMUNERATION OF EXECUTIVE DIRECTORS THROUGH LONG-TERM SAVINGS SYSTEMS

	Long-term savings system (defined contribution)				
(thousands of euros)	Position	Fixed component (85%)	Variable component (15%)[1]	Coverage for death, permanent disability, and severe disability	Total projected for 2023
Gonzalo Gortazar	CEO	446	94	84	624
Jose Ignacio Goirigolzarri	Executive Chairman			114	114
Total executive directors		446	94	198	738

[1] *Information provided on contributions made to the employee pension system (variable remuneration) envisioned for the year in progress. Based on 119.6% attainment of the individual challenges by the CEO in the 2022 assessment.*



_Remuneration accrued by Board members as consideration for representing CaixaBank at other companies

The following remuneration is payable for seats held on the Boards of Directors of Group companies or of other companies when acting on CaixaBank's behalf, as per the amounts currently set as remuneration payable for representing CaixaBank at other companies (which forms part of the director's Total annual fixed remuneration):

>REMUNERATION AS DIRECTORS ON BEHALF OF CAIXABANK

(thousands of euros)	Position	Investee	Total projected for 2023
Jose Ignacio Goirigolzarri	Director	CECA	15
Gonzalo Gortazar	Director	Banco BPI	60
Tomás Muniesa	Deputy Chairman	VidaCaixa	435
Tomás Muniesa	Deputy Chairman	SegurCaixa Adeslas	13
Total by item 2023			523

_Remuneration aside from responsibilities as directors

Fernando Maria Ulrich Costa Duarte is the non-executive Chairman of the Board of Directors of Banco BPI. The remuneration planned for 2023 for his membership in this board is 750,000 euros.

_Lock-up policy

The instruments delivered are subject to a three-year retention period, during which time they may not be disposed of by the Director.

However, one year after the delivery of the instruments, the Director may dispose of the instruments if he/she maintains, after the disposal or exercise, a net economic exposure to the change in the price of the instruments for a market value equivalent to an amount of at least twice his/her Total Annual Fixed Remuneration through the ownership of shares, options, rights to deliver shares or other financial instruments reflecting the market value of CaixaBank.

In addition, after the first year of holding, the Director may dispose of the instruments to the extent necessary to meet the costs related to their acquisition or, subject to the favourable opinion of the Remuneration Committee, to meet any extraordinary situations that may arise.

During the retention period, the exercise of the rights conferred by the instruments is vested in the Director as the holder of the instruments.

_06. Table of reconciliation of content with the CNMV remuneration report template

A. REMUNERATION POLICY APPROVED FOR THE CURRENT YEAR

Section of the CNMV template		Included in the statistical report	Comments
A.1	and subsections	No	Section 2 and Section 5 in relation to the remuneration policy.
			Section 5 in relation to the fixed components of remuneration for directors in their capacity as such
			Section 5 in relation to the different components of executive directors' remuneration Section 4 on the characteristics of the contracts concluded with executive directors
			Section 5 in relation to proposed changes in remuneration for 2023 and its quantitative valuation
A.2		No	Section 5 in relation to proposed changes in remuneration for 2023 and its quantitative valuation
A.3		No	Section 5 and Introduction in relation to the remuneration policy
A.4		No	Introduction, Section 2 and Section 5 in relation to the IARC vote and the remuneration policy

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

Section of the CNMV template		Included in the statistical report	Comments
B.1	and subsections	No	Section 2 and Section 3
B.2		No	Section 2 and Section 3
B.3		No	Section 2, Section 3 and Section 5
B.4		Yes	Section 2 and Section 6
B.5		No	Section 3
B.6		No	Section 3
B.7		No	Section 3
B.8		No	Not applicable
B.9		No	Section 3
B.10		No	Not applicable

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

Section of the CNMV template	Included in the statistical report	Comments
B.11	No	Section 3 and Section 4
B.12	No	Section 5
B.13	No	At present, the Entity is not considering offering Directors financial assistance as remuneration. Note 41 of the consolidated annual financial statements explains the financing extended to directors and other key office holders.
B.14	No	Section 3
B.15	No	Not currently provided
B.16	No	Section 3

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Section of the CNMV template	Included in the statistical report	Comments
C	Yes	Section 7
C.1 a) i)	Yes	Section 7
C.1 a) ii)	Yes	Section 7
C.1 a) iii)	Yes	Section 7
C.1 a) iv)	Yes	Section 7
C.1 b) i)	Yes	Section 7
C.1 b) ii)	Yes	Not applicable
C.1 b) iii)	Yes	Not applicable
C.1 b) iv)	Yes	Not applicable
C.1 c)	Yes	Section 7
C.2	Yes	Section 7

D. OTHER USEFUL INFORMATION

Section of the CNMV template	Included in the statistical report	Comments
Mr.	Yes	

_07. Statistical information on remuneration required by the CNMV

>ISSUER'S PARTICULARS

Financial year-end: 31/12/2022

Company name: CAIXABANK, S.A.

Tax code: A-08663619

Registered office: Cl. Pintor Sorolla N. 2-4 (Valencia)

>B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

B.4. Report on the result of the advisory vote at the Annual General Meeting on the annual report on remuneration for the previous financial year, indicating the number of any negative votes cast:

	Number	% of total
Votes cast	6,137,025,661	76.14

	Number	% of votes cast
Votes against	108,147,318	1.76
Votes in favour	5,969,470,090	97.27
Blank votes		0.00
Abstentions	59,408,253	0.97

>C. BREAKDOWN OF THE INDIVIDUAL REMUNERTION FOR EACH DIRECTOR

Name	Type	Accrual period 2021 fiscal year
José Ignacio Goirigolzarri Tellaeche	Executive Chairman	From 01/01/2022 to 31/12/2022
Tomás Muniesa Arantegui	Proprietary Director	From 01/01/2022 to 31/12/2022
Gonzalo Gortazar Rotaeche	CEO	From 01/01/2022 to 31/12/2022
John S. Reed	Lead Director	From 01/01/2022 to 31/12/2022
Joaquín Ayuso García	Independent Director	From 01/01/2022 to 31/12/2022
Francisco Javier Campo García	Independent Director	From 01/01/2022 to 31/12/2022
Eva Castillo Sanz	Independent Director	From 01/01/2022 to 31/12/2022
Fernando María Costa Duarte Ulrich	Other External Director	From 01/01/2022 to 31/12/2022
M. Verónica Fisas Verges	Independent Director	From 01/01/2022 to 31/12/2022
Cristina Garmendia Mendizábal	Independent Director	From 01/01/2022 to 31/12/2022
M. Amparo Moraleda Martínez	Independent Director	From 01/01/2022 to 31/12/2022
Eduardo Javier Sanchiz Irazu	Independent Director	From 01/01/2022 to 31/12/2022
María Teresa Santero Quintilla	Proprietary Director	From 01/01/2022 to 31/12/2022
José Serna Masiá	Proprietary Director	From 01/01/2022 to 31/12/2022
Koro Usarraga Unsain	Independent Director	From 01/01/2022 to 31/12/2022

C.1. Complete the following tables regarding the individual remuneration accrued by each director (including remuneration received for the performance of executive functions) during the year

A) Remuneration of the reporting company:

i) Remuneration in cash (thousands of EUR)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for 2022 financial year	Total for 2021 financial year
José Ignacio Goirigolzarri Tellaeche	90		60	1,485	77	152			1,864	1,353
Tomás Muniesa Arantegui	90		100			6			196	190
Gonzalo Gortazar Rotaeche	90		50	2,061	217	174			2,592	2,470
John S. Reed	128		36						164	164
Joaquín Ayuso García	90		80						170	129
Francisco Javier Campo García	90		80						170	129
Eva Castillo Sanz	90		80						170	129
Fernando María Costa Duarte Ulrich	90		80						170	129
M. Verónica Fisas Verges	90		100						190	190
Cristina Garmendia Mendizábal	90		110						200	200
M. Amparo Moraleda Martínez	90		142						232	206
Eduardo Javier Sanchiz Irazu	90		140						230	230
María Teresa Santero Quintilla	90		50						140	107
José Serna Masiá	90		80						170	163
Koro Usarraga Unsain	90		160						250	250

_ Observations:

In accordance with the CNMV's instructions to complete this report, the amounts included in the "Short-term variable remuneration" and "Long-term variable remuneration" cells correspond to:

Chairman:

> Short-term variable remuneration: The cash portion of the upfront payment of the variable remuneration scheme with multi-year metrics (20%), the payment of which corresponds in 2023.

> Long-term variable remuneration: The cash portion of the deferred payment of the annual bonus plan 2021 (6%), RVA 2019 (25%), RVA 2018 (12.5%), RVA 2017 (12.5%), RVP 2017 (50%), whose payment corresponds to 2023.

Chief Executive Officer:

> Short-term variable remuneration: The cash portion of the upfront payment of the variable remuneration scheme with multi-year metrics (20%), the payment of which corresponds in 2023.

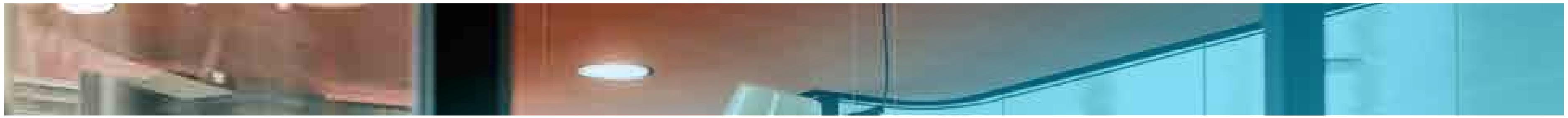
> Long-term variable remuneration: The cash part of the payment of the deferred portion of the annual bonus plan 2021 (6%), 2019 (6%), 2018 (6%) and 2017 (6%), which is payable in 2023.

Deputy Chairman, for his previous managerial duties:

> Long-term variable remuneration: The cash part of the payment of the deferred portion of the 2017 annual bonus plan (6%), the payment of which is due in 2023.

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments

		Financial instrument at the beginning of the financial year 2022		Financial instruments granted during the financial year 2022		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at the end of 2022	
Name	Plan name	No. of instruments	No. equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. equivalent/ consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. of instruments	No. of instruments	No. equivalent shares
José Ignacio Goirigolzarri Tellaeche	Variable remuneration 2022				60,748		19,596	3.90	77			41,152
	Bonus plan 2021		25,592				5,120	3.90	20			20,472
	3rd cycle CAIP 2019-2021		64,023									64,023
	Multi-year Variable Remuneration 2019		11,014									11,014
	Annual Variable Remuneration 2019		40,840				20,420	3.90	80			20,420
	Multi-Year Variable Remuneration 2018		8,464									8,464
	Variable Annual Remuneration 2018		13,480				6,740	3.90	26			6,740
	Multi-Year Variable Remuneration 2017		4,280				4,280	3.90	17			-
	Variable Annual Remuneration 2017		5,350				5,350	3.90	21			-



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		Financial instrument at the beginning of the financial year 2022		Financial instruments consolidated in financial year 2022		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at end of 2022	
Name	Plan name	No. of instruments	No. equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. equivalent/ consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. of instruments	No. of instruments	No. equivalent shares
Tomás Muniesa Arantegui	2017 Bonus Plan		1,557				1,557	3.90	6			-
	ILP 2015-2018		16,494				8,247	398	33			8,247
Gonzalo Gortazar Rotaeche	Variable remuneration 2022				172,527		55,654	3.90	217			116,873
	2021 Bonus Plan		90,701				18,141	3.90	71			72,560
	2019 Bonus Plan		48,768				16,256	3.90	64			32,512
	2018 Bonus Plan		31,226				15,613	3.90	61			15,613
	2017 Bonus Plan		7,824				7,824	3.90	31			-
	ILP 2015-2018		27,106				13,553	398	54			13,553
	1st cycle CAIP 2019-2021		36,248				12,324	3.90	48			23,924
	3rd cycle CAIP 2019-2021		106,705									106,705

_ Observations:

In accordance with the CNMV's instructions for completing this report, the amounts included in the cell "Consolidated financial instruments in the year" correspond:

For the Chairman:

> The portion in equity of the upfront payment of the variable remuneration scheme with multi-year metrics 2022 (20%), which is due for delivery in 2023.

> The portion in shares corresponding to the first deferral of the annual bonus plan 2021 (6%), to be paid in 2023.

> The portion in shares corresponding to the first deferral of the 2019 AVR (25%), which is due for delivery in 2023.

> The portion in shares corresponding to the second deferral of the 2018 AVR (12.5%), which is due for delivery in 2023.

> The portion in shares corresponding to the third deferral of the 2017 AVR (12.5%), which is due for delivery in 2023.

> The portion in shares corresponding to the first deferral of the 2017 PVR (50%), which is due for delivery in 2023.

All shares were valued at the average closing price of CaixaBank shares for the trading sessions between 1 and 31 January 2023, which was €3.906/share.

For the CEO:

> The portion in equity of the upfront payment of the variable remuneration scheme with multi-year metrics 2022 (20%), which is payable in 2023.

> The portion in shares corresponding to the first, third, fourth and fifth deferrals of the annual bonus plans 2021 (6%), 2019 (6%), 2018 (6%) and 2017 (6%), respectively, and whose payment is due in 2023.

> First delivery of shares in the 1st cycle of the CAIP 2019-2021 (34%), whose payment is due in 2023.

All shares were valued at the average closing price of CaixaBank shares for the trading sessions between 1 and 31 January 2023, which was €3.906/share.

> The shares corresponding to the fourth deferral of the 2015-2018 ILP (12%), due for delivery in 2023.

Since the shares have not yet been delivered and therefore the valuation price is not known, the plan grant price of €3.982/share has been used.

Deputy Chairman, for his previous managerial duties:

> The portion in shares corresponding to the fifth deferral of the 2017 annual bonus plan (6%), the payment of which is due in 2023. The shares were valued at the average closing price of CaixaBank shares for the trading sessions between 1 and 31 January 2023, which was €3.906/share.

> The shares corresponding to the fourth deferral of the 2015-2018 ILP (12%), due for delivery in 2023. Since the shares have not yet been delivered and therefore the valuation price is not known, the plan grant price of €3.982/share has been used.

All shares delivered carry a retention period of one year from delivery.

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iii) Long-term saving schemes

	Remuneration from consolidation of rights to savings systems							
	Contribution by the company in the year (thousands of EUR)				Cumulative amount of funds (thousands of EUR)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Financial year 2022		Financial year 2021	
Name	Financial year 2022	Financial year 2021	Financial year 2022	Financial year 2021	Savings systems with consolidated economic rights	Savings systems with unconsolidated economic rights	Savings systems with consolidated economic rights	Savings systems with unconsolidated economic rights
Tomás Muniesa Arantegui					1,224		1,321	
Gonzalo Gortazár Rotaeche			513	505	2,614	3,213	2,768	2,690

_ Observations:

The systems with consolidated economic rights of the CEO and the Deputy Chairman correspond to their previous management functions and no contribution is made. The decrease in accumulated funds is due to the evolution of the market value of these funds.

iv) Details of other items

Name	Item	Remuneration amount
José Ignacio Goirigolzarri Tellaeche	Health Insurance	2
José Ignacio Goirigolzarri Tellaeche	Life insurance risk premium	101
Gonzalo Gortazar Rotaeche	Health Insurance	5
Gonzalo Gortazar Rotaeche	Life insurance risk premium	73

B) Remuneration paid to directors of the listed company for their membership of the governing bodies of its subsidiaries

i) Remuneration in cash (thousands of EUR)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for 2022 financial year	Total for 2021 financial year
Tomás Muniesa Arantegui	435								435	435
Gonzalo Gortázar Rotaeche	60								60	204
Fernando María Costa Duarte Ulrich	750								750	750

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments

		Financial instrument at start of the year t		Financial instruments granted during year t		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at end of 2022	
Name	Plan name	No. of instruments	No. equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. equivalent/ consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. of instruments	No. of instruments	No. equivalent Equivalents/ consolidated

iii) Long-term saving schemes

	Remuneration from consolidation of rights to savings systems

	Contribution by the company in the year (thousands of EUR)				Cumulative amount of funds (thousands of EUR)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Financial year 2022		Financial year 2021	
Name	Financial year 2022	Financial year 2021	Financial year 2022	Financial year 2021	Savings systems with consolidated economic rights	Savings systems with unconsolidated economic rights	Savings systems with consolidated economic rights	Savings systems with unconsolidated economic rights

iv) Details of other items

Name	Item	Remuneration amount

C) Summary of remuneration (thousands of EUR): The summary should include amounts for all remuneration components referred to in this report accrued by the Director (in thousands of EUR).

	Remuneration accrued in the company					Remuneration accrued in group companies					
Name	Total Cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration under savings systems	Remuneration for other items	2022 financial year company total	Total Cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration under saving systems	Remuneration for other items	2022 financial year group total	Total for 2022 financial year company + group
José Ignacio Goirigolzarri Tellaeche	1,864	241		103	2,208					-	2,208
Tomás Muniesa Arantegui	196	39			235	435				435	670
Gonzalo Gortazar Rotaeche	2,592	546		78	3,216	60				60	3,276
John S. Reed	164				164					-	164
Joaquín Ayuso García	170				170					-	170
Francisco Javier Campo García	170				170					-	170
Eva Castillo Sanz	170				170					-	170
Fernando María Costa Duarte Ulrich	170				170	750				750	920
M. Verónica Fisas Verges	190				190					-	190
Cristina Garmendia Mendizábal	200				200					-	200
M. Amparo Moraleda Martínez	232				232					-	232
Eduardo Javier Sanchiz Irazu	230				230					-	230
María Teresa Santero Quintilla	140				140					-	140
José Serna Masiá	170				170					-	170
Koro Usarraga Unsain	250				250					-	250
Total	**6,908**	**826**	**-**	**181**	**7,915**	**1,245**	**-**	**-**	**-**	**1,245**	**9,160**

C.2. Indicate the changes over the last five years in the amount and percentage of the remuneration earned by each of the listed company's directors during the year, in the consolidated results of the company, and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Financial year 2022	% variation 2022/2021	Financial year 2021	% variation 2021/2020	Financial year 2020	% variation 2020/2019	Financial year 2019	% variation 2019/2018	Financial year 2018
Executive Directors									
Jose Ignacio Goirigolzarri Tellaeche	2,208	38.78 %	1,591	-		-		-	
Gonzalo Gortazar Rotaeche	3,276	11.09 %	2,949	26.84 %	2,325	-24.56 %	3,082	4.05 %	2,962
External Directors									
Tomás Muniesa Arantegui	670	0.30 %	668	10.23 %	606	5.39 %	575	-43.68 %	1,021
John S. Reed	164	0.00 %	164	10.07 %	149	18.25 %	126	2.44 %	123
Joaquín Ayuso Garcia	170	31.78 %	129	-		-		-	
Francisco Javier Campo García	170	31.78 %	129	-		-		-	
Eva Castillo Sanz	170	31.78 %	129	-		-		-	
Fernando Maria Costa Duarte Ulrich	920	4.66 %	879	-		-		-	
M. Verónica Fisas Verges	190	0.00 %	190	3.83 %	183	12.96 %	162	15.71 %	140
Cristina Garmendia Mendizábal	200	0.00 %	200	18.34 %	169	177.05 %	61	-	
M. Amparo Moraleda Martínez	232	12.62 %	206	0.00 %	206	6.19 %	194	6.01 %	183
Eduardo Javier Sanchiz Irazu	230	0.00 %	230	5.50 %	218	10.66 %	197	8.24 %	182
Teresa Santero Quintillá	140	30.84 %	107	-		-		-	
José Serna Masiá	170	4.29 %	163	16.43 %	140	0.00 %	140	0.00 %	140
Koro Usarraga Unsain	250	0.00 %	250	8.23 %	231	17.26 %	197	5.91 %	186
Consolidated results of the company	**4,326**	**-18.61 %**	**5,315**	**231.98 %**	**1,601**	**-22.92 %**	**2,077**	**-26.01 %**	**2,807**
Average Employee Remuneration	**68**	**6.25 %**	**64**	**8.47 %**	**59**	**-1.67 %**	**60**	**1.69 %**	**59**

_ **Observations:**

The average remuneration of the staff from 2019 to 2020 was impacted by the effect of the voluntary departures associated with the 2019 layoffs and the incentivised departures in 2020 of older employees, and due to temporary redundancies resulting from the pandemic. The 2020-2021 variation in Mr. Gortazar's accrued remuneration is due to the voluntary renunciation in 2020 of his variable remuneration, both annual and multi-year, as an act of responsibility for the exceptional economic and social situation generated by COVID-19, since his remuneration conditions did not change. The average remuneration of the staff from 2020 to 2021 was also affected by the merger with Bankia and by the voluntary departures of the 2021 layoffs.

With regard to the change in the company's results in 2021, the merger of CaixaBank and Bankia must be taken into account.

For the calculation of the average employee remuneration from 2021 onwards, the items of salary and wages, defined contribution to the pension plan (savings and risk) as well as other items included in the other personnel expenses (health insurance, study grants, ...) have been included without consolidation adjustments and this amount is divided by the figure of the average workforce of the year as detailed in the consolidated management report.

The increase in Mr. Goirigolzarri's remuneration from 2021 to 2022 is mainly due to his remuneration in 2022 covering the entire year, while in 2021 it was only received for part of the year.

The variation in Mr. Gortazar's remuneration from 2021 to 2022 is due to the higher accrual of variable remuneration in 2022, which is also the case of Mr. Goirigolzarri. In both cases, the amount of variable target remuneration and annual fixed remuneration has been the same in both financial years.

From 2021 to 2022, the remaining remuneration increases of the rest of directors are due to arrivals in 2021 or changes in delegated committees, where remuneration for belonging to the Board or delegated committees has remained the same between 2021 and 2022.

>D. OTHER INFORMATION OF INTEREST

This annual remuneration report has been approved by the company's Board of Directors, in its meeting on:

Approval date:

→ 16/02/2023

State whether any Directors voted against or abstained from voting on the approval of this Report.

☐ YES ☒ NO

_PAI

PAI RTS SFDR equivalence	Indicator	Value	Unit	Specifications
Applicable investments for investments in investees				
PAI 1.a	GHG emissions Scope 1	9,576.29	t CO2 eq	See "Environmental Management Plan" section CMR 2022.
PAI 1.b	GHG emissions Scope 2	42,670.71	t CO2 eq	See "Environmental Management Plan" section CMR 2022.
PAI 1.c	GHG emissions Scope 3 (excluding value chain categories)	15,205.96	t CO2 eq	See "Environmental Management Plan" section CMR 2022.
PAI 1.e	Total operational GHG emissions	67,452.96	t CO2 eq	See "Environmental Management Plan" section CMR 2022.
PAI 2	**Carbon footprint**			**Calculation not applicable**
PAI 3	Carbon intensity	4.09	t CO2 eq / €M sales	Total operational GHG emissions over ordinary income from customers (see Note 8 to the 2022 consolidated financial statements).
PAI 4	Exposure to companies active in the fossil fuel sector.			The corporate purpose of CaixaBank and its subsidiaries does not include activity related to the fossil fuel sector. See Note 1.1 of the consolidated annual financial statements.
PAI 5	Share of non-renewable energy consumption and production	100.0	%	See "Environmental Management Plan" section CMR 2022 The total energy consumed is from renewable sources."
PAI 6	Energy consumption intensity	0.02	GWh / €M sales	Electricity consumed (see "Environmental Management Plan - Electricity" section CMR 2022) / Ordinary customer income (see Note 8 to the 2022 consolidated financial statements).
PAI 7	Activities negatively impacting biodiversity sensitive areas			The negative impact on biodiversity sensitive areas is insignificant due to the nature of our operational activity.
PAI 8	Emissions to water	398,205	m3	Water consumption and emissions to water are insignificant due to the nature of our operational activity.
PAI 9	Hazardous and radioactive waste ratio	0.0	ton	Due to the nature of our operational activity, no hazardous and/or radioactive waste is generated.
PAI 10	Violations of UN Global Compact principles & OECD Guidelines for Multinational Enterprises	0	unit	There have been no violations of the aforementioned principles and guidelines.
PAI 11	Lack of processes and mechanisms to monitor compliance with UN Global Compact principles & OECD Guidelines for Multinational Enterprises	0.0	unit	No deficiencies have been identified in processes and mechanisms.
PAI 12	Unadjusted gender wage gap	17.0%	%	See "Diversity and equal opportunities - Gender diversity in figures" section CMR 2022. The adjusted gender wage gap by equal position is 1.1%."
PAI 13	Board gender diversity	40.0	%	See "Diversity of the Board of Directors" section CMR 2022.
PAI 14	Exposure to controversial arms exposures			The corporate purpose of CaixaBank and its subsidiaries does not include activity related to the weapons sector (see Note 1.1 to the consolidated financial statements).

N.B.: The indicators detailed below refer to the CaixaBank Group's operational activities, without including the indirect effects through its value chain.

DECLARACIÓN DE RESPONSABILIDAD SOBRE EL CONTENIDO DEL INFORME FINANCIERO ANUAL DEL GRUPO CAIXABANK CORRESPONDIENTE AL EJERCICIO 2022

Los miembros del Consejo de Administración de CaixaBank, S.A. declaran que, hasta donde alcanza su conocimiento, las cuentas anuales elaboradas con arreglo a los principios de contabilidad aplicables ofrecen la imagen fiel del patrimonio, de la situación financiera y de los resultados de CaixaBank, S.A. y de las empresas comprendidas en la consolidación tomados en su conjunto, y que el informe de gestión incluye un análisis fiel de la evolución y los resultados empresariales y de la posición de CaixaBank, S.A. y de las empresas comprendidas en la consolidación tomadas en su conjunto, junto con la descripción de los principales riesgos e incertidumbres a que se enfrenta.

Las Cuentas Anuales e Informe de Gestión de CAIXABANK, S.A. Y SOCIEDADES QUE COMPONEN EL GRUPO CAIXABANK, correspondientes al ejercicio anual cerrado el 31 de diciembre de 2022 han sido formulados en formato electrónico por el Consejo de Administración de CaixaBank, S.A., en su reunión de 16 de febrero de 2023, siguiendo los requerimientos establecidos en el Reglamento Delegado (UE) 2019/815.

Valencia, a 16 de febrero de 2023

____
Don José Ignacio Goirigolzarri Tellaeche
Presidente

____
Don Tomás Muniesa Arantegui
Vicepresidente

____
Don Gonzalo Gortázar Rotaeche
Consejero Delegado

____
Don John Shepard Reed
Consejero Coordinador
Diligencia del Secretario para hacer constar la no firma del Sr. Consejero Coordinador por no haber asistido físicamente a la sesión del Consejo, sino por medios telemáticos.
El Secretario,

____
Don Joaquín Ayuso García
Consejero

____
Don Francisco Javier Campo García
Consejero

Doña Eva Castillo Sanz
Consejera

Doña Cristina Garmendia Mendizábal
Consejera

Don Eduardo Javier Sanchiz Irazu
Consejero

Don José Serna Masiá
Consejero

Doña Koro Usarraga Unsain
Consejera

Doña María Verónica Fisas Vergés
Consejera

Doña María Amparo Moraleda Martínez
Consejera

Doña Teresa Santero Quintillá
Consejera

Don Fernando Maria Costa Duarte Ulrich
Consejero
Diligencia del Secretario para hacer constar la no firma del Sr. Consejero por no haber asistido físicamente a la sesión del Consejo, sino por medios telemáticos.
El Secretario,

COMPLEMENTARY INFORMATION

1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1. Persons responsible for the content of the Universal Registration Document

Matthias Bulach, Director of Accounting, Management Control and Capital, for and on behalf of CAIXABANK, S.A., by virtue of the resolution adopted by the Board of Directors on 23 March 2023, assumes responsibility for the content of this URD, the content of which is in line with Annex II of Regulation (EU) 2017/1129 of the European Parliament and of the Council and Annex 2 of Commission Delegated Regulation (EU) 2019/980.

1.2. Statement of responsibility of the Universal Registration Document

Matthias Bulach, for and on behalf of CAIXABANK, declares that the information contained in this URD is, to the best of his knowledge, accurate and truthful and does not omit anything likely to affect its import.

1.3. Statement of approval by the competent authority

It is hereby recorded that:

(a) This URD was approved by the CNMV, acting as the competent authority by virtue of Regulation (EU) 2017/1129;

(b) the CNMV only approves this URD provided that it reaches the levels of thoroughness, coherence and intelligibility required by Regulation (EU) 2017/1129; and

(c) this approval will not be considered as an endorsement of the Issuer referred to in the said URD.

This Universal Registration Document can be used for the purposes of a public offering of securities or for the admission to trading of securities on a regulated market, completed where appropriate with the relevant modifications, and individual securities notes and summary approved in accordance with Regulation (EU) 2017/2019.

2. CORPORATE GOVERNANCE

2.1. Statement on the compliance with the corporate governance regime

CAIXABANK's system of corporate governance complies with and follows, in all material respects, the corporate governance guidelines, recommendations and practices of the Code of Good Governance for listed companies approved by the CNMV in February 2015 and reviewed in June 2021. Those recommendations that CAIXABANK does not comply with or partially complies with, are detailed in the section "Corporate Governance" of the Consolidated Management Report for 2022.

2.2. Conflicts of interest

Since 31 December 2022 up to the date of registration of this document, no director has reported any situation that places them in a permanent conflict of interest with the Group. However, on the following occasions, directors abstained from intervening and voting in the deliberation of issues in sessions of the Board of Directors and in accordance with what is established in article 228 c) of the Spanish Companies Act:

DIRECTOR	CONFLICT
Mr. José Ignacio Goirigolzarri (Chairman)	Abstention from the deliberation and vote on the proposed resolutions concerning the achievement of its variable remuneration and the fulfilment of the objectives for the 2022 financial year. Abstention from the deliberation and vote on the proposed resolutions concerning their remuneration for the financial year 2023. Abstention from the deliberation and voting on the proposal to amend the directors' remuneration policy, to be submitted to the General Shareholders' Meeting, as regards his remuneration as executive director.
Mr. Gonzalo Gortázar Rotaeche (CEO)	Abstention from the deliberation and vote on the proposed resolutions concerning the achievement of its variable remuneration and the fulfilment of the objectives for the 2022 financial year. Abstention from the deliberation and vote on the proposed resolutions concerning their remuneration for the financial year 2023. Abstention in the deliberation and vote on the proposed resolution regarding his re-election as director, to be submitted to the Ordinary General Shareholders' Meeting. Abstention in the deliberation and vote on the proposal to amend the directors' remuneration policy, to be submitted to the General Shareholders' Meeting, as regards his remuneration as executive director.
Mrs. Teresa Santero Quintillá	Abstention from the deliberation and vote on the proposal for a resolution concerning the execution of a European framework agreement with BFA Tenedora de Acciones, S.A.U. to allow future transactions (repo and securities lending).
Mrs. Cristina Garmendia Mendizábal	Abstention from the deliberation and vote on the proposed resolution regarding her re-election as director, to be submitted to the Ordinary General Meeting of Shareholders.
Mrs. María Amparo Moraleda Martínez	Abstention from the deliberation and vote on the proposed resolution regarding her re-election as director, to be submitted to the Ordinary General Meeting of Shareholders.

2.3. Activities that the current Directors and senior management have performed outside of CAIXABANK

The following shows information submitted to the Register of Senior Management of the Bank of Spain on the members of the Board of Directors in relation to the companies[2] and associations at which those persons have been a member of the administrative, management, or supervisory bodies at any time, over the last five years, except all the subsidiaries of an issuer of which the person is also a member of the administrative, management, or supervisory body; or companies belonging to the CaixaBank Group.

Details as at the date of this URD

DIRECTOR	COMPANY *	POSITION	COMPANY REPRESENTED	PERIOD OR CURRENT
José Ignacio Goirigolzarri	BFA, Tenedora de Acciones, S.A.	Natural person representative	FROB	2015 – March 2021
Tomás Muniesa	CONSORCIO DE COMPENSACIÓN DE SEGUROS	Director and Chairman of the Audit Committee		January 2006 – November 2018
	SEGURCAIXA ADESLAS, S.A. DE SEGUROS Y REASEGUROS (MULTIGROUP)	Deputy Chairman		Current
	VITHAS SANIDAD, S.L.	Director		2011 – February 2018
	UNESPA	Second Deputy Chairman		2003 – December 2018
	COMPANHIA DE SEGUROS ALLIANZ PORTUGAL, S.A.	Director		Current
Gonzalo Gortázar	REPSOL, YPF, S.A.	First Deputy Chairman		2016 – September 2018
Joaquin Ayuso	Adriano Care Socimi, S.A.	Chairman		Current
	Ferrovial, S.A.	Deputy Chairman of the Board		2009 – September 2019
	National Express Group, PLC.	Director		2011 - October 2019
	Hispania Activos Inmobiliarios, S.A.	Director		2014 – Julio 2018
	AUTOPISTA DEL SOL, CONCESIONARIA ESPAÑOLA, S.A. (Ferrovial Group)	Chairman of the Board		2014 – December 2019
Francisco Javier Campo	Meliá Hotels International, S.A.	Director		Current
Eva Castillo	Zardoya Otis, S.A.	Director		2019 – May 2022
	International Consolidated Airlines Group, S.A. (IAG)	Director		Current
	Telefónica, S.A.	Director		2018 – April 2018
Maria Verónica Fisas	NATURA BISSÉ Int. S.A. (Spain)	CEO		Current
Cristina Garmendia	MEDIASET ESPAÑA COMMUNICATION, S.A.	Director		Current
	COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, SA	Director		Current
	YSIOS ASSET MANAGEMENT, S.L.	Director		Current
	SATLANTIS MICROSATS, S.L.	Chairwoman of the Board		December 2020
	PELAYO MUTUA DE SEGUROS Y REASEGUROS	Director		2013 - March 2019
	CORPORACIÓN FINANCIERA ALBA	Director		2013 - June 2019
	SCIENCE & INNOVATION LINK OFFICE, S.L. (SILO)	Director		2012 - January 2019
	EXPEDEON AG (Formally SYGNIS)	Chairwoman of the Supervisory Board		2012 - April 2019
	GENETRIX, S.L. (and its investees)	Chairwoman/Co-CEO		2012 - December 2018
	EVERIS SPAIN, S.L.	Director		2012 - May 2019
	NATURAL ENERGY GROUP, S.A. (Formally SDG NATURAL GAS S.A.)	Director		2015 - June 2018
Amparo Moraleda	Vodafone Group, PLC	Director		Current
	Solvay, S.A.	Director		2013 – May 2021
	Airbus Group, N.V.	Director		Current
	A.P. MØLLER - MÆRSK A/S	Director		Current
Eduardo Javier Sanchiz	Pierre Fabre, S.A.	Director		Current
	Sabadell – Asabys Health Innovation Investments 2B, S.C.R, S.A.	Director		Current
María Teresa Santero	Official Credit Institute	Director		2018 - 2021
Koro Usarraga	2005 KP Inversiones, S.L.	Director		Current
	Vehicle Testing Equipment, S.L.	Director		Current
	Vocento, S.A.	Director		Current

[1]For these purposes, CAIXABANK uses the term "company" to refer only to companies, excluding those that are asset-holding companies or family businesses

Regarding the members of the Management Committee (except for the CEO as he is also a member of the Board of Directors) the companies[3] of which they have been a member of the administrative, management, or supervisory bodies, or direct partner, at any time in the previous five years, except all the subsidiaries of an issuer of which the person is also a member of the administrative, management, or supervisory body; or companies belonging to the CaixaBank Group.

Details as at the date of this URD

MEMBER OF THE MANAGEMENT COMMITTEE	COMPANY	POSITION	COMPANY REPRESENTED	PERIOD OR CURRENT
Luis Javier Blas	BBVA Seguros, S.A.	Director		September 2015 - December 2019
	Redsys, S.L.	Director		June 2016 - December 2019
	Veridas	Director		2019 - December 2019
	BBVA Information Technology España, S.L.	Director		2018 - December 2019
	OP PLUS	Chairman		September 2015 - December 2019
Matthias Bulach	ESADE Creapolis, S.A.	Director		October 2018-September 2019
	Erste Group Bank AG	Member of the Supervisory Board and Audit Committee		May 2019 - December 2021
Jordi Mondéjar	SOCIEDAD DE GESTIÓN DE ACTIVOS PROCEDENTES DE LA REESTRUCTURACIÓN BANCARIA (SAREB)	Director		December 2017 - April 2022
Javier Pano	CecaBank	Non-executive vice-president and Member of its Appointments Committee		Current
Javier Valle	UNESPA	Deputy Chairman, member of the Executive Committee and the Board of Directors		Current
	ICEA	Director		Current
	CONSORCIO DE COMPENSACIÓN DE SEGUROS	Director		2019-2020
	ZURICH VIDA S.A.	CEO / Managing Director		2013-2018
	DEUTSCHE ZURICH PENSIONES	Director		2015-2018
	ZURICH SERVICES AIE	Deputy Chairman and Director		2010-2018
	BANSABADELL VIDA, S.A.	General Director		2013-2018
	BANSABADELL PENSIONES SA EGFP	General Director		2013-2018
	BANSABADELL SEGUROS GENERALES	General Director		2013-2018
Manuel Galarza	AVALMADRID, S.G.R.	Director	Participaciones y Cartera de Inversión, S.L	2015-2018
	CACF Bankia Consumer Finance EFC, S.A. (SoYou)	Director	Bankia	2018-2021

[2]For these purposes, CAIXABANK uses the term "company" to refer only to companies, excluding those that are asset-holding companies or family businesses.

2.4. Shareholdings in the share capital

On the date registration of this URD, the shareholdings (direct and indirect) of the directors and senior managers in the capital of CAIXABANK were as follows:

BOARD OF DIRECTORS

Name	% of shares carrying voting rights					Percentage of capital
	Direct	Percentage	Indirect	Percentage	Total	(*)
José Ignacio Goirigolzarri Tellaeche	263,983	0.004%	0	0.000%	263,983	0.004%
Tomás Muniesa Arantegui	293,655	0.004%	0	0.000%	293,655	0.004%
Gonzalo Gortázar Rotaeche	819,947	0.011%	0	0.000%	819,947	0.011%
Eduardo Javier Sanchiz Irazu	8,700	0.000%	0	0.000%	8,700	0.000%
Joaquín Ayuso García	37,657	0.001%	0	0.000%	37,657	0.001%
Francisco Javier Campo García	34,440	0.000%	0	0.000%	34,440	0.000%
Eva Castillo Sanz	19,673	0.000%	0	0.000%	19,673	0.000%
Fernando María Costa Duarte Ullrich	0	0.000%	0	0.000%	0	0.000%
Veronica Fisas Verges	0	0.000%	0	0.000%	0	0.000%
Cristina Garmendia Mendizabal	0	0.000%	0	0.000%	0	0.000%
Maria Amparo Moraleda Martinez	0	0.000%	0	0.000%	0	0.000%
Teresa Santero Quintillá	0	0.000%	0	0.000%	0	0.000%
José Serna Masiá	6,609	0.000%	10,463	0.000%	17,072	0.000%
Koro Usarraga Unsain	7,175	0.000%	0	0.000%	7,175	0.000%
TOTAL	1,491,839	0.020%	10,463	0.000%	1,502,302	0.020%

(*) % Calculated based on the authorised capital as at the date of this URD

MANAGEMENT COMMITTEE

Name	% of shares carrying voting rights					Percentage of capital
	Direct	Percentage	Indirect	Percentage	Total	
Iñaki Badiola Gómez	23,839	0,000%	0	0,000%	23,839	0,000%
Luis Javier Blas Agüeros	22,860	0,000%	0	0,000%	22,860	0,000%
Matthias Bulach	67,428	0,001%	0	0,000%	67,428	0,001%
Óscar Calderón de Oya	77,139	0,001%	0	0,000%	77,139	0,001%
Manuel Galarza	53,171	0,001%	0	0,000%	53,171	0,001%
David López Puig	45,401	0,001%	0	0,000%	45,401	0,001%
Mª Luisa Martínez Gistau	38,956	0,001%	0	0,000%	38,956	0,001%
Jordi Mondéjar López	99,614	0,001%	0	0,000%	146,022	0,002%
Javier Pano Riera	120,424	0,002%	892	0,000%	121,316	0,002%
Marisa Retamosa Fernández	18,312	0,000%	0	0,000%	18,312	0,000%
Eugenio Solla	47,566	0,001%	0	0,000%	47,566	0,001%
Javier Valle T-Figueras	4.896	0,000%	0	0,000%	4,896	0,000%
Mariona Vicens	14,472	0,000%	0	0,000%	14,472	0,000%
TOTAL	634,078	0,008%	892	0,000%	634.970	0,008%

(*) % Calculated based on the authorised capital as at the date of this URD

2.5. Major shareholders

According to public information available on the CNMV website:

As of the date of publication of this document, the holders of significant share holders in CAIXABANK, according to the Notices filed with the Public Registry of the CNMV, are as follows:

Name or Corporate Name of the Indirect Holder of the Shareholding	Number of Voting Rights		
	Direct	Indirect	% Total
Fundación Bancaria “la Caixa”(1)	-	2,419,131,875	30.012
FROB(2)	-	1,299,124,905	16.117
BlackRock, Inc.(3)	-	376,340,480	5.017

(1) The Fundación Bancaria “la Caixa” holds all of its shares indirectly through its wholly-owned subsidiary CriteriaCaixa (CNMV Communication of 26/03/2021).

(2) The FROM holds its total stake indirectly through its wholly-owned subsidiary BFA Tenedora de Acciones, S.A.U. (CNMV Communication of 30/03/2021).

(3) BlackRock, Inc holds its total stake indirectly through various funds, accounts and portfolios managed by Investment Managers under its control (CNMV communication of 16/01/2023). Of BlackRock, Inc.'s 5.017% stake in CaixaBank, 4.402% of these voting rights are shares and 0.615% are financial instruments (0.210% securities lent and 0.405% contracts for difference (CFDs)).

Note: All shares representing the capital of the Company have the same economic and voting rights. Each share carries one vote.

2.6. Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer’s securities.

In the case of the CEO and the Chairman of the Board of Directors in relation only to the shares they receive as part of their variable remuneration in accordance with the resolutions of the General Meetings of the Company as part of the “Remuneration Policy of the Board of Directors” and the “Remuneration Policy for professionals belonging to the Identified Staff” a commitment not to transfer the shares received for this purpose is established for a period of 3 years from the date of receipt). However, one year after delivery, Directors may dispose of the shares if they maintain, after the disposal or exercise, a net economic exposure to changes in the share price for a market value equivalent to the amount of at least twice their annual fixed remuneration through the ownership of shares, options, share delivery rights or other financial instruments that reflect the market value of CaixaBank. There are no restrictions for other members of the Board of Directors.

In relation to the members of the Management Committee, only in respect of the shares they receive as part of their variable remuneration in accordance with the agreement reached at the General Shareholders' Meeting within the framework of the "Remuneration Policy for professionals of the Identified Staff" (which establishes a commitment not to transfer the shares received in this respect for a period of 1 year from the date of receipt).

2.7. Changes to the Governing Bodies

The Shareholders' Ordinary General Meeting held on 31 March 2023 has approved the re-election as members of the Board of Directors of Mr. Gonzalo Gortázar Rotaeche (executive director), Ms. María Amparo Moraleda Martínez (independent director) and Ms. Cristina Garmendia Mendizábal (independent director) as well as the appointment of Mr. Peter Löscher (independent director) as new member of the Board of Directors, covering the vacancy left with occasion of Mr. John S. Reed resignation. The appointment of Mr. Löscher is subject to verification of his suitability by the European Central Bank.

In view of the agreements of re-election and appointment of the directors, the composition of the **Board of Directors** will be the following:

Mr. José Ignacio Goirigolzarri Tellaeche	Chairman (executive)
Mr Tomás Muniesa Arantegui	Deputy Chairman (proprietary director)
Mr Gonzalo Gortázar Rotaeche	CEO (executive)
Mr Eduardo Javier Sanchiz Irazu	Lead Independent Director
Mr Joaquín Ayuso García	Director (independent)
Mr Francisco Javier Campo	Director (independent)
Ms Eva Castillo Sanz	Director (independent)
Mr Fernando Maria Costa Duarte Ulrich	Director (other external)
Ms María Verónica Fisas Vergés	Director (independent)
Ms. Cristina Garmendia	Director (independent)
Ms. María Amparo Moraleda	Director (independent)
Mr Peter Löscher	Director (independent)
Ms Teresa Santero Quintillá	Director (proprietary)
Mr José Serna Masiá	Director (proprietary)
Ms Koro Usarraga Unsain	Director (independent)

2nd After holding the Ordinary General Meeting, the Board of Directors agreed to appoint Mr Gonzalo Gortázar Rotaeche as CEO of CaixaBank, S.A., with all the legally and statutorily delegable powers.

3rd In addition, after the conclusion of the Ordinary General Meeting, the appointment of Mr Eduardo Javier Sanchiz Irazu as Lead Independent Director, agreed by the Board of Directors on December 22, 2022, becomes effective, following the resignation of Mr John S Reed.

4th Additionally, the Board of Directors, at the proposal of the Appointments and Sustainability Committee, has agreed to reorganize the composition of the Board of Directors' Committees.

Specifically, with regard to the **Executive Committee**, the Board of Directors has agreed to incorporate Mr Eduardo Javier Sanchiz Irazu, independent director, as a new vocal of the Committee in replacement of Ms Verónica Fisas Vergés, who ceases to be a member of the Committee.

Furthermore, the Board of Directors today agreed to reappoint Mr Gonzalo Gortázar Rotaeche and Ms María Amparo Moraleda Martínez as vocals of the Committee, after being both re-elected as directors today at the General Meeting. The current composition of the Executive Committee is as follows:

Executive Committee

Mr José Ignacio Goirigolzarri Tellaeche	Chairman (executive)
Mr Gonzalo Gortázar Rotaeche	Vocal (executive)
Mr Tomás Muniesa Arantegui	Vocal (proprietary)
Ms Eva Castillo Sanz	Vocal (independent)
Mr Eduardo Javier Sanchiz Irazu	Vocal (independent)
Ms María Amparo Moraleda Martínez	Vocal (independent)
Ms Koro Usarraga Unsain	Vocal (independent)

With regard to the **Appointments and Sustainability Committee**, the Board of Directors today agreed to reappoint Ms María Amparo Moraleda Martínez, independent director, as a vocal of the Appointments and Sustainability Committee, after being re-elected today as independent director at the General Meeting.

On their part, the members of the Appointments and Sustainability Committee, have agreed to designate Ms. María Amparo Moraleda Martínez Chairwoman of the Committee. In accordance with the aforementioned, the composition of the Appointments and Sustainability Committee is as follows:

Appointments and Sustainability Committee

Ms. María Amparo Moraleda Martínez	Chairwoman (independent)
Mr. Eduardo Javier Sánchez Irazu	Vocal (Independent); Lead independent Director
Mr. Francisco Javier Campo García	Vocal (independent)
Mr. Fernando María Costa Duarte Ulrich	Vocal (other external)

Regarding the **Audit and Control Committee**, by agreement of the Board of Directors, Ms. Koro Usarraga Unsain ceases to be member of the Committee, which implies the reduction of the total number of its members in one member.

Additionally, the Board of Directors today agreed to reappoint Ms. Cristina Garmendia Mendizábal as a vocal of the Audit and Control Committee, after being re-elected today at the General Meeting as independent director.

On their part, the members of the Audit and Control Committee have agreed to designate Mr. Eduardo Javier Sanchiz Irazu, independent director, as Chairman of the Committee. Accordingly, the composition of the Committee will remain as follows:

Audit and Control Committee

Mr. Eduardo Javier Sanchiz Irazu	Chairman
Mr. Francisco Javier Campo García	Vocal (independent)
Ms. Cristina Garmendia Mendizábal	Vocal (independent)
Ms. Teresa Santero Quintillá	Vocal (proprietary)
Mr. José Serna Masiá	Vocal (proprietary)

With regard to the **Risks Committee**, by agreement of the Board of Directors, Mr. Eduardo Javier Sanchiz Irazu ceases to be member of the Committee, which entails the reduction by one of the total number of the members of the Committee.

On their part, the members of the Risk Committee have agreed to designate Ms. Koro Usarraga Unsain, independent director as Chairwoman of the Committee.

The current composition of the Risk Committee is the following: **Risk Committee**

Ms. Koro Usarraga Unsain	Chairwoman (independent)
Mr. Joaquín Ayuso García	Vocal (independent)
Mr. Fernando Maria Costa Duarte Ulrich	Vocal (other external)
Ms. Verónica Fisas Vergés	Vocal (independent)
Mr. Tomás Muniesa Arantegui	Vocal (proprietary)

With regard to the **Remuneration Committee**, the Board of Directors has agreed the incorporation of Ms Eva Castillo Sanz and of Ms Koro Usarraga Unsain, both independent directors, as well as the no renewal as member of the Remunerations Committee of Ms María Amparo Moraleda Martínez. The described changes in the composition, increase by one the total number of the members of the Committee.

Additionally, the Board of Directors today agreed to reappoint Ms Cristina Garmendia Mendizábal as a member of the Remuneration Committee, after being re-elected independent director of the Board today at the General Meeting.

On their part, the members of the Remuneration Committee have agreed to designate Ms Eva Castilla Sanz, independent director, as Chairwoman of the Committee.

After the described changes in the composition of the Remuneration Committee, the current composition remains as follows:

Remuneration Committee

Ms. Eva Castillo Sanz	Chairwoman (independent)
Mr. Joaquín Ayuso García	Vocal (independent)
Ms. Cristina Garmendia Mendizábal	Vocal (independent)

Mr. José Serna Masiá	Vocal (proprietary)
Ms. Koro Usarraga Unsain	Vocal (independent)

Lastly, as regards the **Innovation, Technology and Digital Transformation Committee**, the Board of Directors has agreed to appoint Mr Francisco Javier Campo García, independent director, as vocal of the Committee, increasing the number of members of the Committee by one.

In addition, the Board of Directors has today agreed to reappoint Mr Gonzalo Gortázar Rotaeche, Ms María Amparo Moraleda Martínez and Ms Cristina Garmendia Mendizábal, as vocals of the Committee, following their reelection as directors by the General Meeting.

Accordingly, the composition of the Committee is as follows:

Innovation, Technology and Digital Transformation Committee

Mr. José Ignacio Goirigolzarri Tellaeche	Chairman (executive)
Mr. Gonzalo Gortázar Rotaeche	Vocal (executive)
Ms. Eva Castillo Sanz	Vocal (independent)
Ms. Cristina Garmendia Mendizábal	Vocal (independent)
Ms. María Amparo Moraleda Martínez	Vocal (independent)

2.8. Changes to Senior Management

From 31 December 2022 to the date of registration of this document, the following changes have taken place in CaixaBank's Senior Management: in January 2023, the Board of Directors agreed to appoint Jaume Masana, María Vicens and Jordi Nicolau to take over, among others, the functions that Juan Antonio Alcaraz had been performing, who resigned. The appointments of Mr. Masana and Mr. Nicolau are pending verification of their suitability by the Supervisor.

On 11 April, Ms. Vicens was appointed as a member of the Management Committee, whose qualifications and management experience are reflected in the following summary:

Mariona Vicens

Director of Digital Transformation and Advanced Analytics

Education: She holds a degree in Industrial Engineering from the Polytechnic University of Catalonia and an MBA from the kellog School of Management, Northwestern University.

Professional background: She joined CaixaBank in 2012 as Director of Innovation and since 2018 she has been Director of Digital Transformation and Innovation. She began her professional career at McKinsey & Co as a Senior Associate, working in the financial and pharmaceutical sectors.

Before joining CaixaBank, she developed her career in the areas of Strategy and Business Development at Novartis, with international experience in China and Switzerland.

3. REGULATORY FRAMEWORK

The following section outlines the most relevant aspects of the regulatory framework governing CAIXABANK's operations, as well as the main factors that, directly or indirectly, have affected or currently significantly affect the CaixaBank Group's operations.

In addition, please see the Risk Factors section of this URD on the specific and relevant factors that, in CAIXABANK's opinion, could have a material impact on the Group's operations.

MiFID, MiFID II, MiFIR framework

On April 21, 2004, Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments ("MiFID") was adopted. MiFID regulated the provision of investment services and investment activities, provided a harmonised regime and aimed to increase competition and reinforce investor protection. It streamlined supervision on the basis of home country control and enhanced the transparency of markets. Furthermore, MiFID harmonised conduct of business rules, including best execution, conflicts of interest, client order handling rules, rules on inducements and introduced a suitability test and an appropriateness test. Pursuant to MiFID, when advising a customer or performing portfolio management activities a bank must: (i) in the interest of the customer, obtain information about the latter's financial condition, knowledge, experience, objectives and risk tolerance, insofar as this is reasonably relevant to the advice or the portfolio management, and (ii) ensure that its advice or manner of managing the portfolio, insofar as reasonably possible, is based on the information referred to under (i) (the suitability test). When providing investment services other than advice or portfolio management, the bank must perform an appropriateness test relating to the customer's knowledge and experience in the investment field relevant to the specific investment service. However, when transmitting and executing customer orders at their initiative, and the orders relate to specific (non-complex) financial instruments such as (i) shares admitted to trading on a regulated market, and (ii) instruments normally traded on the money market (this is the execution-only regime), the appropriateness test does not have to be performed.

On 15 May 2014, MiFID II and Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("MiFIR") were adopted by the European Parliament and the Council. MiFID II and MiFIR introduce new rules that among other things:

- regulate high frequency trading by requiring among other things (i) firms engaged in high frequency trading to be authorised to perform their activities, and (ii) trading venues to set limits on the order to trade ratio and set minimum tick sizes in shares and similar financial instruments;

- enhance the levels of client protection by (i) prohibiting investment firms from receiving payments (inducements) from third parties when providing independent advice and portfolio management, (ii) limiting the list of (non-complex) financial instruments in respect of which the execution-only regime without appropriateness test is available: execution only services can, for example, no longer be performed in respect of structured undertakings for collective investment in transferable securities ("UCITS") and (iii) extending the information requirements in relation to the best execution obligations;

- extend the organisational requirements and conduct rules by introducing product governance arrangements such as a product approval process and by prohibiting title transfer collateral arrangements in relation to retail customers' dealings in financial instruments;

- extend the application of certain organisational requirements and conduct rules to selling of and advising on structured deposits;

- extend and amend the current market structures by introducing (i) a new trading platform, the organised trading facility ("OTF"), (ii) a trading obligation for derivatives subject to the EMIR clearing obligation, and transactions in these derivatives will be required to take place on a regulated market, a multilateral trading facility ("MTF") or an OTF, if the derivative is sufficiently liquid and (iii) a trading obligation for shares that have been admitted for trading on a regulated market, an MTF or OTF unless exceptions apply, for instance where the transaction does not involve a retail counterparty and the transaction does not contribute to the price formation process;

- increase market transparency by extending the pre- and post-trade transparency regime to non-equities;

- enhance the availability and quality of trading data; and

- extend the scope of the reporting obligation to financial instruments traded on an MTF or OTF and financial instruments having an instrument traded on a regulated market as an underlying asset, and require additional information to be included in the transaction reports.

The exact scope and substance of most of MiFID II's rules are clarified in delegated acts, i.e. secondary legislation.

Furthermore, MiFID II has been amended by Directive (EU) 2016/1034 of the European Parliament and of the Council of 23 June 2016 amending MiFID II and MiFIR by Regulation (EU) 2016/1033 of the European Parliament and of the Council of 23 June 2016 amending MiFIR, Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC and the rules and regulations promulgated pursuant thereto (the "Market Abuse Regulation") and Regulation (EU) No. 909/2014 on improving securities settlement in the EU and on central securities depositories. Both MiFID II and MiFIR have been further amended by Regulation (EU) 2022/858 of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 909/2014.

As of the date of this Offering Memorandum, MiFID II has been fully implemented into Spanish law through Royal Decree-Law 21/2017, Royal Decree-Law 14/2018 and Royal Decree 1464/2018.

MiFID II was further amended by (i) Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021 amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organisational requirements and operating conditions of investment firms, with effect from 2 August 2022; (ii) Commission Delegated Directive (EU) 2021/1269 of 21 April 2021 amending Delegated Directive (EU) 2017/593 as regards the integration of sustainability factors into product governance obligations. Member States were required to adopt implementing measures by 21 August 2022 to be effective from 22 November 2022; and (iii) Directive (EU) 2021/338 of the European Parliament and of the Council of 16 February 2021 amending Directive 2014/65/EU as regards information requirements, product governance and position limits, and Directives 2013/36/EU and (EU) 2019/878 as regards their application to investment firms, in the context of COVID-19. This amendment aimed to reduce complexity and simplify certain requirements. Despite the deadline to transpose this Directive having been set on 28 November 2021, it has still not been transposed to Spanish legislation.

Solvency II

On 1 January 2016, a solvency framework for insurance and reinsurance companies operating in the EU, known as "Solvency II", entered into force. Solvency II consists of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance ("Solvency II Directive"), several regulations supplementing the Solvency II Directive and directly applicable in EU Member States (mainly Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Solvency II Directive) and corresponding implementing regulations in EU Member States.

The Solvency II Directive was transposed in Spain by Law 20/2015 of 14 July on the regulation, supervision and solvency of insurance and reinsurance institutions and Royal Decree 1060/2015 of 20 November on the regulation, supervision and solvency of insurance and reinsurance institutions.

Solvency II replaced the previous insurance directives and introduced economic risk-based capital requirements in all Member States, promoting comparability, transparency and competitiveness in the insurance sector. In particular, Solvency II significantly amended the rules on (i) balance sheet valuation, (ii) calculation of technical reserves, (iii) measurement of eligible capital resources and required solvency, (iv) corporate governance and (v) reporting of risk management systems and relevant data on solvency levels to supervisory authorities and the market.

Insurance Distribution

Directive 2016/97 of 20 January 2016 on insurance distribution (the "Insurance Distribution Directive") regulates brokers and other intermediaries selling insurance products. The scope of the Insurance Distribution Directive covers all sellers of insurance products, with a particular focus on market integration, fair competition between distributors of insurance products and the protection of policyholders. Commission Delegated Regulations 2017/2358 and 2017/2359 of 21 September 2017 complemented the Insurance Distribution Directive as regards (i) product supervision and governance requirements for insurance undertakings and insurance distributors and (ii) information requirements and conduct of business rules applicable to the distribution of insurance-based investment products, respectively. Finally, Directive 2018/411 of 14 March 2018 amended the Insurance Distribution Directive and postponed the date of application of Member States' transposition measures until 1 October 2018. On 4 February 2020, the Spanish government approved Royal Decree-Law 3/2020, on urgent measures, implementing in Spain various EU directives on public procurement in certain sectors, private insurance, pension funds and plans, taxation and tax litigation, which transposes, among others, the Insurance Distribution Directive.

Regulations on payment services

In 2009, European legislation on payment services was adopted, mainly set out in Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market (“PSD”). PSD was implemented in Spain through Law 16/2009 and was aimed at opening up payment services to competition from newly licensed payment institutions and increasing consumer protection by introduction of information requirements and uniform operational rules for payment service providers. The PSD laid the foundation for the creation of a single market in payments and constitutes the legal framework for a single euro payments area.

Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (“PSD2”) was formally adopted on 25 November 2015. PSD2 imposed additional requirements on us with respect to payment services in the EEA and supports the emergence of new players in the payment services area and the development of innovative mobile and internet payments in Europe by opening the EU payment market to companies offering consumer or business-oriented payment services based on the access to the information from the payment account – so called “payment initiation services providers” and “account information services providers”.

The banks are obliged to allow access to the accounts of its customers to these payment service providers offering payment initiation services or account information services. Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions, accompanying PSD2, introduces, among other things, maximum levels of interchange fees for transactions based on consumer debit and credit cards.

PSD2 has been implemented in Spain through Royal Decree-Law 19/2018 of 23 November, on payment services and other urgent financial measures and its developing regulation Royal Decree 736/2019 of 20 December, on the legal regime of payment services and payment institutions.

Regulations on covered bonds

Covered bonds have traditionally been an important source of funding for Spanish credit institutions. These instruments have structural features that aim to provide a special protection to investors, as they benefit from a statutory privilege over a certain pool of assets of the issuer vis-à-vis other creditors. Depending on the nature of the cover pool, there are three different types of covered bonds in Spain: mortgage covered bonds, which are secured through mortgage loans, public covered bonds, which are secured through loans granted to public authorities and internationalisation covered bonds, which are secured through loans linked to export contracts and the internationalisation of companies.

On 3 November 2021 Royal Decree-Law 24/2021 ("RDL 24/2021") which, among others, transposes Directive (EU) 2019/2162 on covered bonds into Spanish law was published in the Spanish Official Gazette. The new covered bonds regime entered into force the 8 July 2022. RDL 24/2021, which, among others, transposes the Directive, seeks to simplify and harmonise the Spanish legal regime on mortgage-covered bonds.

RDL 24/2021 repeals Law 2/1981 of 25 March, on the regulation of the mortgage market, article 13 of Law 14/2013 of 27 September, on support for entrepreneurs and their internationalisation, Article 13 of Law 44/2002 of 22 November, on financial system reform measures and fourth additional provision of Law 5/2015 of 27 April, on the promotion of business financing which constituted, among others, the former regime of covered bonds. Covered bonds issued prior to 8 July 2022 pursuant to the former regulatory regime shall continue to be governed by said regulations until that date. Thereafter, the legal regime for such covered bonds shall be the one provided for in RDL 24/2021 and its implementing measures. In addition, until such date issuers of said outstanding covered bonds shall carry out the necessary actions to comply with the obligations provided for in RDL 24/2021.

New covered bonds regulation introduced by means of RDL 24/2021 provides for significant changes in relation to the issue and maintenance of these type of instruments, including, among others, the liquidity buffer, extendable maturity structures, periodic information to holders of covered bonds, supervision of covered bonds (cover pool monitor and public supervision) and insolvency or resolution of the issuer of the covered bonds.

Mortgage legislation

Mortgages and mortgage loans in Spain are subject to extensive and scattered regulation. The most important piece of legislation is Law 5/2019 of 15 March, on regulation of real estate loans, further developed by Royal Decree 309/2019 of 26 April which entered into force on 16 June 2019 and implemented into Spanish law Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014, on credit agreements for consumers relating to residential immovable property.

A deep reform of mortgage legislation has been produced in Spain resulting in changes to such legislation, which, among others, are described below.

Royal Decree 6/2012 of 9 March, on urgent measures to protect mortgage debtors without financial resources, introduced measures to enable the restructuring of mortgage debt and easing of collateral foreclosure aimed at protecting especially vulnerable debtors.

In addition, Royal Decree 27/2012 of 15 November, on urgent measures to enhance the protection of mortgage debtors, provided for a two-year moratorium, from the date of its adoption, on evictions applicable to debtor groups especially susceptible to social exclusion, which may remain at their homes for such period.

Law 1/2013 of 14 May, on measures to protect mortgagees, debt restructuring and social rents introduced important modifications to mortgage law and civil procedure law. Royal Decree-Law 5/2017 of 17 March, modifying Royal Decree-Law 6/2012 of 9 March, on urgent measures to protect low-income mortgage debtors, and Law 1/2013. This Royal Decree-Law addresses the mortgage restructuring of those individuals who suffer from major difficulties to make payments and attempts to facilitate and provide more flexibility in foreclosure procedures, such as expanding the suspension period of eviction or making it possible to execute more flexible mortgage policies after having expanded the number of possible beneficiaries and facilitating preferential leases.

Royal Decree 11/2014, following the judgment of the CJEU of 17 July 2014 regarding Spanish foreclosure processes, allows debtors to appeal against a court's resolution which rejects his or her opposition to the execution of a mortgage.

Royal Decree-Law 1/2015 of 27 February, on the "second chance" mechanism allows an individual who has been declared bankrupt to be discharged of outstanding obligations as long as he or she fulfils certain requirements: (i) the bankruptcy proceedings must have concluded, (ii) the debtor must have acted in good faith, the Royal Decree being restrictive as to when a debtor is considered to have acted in good faith, and (iii) the bankruptcy judge has to approve the terms of the discharge (and may revoke his or her approval under certain circumstances upon request of any creditor in the following five years). Discharge from mortgage obligations would only apply to the outstanding debts after the foreclosure, as long as such debts are considered ordinary or subordinate according to the Spanish Insolvency Law. Co-debtors and guarantors, if any, would remain liable.

Law 25/2015 of 28 July, on the "second chance" mechanism reducing the financial burden and other measures of a social nature, entered into force on 30 July 2015 introducing a fee protection account for insolvency managers, limits on the remuneration of insolvency managers and the introduction of greater flexibility to a number of elements of the second chance mechanism.

On 24 November 2022, Royal Decree-Law 19/2022, of 22 November, came into force with the aim of reinforcing the protection of mortgage debtors in order to avoid difficulties as a result of rising interest rates. Among other measures, Royal Decree-Law 19/2022 creates a new Code of Good Practices for a period of two years for the restructuring of mortgage debt of mortgagors at risk of vulnerability due to rising interest rates, amends the existing Code of Good Practices in Royal Decree-Law 6/2012 and facilitates the subrogation of consumers.

CaixaBank adhered to the new Code of Good Practices on 24 November 2022 and will grant this benefit to individuals with mortgage loans guaranteeing their first home with a purchase price of no more than 300,000 who request the novation of their mortgage no later than 31 December 2024 and: (i) have a family income that does not exceed 3.5 times the annual IPREM of 14 payments (*Índice Público de Renta de las Personas Físicas*); (ii) have suffered an increase in the mortgage burden of 1.2 times during the four years prior to the request for novation; and (iii) whose monthly mortgage payment exceeds 30% of their family income.

If all requirements are met, the new Code provides for: (i) an extension of the maturity of the mortgage for up to seven years, with the option of a full grace period or payments in temporary fixed instalments for 12 months (the outstanding principal will bear interest at a rate representing a 0.5% reduction in the net present value of the loan and the extension cannot result in a reduction in mortgage repayments below what was payable on 1 June 2022, nor can the total term of the loan exceed 40 years); or (ii) a conversion of floating rate loans to fixed rate.

Prevention of money laundering and terrorist financing

On 25 June 2015, Directive 2015/849 of 20 May, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation No 648/2012 of 4 July, and repealing (with effect from 26 June 2015) Directive 2005/60/EC of 26 October, and Commission Directive 2006/70/EC of 1 August, entered into force, enhancing the existing EU measures to combat money laundering and the financing of terrorism. Likewise, the Commission may adopt delegated acts in order to identify high-risk third countries, taking into account strategic deficiencies. The power to adopt delegated acts is conferred on the Commission for an indeterminate period of time from 25 June 2015.

Important changes in the EU requirements regarding anti-money laundering and the countering of the financing of terrorism (EU AML/CFT requirements) relate to additional requirements for identification and verification of the ultimate beneficial owner, introduction of a central ultimate beneficial owner register, extension of the definition of politically exposed persons ("PEPs") to domestic PEPs and supervision of correct application of the directive outside the EU. This Directive was transposed into Spanish law by Title II of Royal Decree-Law 11/2018 of 31 August.

This directive was further amended by Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU. This amendment reinforced rules of customer due diligence, identification of ultimate beneficial owners and PEP screening. It also expanded its scope to new types of entities, such as virtual currency service providers. This amendment was implemented into Spanish law by means of RDL 7/2021, transposing EU directives on competition, anti-money laundering, credit institutions, telecommunication, tax measures, prevention and repair of environmental damage, posting of workers in the framework of the provision of services, and consumer protection.

Law 18/2022 of 28 September on Business Creation and Growth introduces amendments to Law 10/2010 of 28 April, including (i) possible regulatory exemptions from anti-money laundering obligations for certain obliged entities, where there is a low risk of money laundering or terrorist financing; and (ii) creation of shared information and storage systems by obliged entities to access information and documentation collected for compliance with due diligence obligations.

4. SIGNIFICANT EVENTS

Detailed below are the most significant events to have occurred between the date of publication of the management report and the Consolidated Annual Accounts of 2022 and the date of registration of this document:

4.1. *Issuance of Perpetual contingent convertible AT1 preferred securities*

On 1 March 2023, CaixaBank announced the approval of an issuance of preference shares convertible into newly issued shares (Additional Tier 1), excluding pre-emptive subscription rights, amounting to EUR 750 million (the "Issuance"), the terms of which were set on the same day.

The Issuance was issued at par and the remuneration of the preference shares, the payment of which is discretionary and subject to certain conditions, was fixed at 8.25% per annum until 13 September 2029. Thereafter, it will be reviewed every five years by applying a margin of 514.2 basis points over the applicable 5-year Mid Swap Rate. The remuneration will be paid quarterly in arrears, where applicable.

The preferred securities are perpetual, although they may be redeemed in certain circumstances at CaixaBank's option, and, in any case, are to be converted into newly issued ordinary shares of CaixaBank if the common equity Tier 1 (CET1) ratio of CaixaBank or of the CaixaBank Group falls below 5.125%. CET1 ratios are calculated in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. The conversion price of the Preferred Securities would be the highest of: (i) the average of the daily volume-weighted average prices of an ordinary share of CaixaBank on each of the five consecutive business days ending on the date on which the conversion event is announced, (ii) €2.701 (the Floor Price), and (iii) the nominal value of an ordinary share of CaixaBank at the time of conversion (as of today, the nominal value of an ordinary share is €1).

The Issuance was targeted exclusively at professional investors and eligible counterparties, with retail investors being expressly excluded. Application was made for the preference shares to be admitted to trading on the AIAF Fixed Income Market.

The preference shares will be counted as Additional Tier 1 capital of CaixaBank and the CaixaBank Group, in accordance with applicable solvency regulations.

The CaixaBank Group's capital ratios at 31 December 2022, expressed as a percentage of total risk-weighted assets and pro-forma for the Issue, are as follows:

	Capital Position As of 31 December 2022	**Capital Position Post AT1 Issuance [(1)]**
CET1	12.8%	12.8%
Tier 1	14.8%	15.1%
Total capital..............	17.3%	18.0%
MREL	25.9%	27.1%

[(1)] These ratios include both the Issue, as well as the following two January 2023 issuances: a 1,250 million US dollars senior non-preferred debt issuance, as well as a 500 million pound sterling subordinated debt (Tier 2) issuance .

4.2. MREL requirements

On 16 March 2023, CaixaBank received the formal communication from the Bank of Spain regarding the minimum requirements of own funds 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. The reported requirements replace those previously applicable and which were communicated by means of *Información Privilegiada* on 22 February 2022 (CNMV registration number: 1315).

The Total and Subordinated MREL requirements are expressed as a percentage of risk-weighted assets (RWA) and leverage ratio exposure (LRE).

In accordance with this notification, as of 1 January 2024, CaixaBank, at a consolidated level, must achieve a minimum level of own and eligible liabilities ("Total MREL requirement") of 21.21% in terms RWA, which would stand at 24.24% including the combined currently buffer requirement ("CBR"). With regards to the interim requirement, the SRB has established that as of 1 January 2022, at a consolidated level, CaixaBank must reach a Total MREL requirement of 19.33% of RWAs, which would stand at 22.36% including the current CBR.

With regard to the requirement for a minimum amount of own funds and subordinated eligible liabilities (the Subordinated MREL Requirement), the SRB decided that CaixaBank, on a consolidated basis, must comply by 1 January 2024 with a Subordinated MREL Requirement of 15.37% of RWA, which would be equal to 18.40% when including the current CBR. With regard to 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 RWA(with no changes form previous communication), which is stand at 16.53% including the current CBR. Furthermore, CaixaBank, at a consolidated basis, must comply by 1 January 2024 with a Total and Subordinated MREL requirement of 6.19 % of the LRE (with no changes form previous communication). 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 no changes form previous communication). With the current information regarding 31 December 2022, CaixaBank, at a consolidated level, meets Total and Subordinated MREL requirements for both assigned RWA percentages and assigned LRE percentages. Similarly, the long-term financing schedule sets out that requirements will continue to be met comfortably in the future.

Total and Subordinated MREL including CBR vs ratios reported on 31/12/2022[2]

Requirement as % RWA	Current	2024	MREL ratio
Total MREL	22.36%	24.24%	25.94%
Subordinated MREL	16.53%	18.40%	22.48%

Requirement as % LRE	Current	2024	MREL ratio
Total MREL	6.09%	6.19%	9.90%
Subordinated MREL	6.09%	6.19%	8.58%

(1) Combined capital buffer requirement (CBR) of 3.03%, considering the Other Systemically Important Entity ("OEIS") capital buffer applicable from 2023 of 0.5%.

(2) Excluding issuance in 2023, to date: EUR 750 MM of AT1, GBP 500 MM of Tier 2 and USD 1,250 MM of SNP.

4.3. Update on legal and arbitration proceedings

In relation to legal proceedings, see notes 23.3 and 23.5 of the notes to the ACC 2022, which are incorporated by reference into this URD.

In addition, certain aspects of the legal proceedings contained in note 23.3 are updated below, and the section on litigation related to consumer credit contracts ("revolving cards") is reworded to reflect the latest proceedings developments:

IRPH (Mortgage Loan Reference Index)

The Court of Justice of the European Union by Order of 28 February 2023 has resolved the questions referred for a preliminary ruling by a court of first instance in Palma de Mallorca, confirming the doctrine of the Supreme Court.

Litigation linked to consumer credit contracts ("revolving" cards) through the application of the Usury Repression Act of 1908, as a result of the doctrine of the Spanish Supreme Court established between 2020 and 2023.

The Supreme Court (SC) has issued several rulings on revolving credit between 2020 and 2023. The SC has progressively completed the applicable legal framework for assessing when the interest on this specific type of financing is significantly higher than the market price.

The progressive specification of this legal framework over a three-year period has led to an enormous dispersion of legal criteria in the meantime, which has led to significant litigation in a context of marked legal uncertainty for this specific type of financing.

At present, the legal framework specified by the Supreme Court is determined by the following factors, namely:

i. Revolving cards are market-specific within credit facilities.

ii. Bank of Spain publishes a specific benchmark interest rate for this product in its Statistical Bulletin, which is the one that must be used as a reference to determine which is the 'normal interest rate', - in no case can the common general consumer interest rate be applicable in the BoS's pre-statistical period.

iii. The Bank of Spain publishes the so-called Restricted Denomination Effective Rate (TEDR).

iv. To establish whether an interest rate is "manifestly disproportionate", the Annual Percentage Rate (APR) must be compared.

v. A contract will be considered usurious if the interest rate exceeds by six percentage points the APR that can be considered as normal interest on money, which will be the average interest rate in the credit card and revolving section of the Bank of Spain's statistics, and if the NDER is published and not an APR (as is the case at present), it must be increased by 20 or 30 hundredths of a percentage point.

vi. For revolving card contracts prior to June 2010, in order to determine the "normal interest rate" as a term of comparison, the most recent specific information from the Bank of Spain's statistics (credit and revolving card section) should be used to determine the "normal interest rate".

vii. When an open-ended financial services contract stipulates the possibility of unilaterally modifying (with prior notification to the borrower and with the possibility of the latter terminating the contract and limiting himself to paying what he owes up to that moment at the agreed interest rate) the interest rate of the credit operation, it must be considered that each modification of the interest rate implies the conclusion of a new contract in which a new interest rate is fixed.

To date, the CaixaBank Group has been - and will continue to be - constantly monitoring the risk and evolution of litigation associated with this specific type of financing, together with the establishment of a provision to cover the potential outflow of funds in terms of financial prudence, in accordance with the best estimate at any given time. A number of effective measures have also been taken in the area of contracting and customer service aimed at improving transparency, risk prevention and understanding of customers' concerns. These efforts will continue, bearing in mind that the legal framework now in place provides greater legal certainty when it comes to specifying and implementing any specific action.

In addition, CaixaBank and its card-issuing subsidiary, CaixaBank Payments and Consumer, received a class action brought by an Association of Consumers and Users (ASUFIN) which was partially dismissed by Valencia Commercial Court No. 4 on 30 December 2020. Firstly, the process was reduced to an action for the possible cessation of general conditions; the possibility of claiming a refund of amounts was rejected, against ASUFIN and in favour of CaixaBank. Later, the ruling reaffirmed this situation, dismissed the claim against CaixaBank in its entirety and only requested CaixaBank Payments and Consumer to cease the early maturity clause, rejecting all other requests regarding the lack of transparency in the operation of the cards, the methods of calculating interest, the right to offset debts or the change of conditions in open-ended contracts. After both parties appealed the ruling, the 9th Section of the Valencia Provincial Court issued ruling no. 1152/2021 of 3 October 2021, by virtue of which it dismissed ASUFIN's appeal and upheld CaixaBank Payments and Consumer's appeal and, consequently, dismissed the claim in its entirety, partially overturning the first instance ruling. This court judgement is not final.

Based on the best information available to date, "Other Provisions" includes the estimate of present obligations that might arise from legal proceedings, including those relating to revolving and/or deferred payment cards or, to a lesser extent, personal loans due to the interest rate subject to judicial review under these jurisprudential considerations, the occurrence of which has been considered probable. In any event, the disbursements that may ultimately be necessary will depend on the specific terms of the judgements that the Entity has to face, and/or the number of lawsuits that are heard, among others. Given the nature of these obligations, the expected timing of outflows of economic resources is uncertain and, based on the best information available to date, it is estimated that the liabilities that may arise from these proceedings will not, in the aggregate, have a material adverse effect on the Entity's business, financial position or results of operations.

Bandenia. Proceedings DP 115/2015, Central Examining Court no. 5 of Madrid.

Once the proceedings had been carried out by the *Audiencia Nacional*, it was agreed that CaixaBank and its employees would be dismissed from the proceeding.

For the record,

CAIXABANK, S.A.

pp.

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Matthias Bulach
Director of Accounting, Management Control and Capital