

# Financial statements of CaixaBank, S.A. 2022



CaixaBank

Financial statements, Proposed appropriation of profit and 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 annual accounts

To the shareholders of CaixaBank, S.A.:

### Report on the annual accounts

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#### Opinion

We have audited the annual accounts of CaixaBank, S.A. (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement, total statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2022, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 1 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

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#### Basis for opinion

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

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

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

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#### Key Audit matters

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



Key Audit matters	How our audit addressed the key audit matters
<p>Estimating impairment due to credit risk on financial assets at amortised cost - "Customer loans and advances" - and "Foreclosed property assets"</p> <p>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 financial statements and requires significant management judgement and so has been considered a key audit matter.</p> <p>Management's main judgements and assumptions concern the following:</p> <ul style="list-style-type: none"> <li>• The criteria for identifying and staging impaired assets or assets with a significant increase in risk.</li> <li>• Construction of the parameters for the internal probability of default (PD) models and loss given default (LGD) models.</li> <li>• 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.</li> </ul>	<p>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.</p> <p>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.</p> <p>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.</p> <p>In addition, we carried out the following tests of details:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>



Key Audit matters	How our audit addressed the key audit matters
<ul style="list-style-type: none"> <li>The main assumptions employed in determining the expected loss and the recoverable value in the risks assessed on an individual basis.</li> <li>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.</li> </ul> <p>Estimating impairment of real estate assets arising from lending activities and which through dation in payment, purchase or the courts are adjudicated to the Entity is also based on internal calculation models and following the same criteria as those used for mortgage guarantees associated with lending transactions.</p> <p>See Notes 2, 3.4.1, 13, 18, 19, 38.2 and 38.3 to the accompanying financial statements concerning credit risk and foreclosed property assets and Notes 34 and 37 to the accompanying financial statements concerning the profit or loss generated during the year.</p>	<ul style="list-style-type: none"> <li>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 Entity 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.</li> <li>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 Entity management.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul> <p>As a result of our tests, no differences were identified, in excess of a reasonable range, in the amounts recognised in the accompanying financial statements.</p>



Key Audit matters	How our audit addressed the key audit matters
<p data-bbox="280 459 718 492"><b>Recoverability of deferred tax assets</b></p> <p data-bbox="280 526 829 705">The evaluation of the capacity to recover deferred tax assets is a complex exercise which requires a significant level of judgement and estimation and we therefore consider such estimation performed by Entity management a key audit matter.</p> <p data-bbox="280 739 829 884">Entity policy is to recognise DTAs, other than those qualifying for monetization, only when the Entity considers it probable that sufficient tax gains will be obtained in the future to enable their recovery.</p> <p data-bbox="280 918 829 1254">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.</p> <p data-bbox="280 1288 829 1433">Additionally, Entity management submits the deferred tax asset recoverability model to review by an independent tax expert, as well as regular back testing to assess predictability.</p> <p data-bbox="280 1467 829 1527">See Notes 2 and 23 to the accompanying financial statements.</p>	<p data-bbox="829 526 1503 772">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 Entity'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.</p> <p data-bbox="829 795 1503 862">Additionally, we carried out the following tests of details:</p> <ul data-bbox="829 884 1503 1332" style="list-style-type: none"> <li data-bbox="829 884 1503 1019">• Evaluation of the accounting results taken into account in the financial projections and the reasonableness and accuracy of the calculations performed.</li> <li data-bbox="829 1041 1503 1198">• 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.</li> <li data-bbox="829 1220 1503 1332">• Analysis of the reasonableness of the amounts of deferred tax assets considered monetizable.</li> </ul> <p data-bbox="829 1355 1503 1467">As a result of our tests, no differences were identified, in excess of a reasonable range, in the amounts recognised in the accompanying financial statements.</p>



Key Audit matters	How our audit addressed the key audit matters
<p data-bbox="279 459 686 526">Risks associated with information technologies</p> <p data-bbox="279 548 821 795">The operation and continuity of the Entity'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.</p> <p data-bbox="279 817 821 1108">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 Entity's operation, as well as the accounting and closing process.</p>	<p data-bbox="821 548 1503 649">Within this context, procedures have been carried out on internal control along with substantive tests in order to assess aspects such as:</p> <ul style="list-style-type: none"> <li data-bbox="821 672 1503 728">i. the organisation and governance of the information systems area,</li> <li data-bbox="821 728 1503 795">ii. software change, development and maintenance management,</li> <li data-bbox="821 795 1503 918">iii. access control and physical and logical security of the software, operating systems and databases that underpin the Entity's relevant financial information.</li> </ul> <p data-bbox="821 940 1503 1041">Specifically, with respect to the accounting and closing process, we performed the following additional procedures:</p> <ul style="list-style-type: none"> <li data-bbox="821 1064 1503 1164">• Understanding and analysing the process of generating accounting entries and financial information.</li> <li data-bbox="821 1187 1503 1321">• Extracting, verifying the completeness and filtering entries included in the accounting records, as well as analysing the reasonableness of certain entries.</li> </ul> <p data-bbox="821 1344 1503 1438">The results of the above procedures did not bring to light any relevant observation with respect to this matter.</p>



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**Other information: Management report**

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

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

- a) Verify only that the statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, 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 management report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

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

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

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

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

The Audit and Control Committee is responsible for overseeing the process of preparation and presentation of the annual accounts.



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

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

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

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

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's 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 entity'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 entity's Audit and Control Committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

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

## **Report on other legal and regulatory requirements**

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### **European single electronic format**

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We have examined the digital file of the European single electronic format (ESEF) of CaixaBank, S.A. for the 2022 financial year that comprises an XHTML file of the annual accounts for the financial year, which will form part of the annual financial report.

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

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

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

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### **Report to the Audit and Control Committee**

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



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**Appointment period**

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The General Ordinary Shareholders' Meeting held on 14 May 2021 appointed us as auditors 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 tres 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 Company for a period of one year, for the year ended December 31, 2023.

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**Services provided**

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

In relation to the services provided to the subsidiary companies of the Company for services other than the audit of the accounts, refer to the audit report dated 17 February 2023 on the consolidated annual accounts of CaixaBank, S.A. and its subsidiary companies, where these subsidiary companies have been consolidated.

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PricewaterhouseCoopers Auditores, S.L. (S0242)

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by  
Raúl Ara Navarro (20210)

17 February 2023



## Financial Statements of CaixaBank at 31 December 2022

- Balance sheets at 31 December 2022 and 2021 before appropriation of profit and loss
- Statement of profit and loss for the years ended 31 December 2022 and 2021
- Statement of changes in equity for the years ended 31 December 2022 and 2021
  - ◆ Statement of other comprehensive income
  - ◆ Statement of total changes in equity
- Statement of cash flows for the years ended 31 December 2022 and 2021
- Notes to the financial statements for the year ended 31 December 2022



# BALANCE SHEET

## Assets

(Millions of euros)

	NOTE	31-12-2022	31-12-2021 *
<b>Cash and cash balances at central banks and other demand deposits</b>	<b>9</b>	<b>16,840</b>	<b>96,845</b>
<b>Financial assets held for trading</b>	<b>10</b>	<b>13,765</b>	<b>17,971</b>
Derivatives		13,350	17,371
Equity instruments		233	186
Debt securities		182	414
<b>Financial assets not designated for trading compulsorily measured at fair value through profit or loss</b>	<b>11</b>	<b>106</b>	<b>121</b>
Equity instruments		56	54
Loans and advances		50	67
Customers		50	67
<b>Financial assets at fair value with changes in other comprehensive income</b>	<b>12</b>	<b>11,445</b>	<b>14,665</b>
Equity instruments		807	1,144
Debt securities		10,638	13,521
<b>Financial assets measured at amortised cost</b>	<b>13</b>	<b>417,067</b>	<b>398,774</b>
Debt securities		72,244	63,239
Loans and advances		344,823	335,535
Central banks			59
Credit institutions		13,236	8,251
Customers		331,587	327,225
<b>Derivatives - Hedge accounting</b>	<b>14</b>	<b>606</b>	<b>1,018</b>
<b>Fair value changes of the hedged items in portfolio hedge of interest rate risk</b>	<b>14</b>	<b>(642)</b>	<b>918</b>
<b>Investments in joint ventures and associates</b>	<b>15</b>	<b>9,552</b>	<b>9,668</b>
Group entities		9,534	9,594
Joint ventures			
Associates		18	74
<b>Tangible assets</b>	<b>16</b>	<b>5,587</b>	<b>5,955</b>
Property, plant and equipment		5,488	5,914
For own use		5,488	5,914
Investment property		99	41
<b>Intangible assets</b>	<b>17</b>	<b>810</b>	<b>797</b>
Goodwill			118
Other intangible assets		810	679
<b>Tax assets</b>		<b>17,907</b>	<b>17,976</b>
Current tax assets		2,125	2,016
Deferred tax assets	<b>23</b>	15,782	15,960
<b>Other assets</b>	<b>18</b>	<b>3,986</b>	<b>4,606</b>
Insurance contracts linked to pensions		2,259	2,985
Inventories		5	7
Remaining other assets		1,722	1,614
<b>Non-current assets and disposal groups classified as held for sale</b>	<b>19</b>	<b>689</b>	<b>1,599</b>
<b>TOTAL ASSETS</b>		<b>497,718</b>	<b>570,913</b>
<b>Memorandum items</b>			
Loan commitments given	<b>24</b>	85,777	79,531
Financial guarantees given	<b>24</b>	10,947	8,960
Other commitments given	<b>24</b>	36,493	32,136
<b>Financial instruments loaned or delivered as collateral with the right of sale or pledge</b>			
Financial assets held for trading		20	45
Financial assets at fair value with changes in other comprehensive income		3,345	4,819
Financial assets measured at amortised cost		9,528	8,097
<b>Tangible assets acquired under a lease</b>	<b>16</b>	<b>1,457</b>	<b>1,697</b>
<b>Investment property, leased out under operating leases</b>		<b>99</b>	<b>41</b>

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

## Liabilities

(Millions of euros)

	NOTE	31-12-2022	31-12-2021 *
<b>Financial liabilities held for trading</b>	<b>10</b>	<b>10,421</b>	<b>12,153</b>
Derivatives		10,362	11,873
Short positions		59	280
<b>Financial liabilities at amortised cost</b>	<b>20</b>	<b>454,386</b>	<b>517,751</b>
Deposits		397,154	460,903
Central banks		15,599	75,623
Credit institutions		11,579	12,255
Customers		369,976	373,025
Debt securities issued		50,030	50,624
Other financial liabilities		7,202	6,224
<b>Derivatives - Hedge accounting</b>	<b>14</b>	<b>1,370</b>	<b>928</b>
<b>Fair value changes of the hedged items in portfolio hedge of interest rate risk</b>	<b>14</b>	<b>(5,619)</b>	<b>668</b>
<b>Provisions</b>	<b>21</b>	<b>4,870</b>	<b>6,158</b>
Pensions and other post-employment defined benefit obligations		578	804
Other long-term employee benefits		2,574	3,407
Pending legal issues and tax litigation		859	1,065
Commitments and guarantees given		501	395
Other provisions		358	487
<b>Tax liabilities</b>		<b>1,154</b>	<b>1,167</b>
Current tax liabilities		265	16
Deferred tax liabilities	<b>23</b>	889	1,151
<b>Other liabilities</b>	<b>18</b>	<b>2,401</b>	<b>1,508</b>
<b>TOTAL LIABILITIES</b>		<b>468,983</b>	<b>540,333</b>
<b>Memorandum items</b>			
Subordinated liabilities			
Financial liabilities at amortised cost	<b>20</b>	9,280	10,255

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

## Equity

(Millions of euros)

	NOTE	31-12-2022	31-12-2021 *
<b>SHAREHOLDERS' EQUITY</b>	<b>22</b>	<b>30,788</b>	<b>31,956</b>
<b>Capital</b>		<b>7,502</b>	<b>8,061</b>
<b>Share premium</b>		<b>13,470</b>	<b>15,268</b>
<b>Other equity items</b>		<b>46</b>	<b>39</b>
<b>Retained earnings</b>		<b>11,320</b>	<b>8,051</b>
<b>Other reserves</b>		<b>(3,940)</b>	<b>(3,660)</b>
<b>(-) Treasury shares</b>		<b>(23)</b>	<b>(18)</b>
<b>Profit/(loss) for the period</b>		<b>2,413</b>	<b>4,215</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>	<b>22</b>	<b>(2,053)</b>	<b>(1,376)</b>
<b>Items that will not be reclassified to profit or loss</b>		<b>(1,270)</b>	<b>(1,546)</b>
Actuarial gains or (-) losses on defined benefit pension plans		(47)	(53)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income		(1,223)	(1,493)
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
<b>Items that may be reclassified to profit or loss</b>		<b>(783)</b>	<b>170</b>
Hedging derivatives. Reserve of cash flow hedges [effective portion]		(500)	(94)
Fair value changes of debt securities measured at fair value with changes in other comprehensive income		(283)	264
<b>TOTAL EQUITY</b>		<b>28,735</b>	<b>30,580</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>497,718</b>	<b>570,913</b>

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



# STATEMENT OF PROFIT AND LOSS

(Millions of euros)

	NOTE	2022	2021 *
Interest income	26	6,530	5,231
Financial assets at fair value with changes in other comprehensive income		328	170
Financial assets measured at amortised cost		6,228	4,445
Other interest income		(26)	616
Interest expense	27	(1,408)	(799)
<b>NET INTEREST INCOME</b>		<b>5,122</b>	<b>4,432</b>
Dividend income	28	1,259	716
Fee and commission income	29	3,460	3,237
Fee and commission expenses	29	(215)	(207)
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	30	15	29
Financial assets measured at amortised cost			3
Other financial assets and liabilities		15	26
Gains/(losses) on financial assets and liabilities held for trading, net	30	440	74
Other gains or losses		440	74
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net	30	(4)	2
Other gains or losses		(4)	2
Gains/(losses) from hedge accounting, net	30	7	2
Exchange differences (gain/loss), net		(179)	11
Other operating income	31	127	111
Other operating expenses	31	(979)	(961)
<b>GROSS INCOME</b>		<b>9,053</b>	<b>7,446</b>
Administrative expenses		(4,431)	(6,584)
Personnel expenses	32	(3,142)	(5,106)
Other administrative expenses	33	(1,289)	(1,478)
Depreciation and amortisation	16 and 17	(622)	(675)
Provisions or reversal of provisions	21	(109)	(322)
Impairment/(reversal) of impairment on financial assets not measured at fair value through profit or loss or net profit or loss due to a change	34	(650)	(631)
Financial assets at fair value with changes in other comprehensive income		1	
Financial assets measured at amortised cost		(651)	(631)
Impairment/(reversal) of impairment on investments in joint ventures and associates.	15	(174)	(189)
Impairment/(reversal) of impairment on non-financial assets	16, 17 and 35	(103)	(141)
Tangible assets		(96)	(72)
Intangible assets		(7)	(47)
Other		0	(22)
Gains/(losses) on derecognition of non-financial assets, net	36	24	412
Negative goodwill recognised in profit or loss	7		4,300
Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	19 and 37	64	251
<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>3,052</b>	<b>3,867</b>
Tax expense or income related to profit or loss from continuing operations	23	(639)	348
<b>PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>		<b>2,413</b>	<b>4,215</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>2,413</b>	<b>4,215</b>

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

## STATEMENT OF CHANGES IN EQUITY (PART A)

### Statement of other comprehensive income

(Millions of euros)

	NOTE	2022	2021 *
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>2,413</b>	<b>4,215</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(677)</b>	<b>(6)</b>
<b>Items that will not be reclassified to profit or loss</b>		<b>276</b>	<b>271</b>
Actuarial gains or losses on defined benefit pension plans		9	(14)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income	12	270	277
Profit or loss from hedge accounting of equity instruments measured at fair value with changes in other comprehensive income			
Fair value changes of equity instruments measured at fair value with changes in equity [hedged instrument]		(26)	(12)
Fair value changes of equity instruments measured at fair value with changes in equity [hedging instrument]		26	12
Income tax relating to items that will not be reclassified		(3)	8
<b>Items that may be reclassified to profit or loss</b>		<b>(953)</b>	<b>(277)</b>
Foreign currency exchange		(1)	1
Translation gains/(losses) taken to equity		(1)	1
Cash flow hedges (effective portion)		(600)	(240)
Valuation gains/(losses) taken to equity		(649)	(236)
Transferred to profit or loss		49	(4)
Debt instruments classified as fair value financial assets with changes in other comprehensive income		(786)	(139)
Valuation gains/(losses) taken to equity		(794)	(103)
Transferred to profit or loss		8	(36)
Income tax relating to items that may be reclassified to profit or loss		434	101
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,736</b>	<b>4,209</b>

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



## STATEMENT OF CHANGES IN EQUITY (PART B)

### Statement of total changes in equity

(Millions of euros)

	NOTE	Shareholders' equity							Accumulated other comprehensive income	Total	
		Capital	Share premium	Other equity	Retained earnings	Other reserves	Less: treasury shares	Profit/(loss) for the period			Less: interim dividends
BALANCE AT 31-12-2020 *		5,981	12,033	25	7,726	(3,399)	(10)	688		(1,370)	21,674
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								4,215		(6)	4,209
OTHER CHANGES IN EQUITY		2,080	3,235	14	325	(261)	(8)	(688)			4,697
Issuance of ordinary shares	7	2,080	3,235								5,315
Dividends (or remuneration to shareholders)	6				(216)						(216)
Purchase of treasury shares	22						(16)				(16)
Sale or cancellation of treasury shares	22						8				8
Transfers among components of equity					688			(688)			
Other increase/(decrease) in equity				14	(147)	(261)					(394)
Of which: Payment of AT1 instruments						(244)					(244)
BALANCE AT 31-12-2021 *		8,061	15,268	39	8,051	(3,660)	(18)	4,215		(1,376)	30,580
OPENING BALANCE AT 01-01-2022		8,061	15,268	39	8,051	(3,660)	(18)	4,215		(1,376)	30,580
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								2,413		(677)	1,736
OTHER CHANGES IN EQUITY		(559)	(1,798)	7	3,269	(280)	(5)	(4,215)			(3,581)
Capital reduction	22	(559)	(1,798)								(2,357)
Dividends (or remuneration to shareholders)	6				(1,178)						(1,178)
Purchase of treasury shares							(1,817)				(1,817)
Sale or cancellation of treasury shares							1,812				1,812
Transfers among components of equity					4,215			(4,215)			
Other increase/(decrease) in equity				7	232	(280)					(41)
Of which: Payment of AT1 instruments						(261)					(261)
CLOSING BALANCE AT 31-12-2022		7,502	13,470	46	11,320	(3,940)	(23)	2,413		(2,053)	28,735

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

# STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(Millions of euros)

	NOTE	2022	2021 *
<b>A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		<b>(76,679)</b>	<b>33,624</b>
Profit/(loss) for the period		2,413	4,215
Adjustments to obtain cash flows from operating activities		1,592	(2,427)
Depreciation and amortisation		622	675
Other adjustments		970	(3,102)
<b>Net increase/(decrease) in operating assets</b>		<b>(9,793)</b>	<b>18,264</b>
Financial assets held for trading		4,206	1,446
Financial assets not designated for trading compulsorily measured at fair value through profit or loss		15	29
Financial assets at fair value with changes in other comprehensive income		2,516	12,632
Financial assets measured at amortised cost		(20,171)	4,544
Other operating assets		3,641	(387)
<b>Net increase/(decrease) in operating liabilities</b>		<b>(70,496)</b>	<b>14,423</b>
Financial liabilities held for trading		(1,732)	(1,010)
Financial liabilities at amortised cost		(62,145)	16,488
Other operating liabilities		(6,619)	(1,055)
<b>Income tax (paid)/received</b>		<b>(395)</b>	<b>(851)</b>
<b>B) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>650</b>	<b>16,343</b>
<b>Payments:</b>		<b>(616)</b>	<b>(736)</b>
Tangible assets		(367)	(309)
Intangible assets		(247)	(165)
Investments in subsidiaries, joint ventures and associates		(1)	(14)
Non-current assets and liabilities classified as held for sale		(1)	(248)
<b>Proceeds:</b>		<b>1,266</b>	<b>17,079</b>
Tangible assets		98	112
Investments in subsidiaries, joint ventures and associates		142	2,400
Other business units			691
Non-current assets and liabilities classified as held for sale		1,026	1,990
Other proceeds related to investing activities			11,886
<b>C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		<b>(3,977)</b>	<b>98</b>
<b>Payments:</b>		<b>(9,558)</b>	<b>(4,428)</b>
Dividends	6	(1,178)	(216)
Subordinated liabilities		(1,760)	(665)
Purchase of own equity instruments		(1,817)	(16)
Other payments related to financing activities		(4,803)	(3,531)
<b>Proceeds:</b>		<b>5,581</b>	<b>4,526</b>
Subordinated liabilities	20	750	1,750
Disposal of own equity instruments		14	8
Other proceeds related to financing activities		4,817	2,768
<b>D) EFFECT OF EXCHANGE RATE CHANGES</b>		<b>1</b>	<b>1</b>
<b>E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(80,005)</b>	<b>50,066</b>
<b>F) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>96,845</b>	<b>46,779</b>
<b>G) CASH AND CASH EQUIVALENTS AT END OF YEAR (E+F)</b>		<b>16,840</b>	<b>96,845</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>			
Cash	9	2,274	2,752
Cash equivalents at central banks		14,059	93,611
Other financial assets		507	482
<b>TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>16,840</b>	<b>96,845</b>

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



# NOTES TO THE FINANCIAL STATEMENTS OF CAIXABANK AT 31 DECEMBER 2022

As required by current legislation governing the content of financial statements, these notes to the financial statements complete, expand on and discuss the statement of profit and loss, statement of changes in equity and statement of cash flows, and they form an integral part thereof to give a true and fair view of the equity and financial position of CaixaBank at 31 December 2022, as well as of the results of its operations, changes in equity and cash flows during the year ended on said date.

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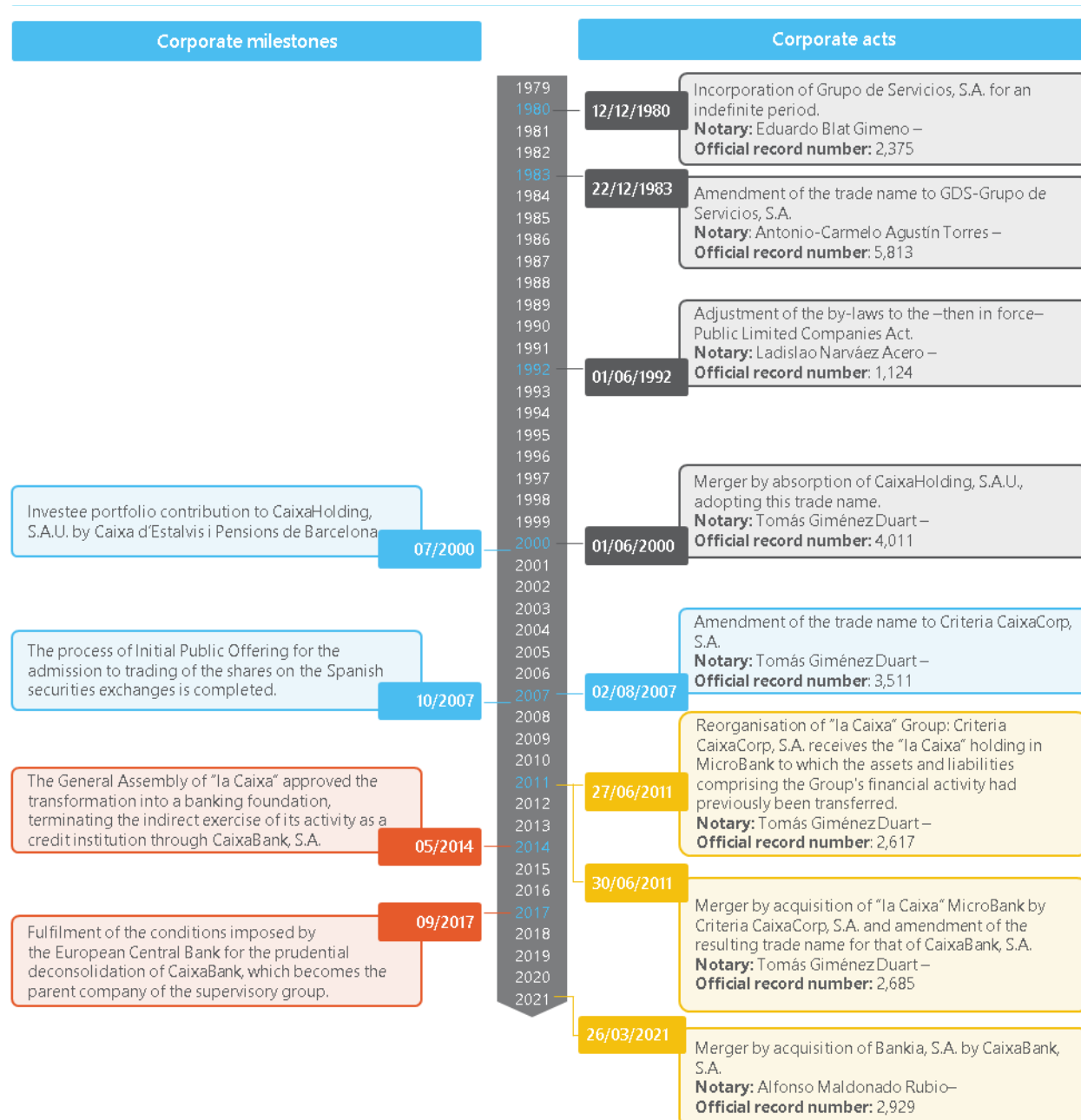
# 1. CORPORATE INFORMATION, BASIS OF PRESENTATION AND OTHER INFORMATION

## 1.1 CORPORATE INFORMATION

CaixaBank, S.A. (hereinafter, CaixaBank - its trade name - or the Entity), is a Spanish public limited company registered in the Mercantile 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 7CUNS533WID6K7DGF187, 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:



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 the CaixaBank Group (hereinafter "the 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](http://www.caixabank.com).

## 1.2 BASIS OF PRESENTATION

The financial statements have been drawn up by the Directors in accordance with the regulatory financial reporting framework applicable to the Institution at 31 December 2022, established by Bank of Spain Circular 4/2017, of 27 November, and its successive amendments effective at year-end.

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

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

### ***Accounting standard issued by the Bank of Spain that has come into effect during 2022***

No standards with an impact on the Entity became effective in 2022.

## 1.3 RESPONSIBILITY FOR THE INFORMATION AND FOR THE ESTIMATES MADE

The Entity's financial statements for 2022 have been drawn up by the Board of Directors in the meeting held on 16 February 2023. They are pending approval by the Annual General Meeting, however it is expected that they will be approved without any changes. The financial statements of 2021 were approved by the Ordinary Annual General Meeting on 8 April 2022.

These 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 Entity.



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

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

These estimates were made on the basis of the best information available at the date of authorisation for issue of the financial statements, 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

The 2021 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 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 Entity do not have a relevant cyclical or seasonal nature within a single financial year.

## 1.6. OWNERSHIP INTERESTS IN CREDIT INSTITUTIONS

At year-end, the 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 Entity'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 €1,800 million, the resulting share capital amounting to €7,502,131,619 represented by 7,502,131,619 shares at a nominal value of one euro each (see [Note 22](#)).

## 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

In drawing up the Entity's 2022 financial statements, the following accounting principles and policies and valuation criteria were applied:

### 2.1 Investments in subsidiaries, joint ventures and associates.

#### *Subsidiaries*

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

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

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

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

#### **Joint ventures**

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

#### **Associates**

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

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

#### **Valuation and impairment**

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

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

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

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

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

## 2.2 FINANCIAL INSTRUMENTS

### *Classification of the financial assets*

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

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

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

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

It is important to underline that the sale of financial assets held in the amortised cost portfolio as a result of the Entity's change of view arising from the COVID-19 effects cannot be considered a change in the business model or does not involve an accounting reclassification of the securities held in this portfolio, as these were correctly classified 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 Entity expects to make regular sales, focusing on loans (or similar financial assets) that have experienced a drop in credit risk levels, is not inconsistent with how those loans are classified under a business model that holds financial assets to receive contractual cash flows. These sales are not counted for the purpose of determining the frequency of sales and their materiality will, therefore, remain separate from the tracking ratios.

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

- Modified time value of money: in order to assess whether the interest rate of a particular operation incorporates some consideration other than that linked to the passage of time, the Entity considers factors such as the currency in which the financial asset is denominated and the term for which the interest rate is established. In particular, the Entity performs a regular analysis for operations that present a difference between the holding period and the review frequency, whereby they are compared with another instrument that does not present such differences within a tolerance threshold.
- Exposure to risks inconsistent with a basic lending arrangement: an assessment is conducted on whether the contractual features of financial assets introduce exposure to risks or volatility in the contractual cash flows unrelated to a basic lending arrangement, such as exposure to changes in equity or commodity prices, in which case they would not be considered to pass the SPPI test.
- Clauses that amend the schedule or amounts of cash flows: the Entity considers the existence of contractual conditions by virtue of which the schedule or amount of the contractual flows of the financial asset can be modified. This applies to: i) assets whose contractual conditions allow for the total or partial early amortisation of the principal; ii) assets whose contracts allow for their duration to be extended, or iii) assets for which interest payments may vary according to a non-financial variable specified in the agreement. In these instances, the Entity evaluates whether the contractual cash flows that the instrument may generate over its life due to this contractual condition are solely payments of principal and interest on the principal amount outstanding and may include a reasonable additional compensation in the event of an early termination of the contract.
- Leverage: financial assets with leverage, i.e. those in which the variability of the contractual flows increases such that they do not have the economic characteristics of interest, cannot be considered financial assets that pass the SPPI test (e.g. derivative instruments such as simple option contracts).
- Subordination and loss of the right to receive payment: the Entity evaluates any contractual clauses that may result in a loss of rights to receive payment of principal and interest on the principal amount outstanding.
- Currency: in analysing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Entity takes into consideration the currency in which the financial asset is denominated in order to assess the characteristics of the contractual flows, for instance by assessing the component corresponding to the time value of money based on the benchmark used for setting the financial asset's interest rate.
- Contractually linked instruments: with respect to 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 contractual cash flows that are solely payments of principal and interest on the principal amount outstanding; and



- ◆ the exposure to the credit risk inherent in the tranche is equal to or lower than the exposure to the credit risk of the underlying pool of financial instruments (for example, the credit rating of the tranche being assessed for classification is equal to or higher than the credit rating that would apply to a single tranche comprising the underlying pool of financial instruments). Therefore, if the rating of the tranche is equal to or greater than that of the vehicle, this condition will be considered to have been met.

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

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

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

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

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

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

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

### ***Classification of the financial liabilities***

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

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

#### ***Initial recognition and measurement***

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

The transaction costs are defined as expenses directly attributable to the acquisition or drawdown of a financial asset, or to the issuance or assumption of a financial liability, which would not have been incurred if the Entity had not made the transaction. These include fees paid to intermediaries (such as prescribers); mortgage arrangement expenses borne by the Entity; and part of the 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 Entity uses analytical accounting tools to identify direct and incremental transaction costs of asset operations. These costs are included in determining the effective interest rate, which is reduced for financial assets, thus, the costs are accrued throughout the duration of the transaction.

#### ***Subsequent measurement of the financial assets***

After its initial recognition, the Entity measures a financial asset at amortised cost, at fair value with changes in other comprehensive income or at fair value through 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	<ul style="list-style-type: none"> <li>&gt; 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).</li> <li>&gt; 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.</li> </ul>
	Measured at fair value through profit or loss	<ul style="list-style-type: none"> <li>&gt; 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.</li> <li>&gt; Accrued interest: on these debt instruments, calculated using the effective interest method.</li> </ul>
	At fair value with changes in other comprehensive income (*)	<ul style="list-style-type: none"> <li>&gt; Interests or dividends accrued, in the statement of profit or loss. For interest, the same as assets at amortised cost.</li> <li>&gt; 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.</li> <li>&gt; For the case of debt instruments, impairment losses or gains due to their subsequent recovery in the statement of profit or loss.</li> <li>&gt; The remaining changes in value are recognised in other comprehensive income.</li> </ul>
Financial liabilities	At amortised cost	<ul style="list-style-type: none"> <li>&gt; 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.</li> <li>&gt; Other changes in value: income or expense when the financial instrument is derecognised from the balance sheet or reclassified.</li> </ul>
	Measured at fair value through profit or loss	<ul style="list-style-type: none"> <li>&gt; 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: <ul style="list-style-type: none"> <li>&gt; 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</li> <li>&gt; b) the remaining amount of the change in the fair value of the liability is recognised in the profit or loss for the year.</li> </ul> </li> <li>&gt; Accrued interest: on these debt instruments, calculated using the effective interest method.</li> </ul>

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

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

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

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

In the 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 Entity considers that each of the operations falls under the scope of the IFRS 9 Financial Instruments, given that they are operations whose interest rate is not significantly below the market rate. Here, in its initial recognition, the Entity considers whether the terms of each operation, in relation to market prices for other loans with similar guarantees available to the Entity, and the rates of bonds and other relevant instruments of the money market, are close to market terms or whether they are significantly off-market.

For TLTRO III, 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***

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

## **2.3 ACCOUNTING HEDGES**

The Entity uses financial derivatives as a financial risk management tool, mainly the structural interest rate risk (see [Note 3.4.3.](#)). 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/s and hedged item/s, the nature of the risk to be hedged and the way in which the Entity assesses whether the hedging relationship meets the requirements of hedging effectiveness (together with the analysis of the causes of failed protection and the way in which the coverage ratio is determined).

For the purpose of verifying the effectiveness requirement:

- 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 OF 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		
	Gross amount recognised (A)	Offset amount (B)	Net amount in balance sheet (C=A-B)	Gross amount recognised (A)	Offset amount (B)	Net amount in balance sheet
<b>ASSETS</b>						
FA held for trading - derivatives	33,257	19,907	13,350	25,925	8,554	17,371
FA at amortised cost - Loans and advances	359,859	15,036	344,823	351,768	16,233	335,535
<i>Of which: Collateral</i>	6,070	6,070		1,799	1,799	
<i>Of which: Reverse repurchase agreement *</i>	8,940	8,940		14,434	14,434	
<i>Of which: Tax lease transaction</i>	26	26				
Derivatives - Hedge accounting	2,817	2,211	606	3,624	2,606	1,018
<b>LIABILITIES</b>						
FL held for trading	33,025	22,663	10,362	24,450	12,577	11,873
FL at amortised cost	463,834	9,448	454,386	532,201	14,450	517,751
<i>Of which: Other financial liabilities</i>	482	482		16	16	
<i>Of which: Repurchase agreement *</i>	8,940	8,940		14,434	14,434	
<i>Of which: Tax lease transaction</i>	26	26				
Derivatives - Hedge accounting	6,413	5,043	1,370	2,031	1,103	928

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.

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

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

## 2.6 FINANCIAL GUARANTEES

### *Financial guarantees given*

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

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

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

On initial recognition, the Entity records financial guarantees provided on the liability side of its balance sheet at fair value, which generally equates to the present value of fee and commission income and income to be received for said agreements throughout their duration, with a balancing entry for the amount of fee and commission income and similar income collected at the start of the operations, and a credit on the asset side of the balance sheet for the present value of fee and commission income and income receivable.

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

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

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

### *Financial guarantees received*

The Entity has received no significant guarantees or collateral with regard to which there is authorisation to sell or pledge without default by the owner of the guarantee or collateral, except for those inherent to treasury activities (see [Note 3.4.4](#)).

## 2.7 IMPAIRMENT OF FINANCIAL ASSETS

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

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

In the case of the granted loan commitments, a comparison is made between the contractual cash flows that would be due to the Entity in the event of a drawdown of the loan commitment and the cash flows that the Entity expects to receive if the commitment is drawn down. In the case of granted financial guarantees, the payments that the Entity expects to make are taken into account, less the cash flows that are expected to be received from the guaranteed holder.

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

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

If the Entity's current non-performing asset reduction strategy foresees loan sales and other accounts receivable whose credit risk has increased (exposure classified at Stage 3), then the Entity will retain any asset affected by this strategy under the model for holding assets to receive their contractual cash flows, thus they are classified in the portfolio of 'Financial assets at amortised cost', provided that their flows are solely 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	Normal risk in special surveillance	Non-performing risk	Write-off risk
	Stage 1	Stage 2	Stage 3	
<b>Classification and transfer criteria</b>	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 <b>90</b> days.	Operations without reasonable expectations of recovery.
<b>Calculation of the impairment hedge</b>	Expected credit losses at twelve months	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
<b>Interest calculation and recognition</b>	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.
<b>Included operations</b>	Initial recognition of the financial instruments.	Operations included in sustainability agreements that have not completed the trial period.	<b>Non-performing due to borrower arrears:</b> Operations with amounts past due of over <b>90</b> days. Operations where all holders are classified as non-performing (personal risk criteria).	Operations with remote recovery possibility.
		Operations carried out by insolvent borrowers that should not be classified as non-performing or write-off.		Partial write-offs without the extinction of the rights (partial 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)	<b>Non-performing for reasons other than borrower arrears:</b> <ul style="list-style-type: none"> <li>&gt; Operations that pose reasonable doubts regarding full repayment.</li> <li>&gt; Operations with legally demanded balances.</li> <li>&gt; Operations in which the collateral execution process has been initiated.</li> <li>&gt; Operations and guarantees of the holders in insolvency proceedings with no liquidation petition.</li> <li>&gt; Refinanced operations classifiable as non-performing.</li> </ul>	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 amounts past due of over <b>30</b> days.		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)
		Operations which can be identified as having registered a significant increase in credit risk on the basis of market indicators/triggers.		

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

This category 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.

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

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

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

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

## 2.8 REFINANCING OR RESTRUCTURING OPERATIONS

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

These operations may derive from:

- The granting of a new operation (refinancing operation) that fully or partially cancels other operations (refinanced operations) previously granted by any of the Entity's companies to the same borrower or other companies forming part of its economic group bringing the previously past-due risks up to date with payments.
- 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 to provide support with regard to COVID-19, the Entity considers them a relevant qualitative change that gives rise to a contractual modification, but not to recognition of an affected financial instrument (see [Note 3.4.1. Credit risk](#)).

## 2.9 FOREIGN CURRENCY TRANSACTIONS

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

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



## 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*	<b>Credit fees</b> 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.
	<b>Non-credit fees</b> This includes those deriving from different provisions for the various financial services of the financing operations.	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.
		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	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The Group can transfer the control over time or at a specific time (see the phases in the following chart).</li> </ul>

(\*) 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 Entity adheres to the following stages:

Stage 1	Identifying the contract (or contracts) with the customer and of the obligation or obligations arising out of the execution of the contract.	<p>The Group assesses the committed goods or services and identifies – as an execution obligation – each commitment to transfer to the customer:</p> <ul style="list-style-type: none"> <li>&gt; a good, a service or a differentiated group of goods or services, or</li> <li>&gt; a series of differentiated goods or services that are practically identical and comply with the same customer transfer pattern.</li> </ul>
Stage 2	Determining the price of the transaction	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Phase 3	Allocating the price of the transaction between the execution obligations.	<p>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.</p> <p>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.</p>
Phase 4	Recognising the income inasmuch as the company complies with its obligations.	<p>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.</p>

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

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

## 2.11. ASSETS UNDER MANAGEMENT

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

## 2.12. EMPLOYEE BENEFITS

Employee benefits include all forms of consideration given in exchange for services rendered by employees of the Entity 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, inasmuch as it is provided by employees, with a balancing entry under the heading "Shareholders' Equity - Other equity items" elements.

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

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

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

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

### ***Post-employment benefits***

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

### ***Defined contribution plans***

The post-employment obligations with employees are deemed to be defined contribution obligations when 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 is not a related party of the Entity.

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

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

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

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

Post-employment benefits are recognised as follows:

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



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

#### ***Other long-term employee benefits***

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

#### ***Termination benefits***

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

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

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 and or joint ventures are not recognised when the Entity is able to control the timing of the reversal of the temporary difference and, in addition, it is probable that the temporary difference will not reverse.

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

## 2.14. TANGIBLE ASSETS

### *Property, plant and equipment for own use*

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

Property and equipment for own use includes assets held by the Entity for present or future use for administrative purposes or for the production or supply of goods 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 Entity assesses tangible assets for any indications that their net value exceeds their recoverable amount, understood as the higher of the fair value less costs to sell and the 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 amortised over a useful life of 10 years, unless proven otherwise.

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

### **Other intangible assets**

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

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

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

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

### **Software**

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

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

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

## 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 Entity's control, may also be classified as held for sale when there is sufficient evidence that the Entity is still committed to selling them. The carrying amount of these assets will be recovered principally through a sale transaction.

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

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

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

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

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

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

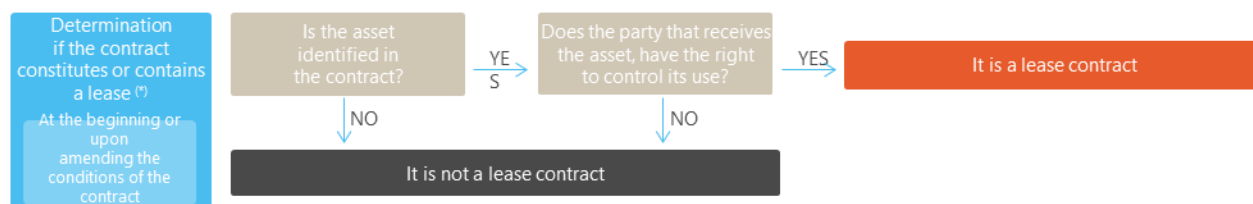


Impairment losses on an asset or disposal group are recognised under "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations, net" in the statement of profit or loss. Gains on a non-current asset held for sale resulting from subsequent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

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

## 2.18. LEASES

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



(\*) 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.

	Finance leases	Operational leases
<b>Recording as a lessor</b>  According to the economic fund of the transaction, regardless of its legal form	<ul style="list-style-type: none"> <li>Operations in which, substantially, all the risks and benefits that fall on the leased asset are transferred to the lessee.</li> <li>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.</li> <li>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.</li> <li>Financial income obtained as a lessor is registered in the statement of profit or loss under the heading "Interest income".</li> </ul>	<ul style="list-style-type: none"> <li>Operations in which, substantially, all the risks and benefits that fall on the leased asset, and also its property, are maintained by the lessor.</li> <li>The cost of purchasing the leased assets is recorded in the section "Tangible assets" of the balance sheet.</li> <li>These are amortised with the same criteria as those used for the rest of own-use tangible assets.</li> <li>Income appears in the section "Other operating income" of the profit and loss account.</li> </ul>
<b>Recording as a lessee</b>  Accounting record	<b>Term of the contract</b> <ul style="list-style-type: none"> <li>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).</li> </ul>	
	<b>At the beginning date of the contract</b>  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"*.	<b>Subsequently</b>  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.
	<b>Contracts with a term above 12 months or in which the underlying asset is not of a low value (set at EUR 6,000)</b>  <b>Lease liabilities</b> («Other financial liabilities»)	
	<b>Asset for right of use ("Tangible assets - land and buildings")</b>  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.
	<b>Rest of contracts</b>  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.

<b>Sale transactions with subsequent leasing</b>	<ul style="list-style-type: none"> <li>When acting as seller-lessee:               <ul style="list-style-type: none"> <li>If control of the asset is not retained:                   <ul style="list-style-type: none"> <li>It derecognises the sold asset.</li> <li>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.</li> <li>A lease liability is recognised.</li> </ul> </li> <li>If control of the asset is not retained:                   <ul style="list-style-type: none"> <li>It does not derecognise the sold asset.</li> <li>It recognises a financial liability for the amount of the received payment.</li> </ul> </li> </ul> </li> <li>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.</li> <li>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</li> </ul>
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### 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. 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 Entity's activity in the period, with a distinction between those taken to profit or loss in the statement of profit or loss and other income and expense recognised directly in equity.

### 2.23. STATEMENT OF CHANGES IN EQUITY. PART B) STATEMENT OF TOTAL CHANGES IN EQUITY

This statement shows all changes in the Entity's equity, including those resulting from changes in accounting policies and corrections of errors. This statement presents a reconciliation between the carrying amount of each

component of equity at the beginning and the end of the period, grouping movements by nature under the following headings:

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

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

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

## 2.24. 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.



## 3. RISK MANAGEMENT

### 3.1 ENVIRONMENT AND RISK FACTORS

From the Entity's perspective, the following factors from 2022 stand out for having a significant impact on risk management, both due to their occurrence throughout the year and their long-term implications:

#### ■ Macroeconomic environment

##### ◆ Global economy

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 one 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

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 grew 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.

## ■ Regulatory environment

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

Proposals for legislative and regulatory changes, as well as new legislation and regulation passed in 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 June, 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

"Strategic events" are the most relevant events that could have a significant impact on the Entity in the medium term. Only events that are not yet materialised and do not form part of the Catalogue, but which the Entity'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 evolution of the main new players and the movements of bigtechs in the industry are monitored on a regular basis. 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.

In addition, the Entity has *Imagin* as a top-level value proposal that it will continue to develop. 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 Entity makes available to customers entails easier access to cybercrime, and thus makes their criminal operations more sophisticated. This constant evolution of criminal vectors and techniques puts pressure on the Group to constantly reassess the model for preventing, managing and responding to cyberattacks and fraud 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 Entity.

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

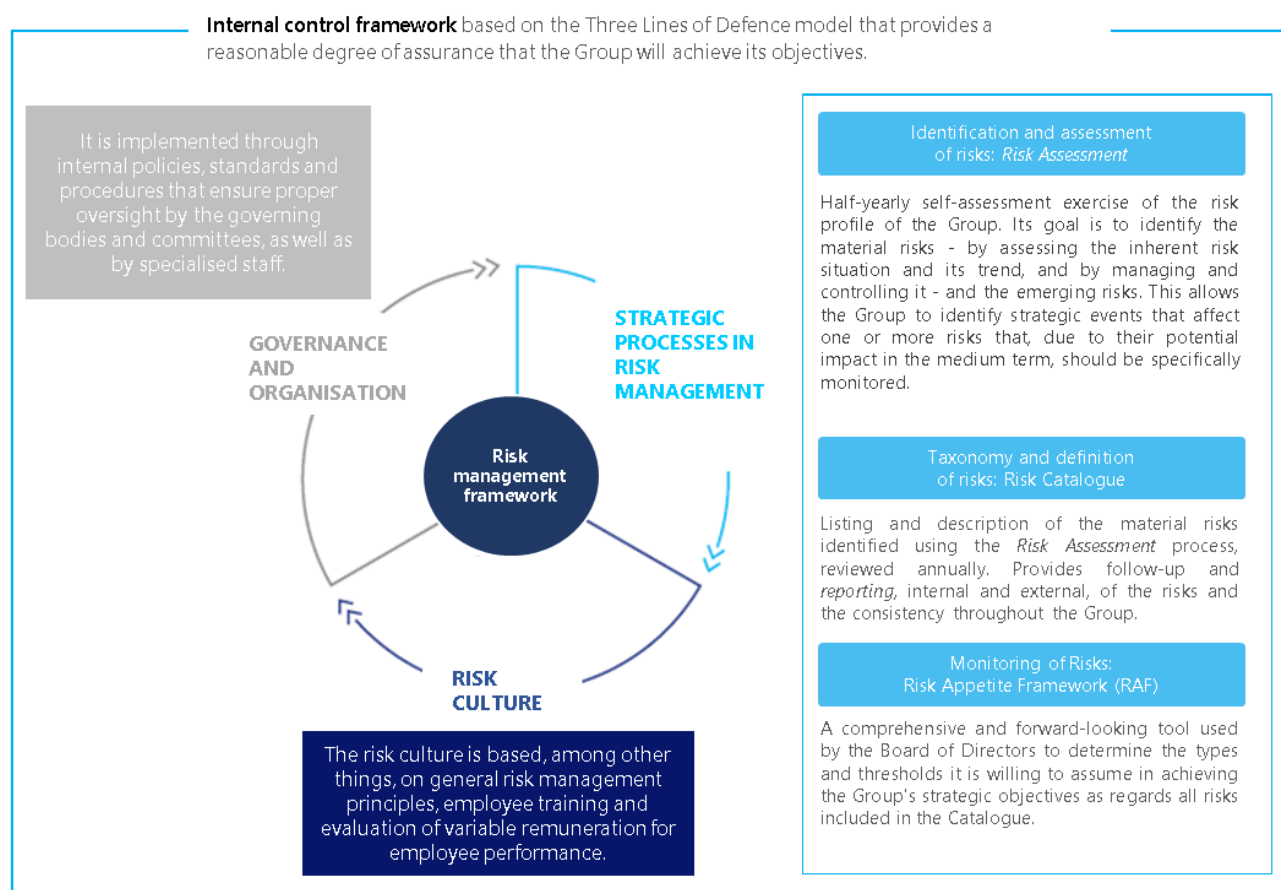
It is not known what the exact impact of extreme events will be, such as future pandemics or environmental events, for each of the risks of the Catalogue, which will depend on uncertain future events and developments, including actions to contain or treat the event and curb its impact on the economies 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, the Entity has a risk management framework that enables it to make informed risk-taking decisions consistent with the target risk profile and 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 Entity 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 Entity's internal governance system, is aligned with the business model and is in accordance 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 of the Entity's internal control framework are included in the Internal Corporate Control Policy and are structured on 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 Entity's exposure to risks in the course of business. They assume risks taking into account the Entity's risk appetite, the authorised risk limits and the policies and procedures in force, and they are 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 Entity's risk culture.

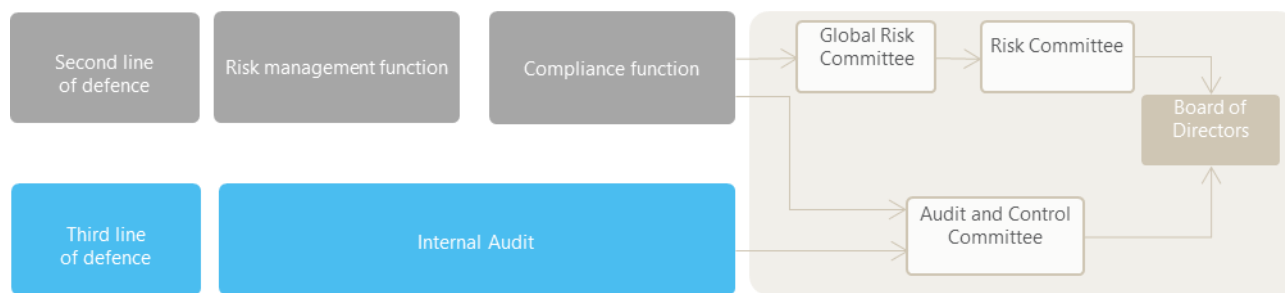
These functions may be embedded in the business units and support areas. However, when the level of complexity or intensity require it, specific control units with greater specialism are set up to ensure that the risks are properly controlled.

#### *Second line of defence*

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

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





Activities of the second line of defence, as well as **i)** the identified weaknesses, **ii)** the monitoring of action plans and **iii)** the opinion on the adequacy of the control environment in the Entity 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 Entity'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 Entity's activities.
- Compliance with the legislation in force, with special attention to the requirements of Supervisors and the suitable application of the global management and risk appetite frameworks defined.
- Compliance with internal policies and regulations, and alignment with best practices and uses in the sector, for adequate internal governance of the Entity.
- The reliability and integrity of information, including the effectiveness of the Internal Control System over financial and non-financial reporting (ICFR and ICNFR).

Its main supervisory functions include:

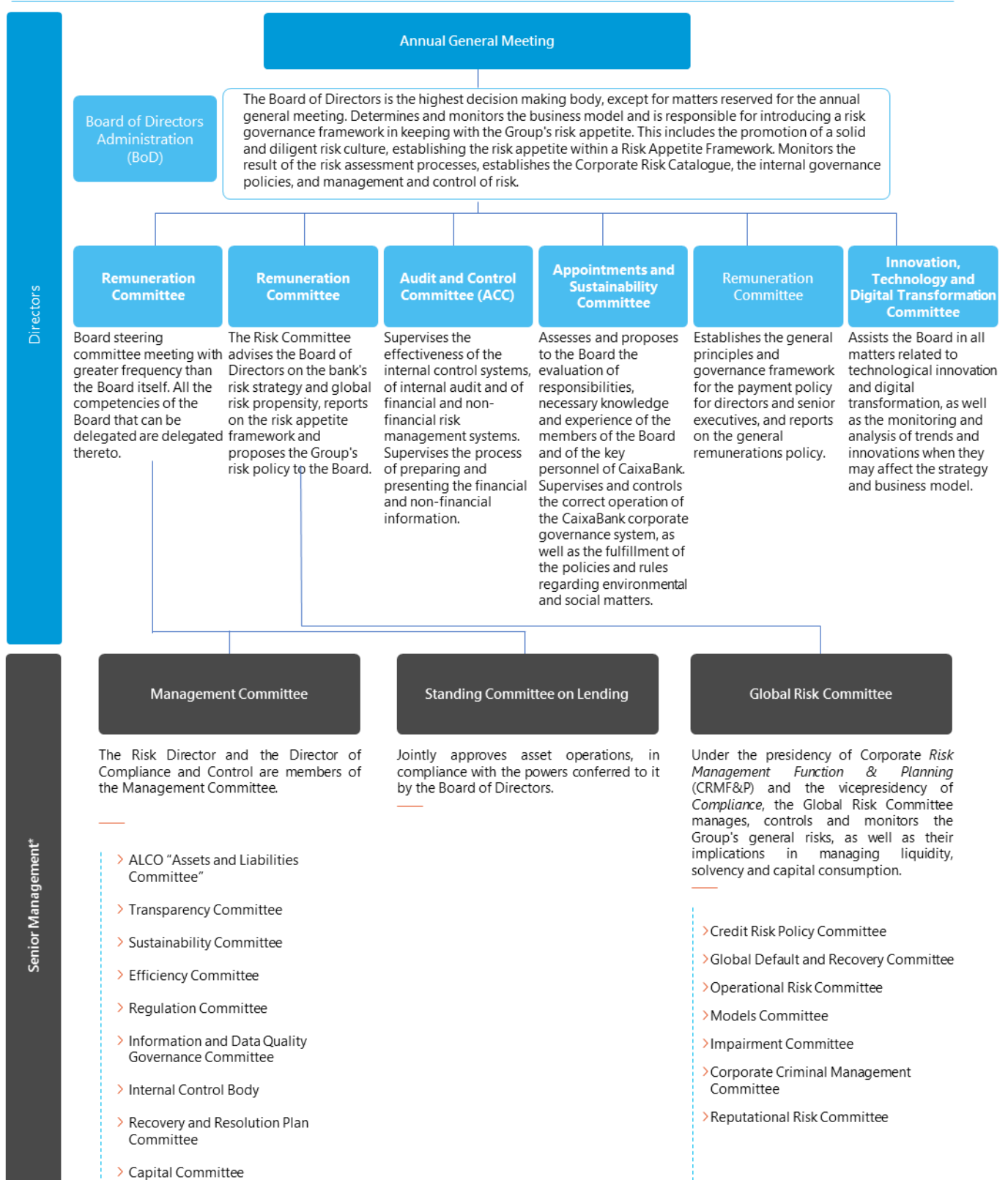
- The adequacy, effectiveness and implementation of policies, regulations and procedures.
- The effectiveness of controls.
- Adequate measurement and monitoring of first line of defence and second line of defence indicators.
- The existence and correct implementation of action plans to remedy shortcomings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

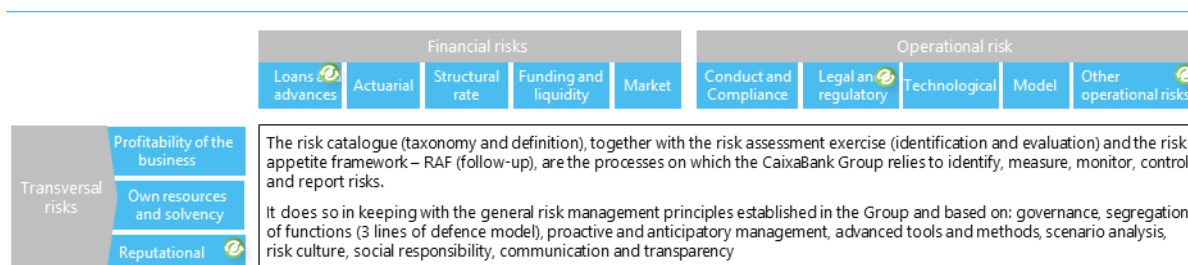
This process makes it possible to determine the status of each of the material risks identified in the Corporate Risk Catalogue and, also taking into account the internal governance assessment, to determine the Group's risk profile.


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 taxonomy of the Entity's risks. 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.



 They include subrisks affected by the sustainability factor (ESG)



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 	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 	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 	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 	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.

 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.<sup>1</sup> 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.

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<sup>1</sup> 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	Board of Directors (advised by the Risk Committee)		Global Risk Committee	Areas that manage/control the Risks and Human Resources
	Equivalence in Risk Catalogue	Statements and primary metrics <b>LEVEL I</b>	Metrics that supplement and implement those of <b>LEVEL I LEVEL 2</b>	Management mechanisms <b>LEVEL 3</b>
Priority dimensions	Qualitative statements	Transversal risks		<div>➤ 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</div> <div>➤ Training and communication</div> <div>➤ Methodologies used to measure risk and assess assets and liabilities (monitoring the RAF)</div> <div>➤ Limits, policies and powers</div> <div>➤ Incentives and appointments</div> <div>➤ Tools and processes</div>
	<div>➤ Maintain a medium-low (moderate) risk profile with a comfortable capital adequacy level to boost customer confidence through financial soundness.</div> <div>➤ Be permanently in a position to meet its obligations and funding needs in a timely manner, even under adverse market conditions.</div> <div>➤ Have a stable and diversified funding base to preserve and protect the interests of its depositors.</div> <div>➤ Generate revenue and capital in balanced and diversified manner.</div> <div>➤ 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.</div> <div>➤ Promote a risk culture embedded in management through policies, communication and staff training.</div> <div>➤ Pursue excellence, quality and operational resilience to continue to provide financial services to customers in line with their expectations, even under adverse conditions.</div>	<div>➤ Business profitability</div> <div>➤ Own funds and capital adequacy</div> <div>➤ Reputational</div>	<div>➤ Cost-to-income ratios</div> <div>➤ Regulatory solvency ratios</div> <div>➤ Quantitative metrics on non-financial risks (i.e. reputational)</div>	
	Financial risks			
	<div>➤ Loans and advances</div> <div>➤ Actuarial</div> <div>➤ Structural rate</div> <div>➤ Funding and liquidity</div> <div>➤ Market</div>	<div>➤ Calculations based on advanced models and approaches</div> <div>➤ Accounting figures (cost of risk and NPL ratio)</div> <div>➤ Indicators that encourage diversification (e.g. by borrower, sector)</div> <div>➤ Regulatory and internal liquidity metrics that oversee the upholding of comfortable liquidity levels</div>		
	Operational risk			
<div>➤ Conduct and Compliance</div> <div>➤ Legal and regulatory</div> <div>➤ Technological</div> <div>➤ Model</div> <div>➤ Other operational risks</div>	<div>➤ Quantitative metrics on non-financial risks (i.e. operational)</div> <div>➤ Metrics of number of complying incidents</div>			
Alert System Reports				
Monthly to the Global Risk Committee			Quarterly to the Risk Committee	Half-yearly to the Board of Directors
Level 1	<div>● <b>Appetite</b></div> <div>➤ The Global Risk Committee foment an action plan and draws up a schedule.</div>	<div>● <b>Tolerance</b></div> <div>➤ Monitoring of the action plan by the Global Risk Committee and specific communication to the Risk Committee.</div>	<div>● <b>Non-compliance</b></div> <div>➤ Governance Process of the Recovery Plan to reduce the possibility of bankruptcy.</div>	<div>● <b>Recovery Plan</b></div> <div>➤ Trend of metrics and LEVEL I projection.</div> <div>➤ Status of non-compliance and action plans.</div>
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 Entity structures its training offering through its Risks 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 4th 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 Entity to adapt its volume of own resources to regulatory requirements or a change to its risk profile.

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

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

On 27 June 2019, a comprehensive package of reforms to amend the CRR and 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 Entity's corresponding bodies; *ii)* as a control and monitoring tool; *iii)* risk planning and *iv)* calculating Risk-Adjusted Return (RAR) and Pricing. In contrast with regulatory capital, economic capital is an internal estimate which is adjusted according to the level of tolerance to risk, volume, and type of business activity.

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

The 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 Entity as a result of events that negatively affect the perception that stakeholders have of the Group.

Some areas of risk identified by the Entity 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 Entity has a specific policy for reputational risk management based on the three lines of defence model, which outlines and expands on the principles governing the management and control of this risk in the Entity. It covers the regulatory framework, general principles and strategy governing reputational risk management, governance

framework, control framework and functions, as well as the reporting framework for this risk. Its scope covers all Group companies.

Specifically, the Entity's reputational risk control and management strategy envisages:

- The regular identification and assessment of reputational risks, for which there is a specific taxonomy (risk catalogue) and regular assessment and analysis processes (half-yearly risk assessment, regular analysis of perceptions, identification of crisis milestones, studies and market benchmarks).
- Management and prevention policies and procedures including, besides the creation of the abovementioned policy, the development of the reputational risk culture in all Group companies and internal procedures for reputational crisis management with detection protocols, severity scales, and actions to curtail or eliminate potential negative effects.
- Risk prevention and fostering of reputation by managing communication channels and dialogue with stakeholders, analysing business operations from this perspective, and developing communication initiatives that strengthen the visibility and recognition of corporate values among stakeholders.
- Risk monitoring and control through both internal and external indicators, such as RAF reputation metrics, control framework review, regulatory compliance, and the development of regular reputation control and measurement systems.
- Lastly, regular reporting to the governing bodies, to the 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 the loss of value of the Entity's assets with a customer, due to a deterioration in the capacity of said customer to meet its commitments to the Entity. It includes the risk generated by financial market operations (counterparty risk). It is the most significant risk relating to the Entity's financial activity, based on banking and insurance activities, treasury operations and long-term equity instruments (shareholding 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	
	Maximum exposure to credit risk	Provision	Maximum exposure to credit risk	Provision
<b>Financial assets held for trading (Note 10)</b>	<b>415</b>		<b>600</b>	
Equity instruments	233		186	
Debt securities	182		414	
<b>Financial assets not designated for trading compulsorily measured at fair value through profit or loss (Note 11)</b>	<b>106</b>		<b>121</b>	
Equity instruments	56		54	
Debt securities				
Loans and advances	50		67	
<b>Financial assets at fair value with changes in other comprehensive income (Note 12)</b>	<b>11,445</b>		<b>14,665</b>	
Equity instruments	807		1,144	
Debt securities	10,638		13,521	
<b>Financial assets measured at amortised cost (Note 13)</b>	<b>423,177</b>	<b>(6,110)</b>	<b>405,741</b>	<b>(6,967)</b>
Debt securities	72,245	(1)	63,239	
Loans and advances	350,932	(6,109)	342,502	(6,967)
Central banks			59	
Credit institutions	13,243	(7)	8,260	(9)
Customers	337,689	(6,102)	334,183	(6,958)
<b>Trading derivatives and hedge accounting</b>	<b>2,846</b>		<b>4,284</b>	
<b>TOTAL ACTIVE EXPOSURE</b>	<b>437,989</b>	<b>(6,110)</b>	<b>425,411</b>	<b>(6,967)</b>
<b>TOTAL GUARANTEES GIVEN AND CONTINGENT COMMITMENTS (*)</b>	<b>133,218</b>	<b>(501)</b>	<b>120,627</b>	<b>(395)</b>
<b>TOTAL</b>	<b>571,207</b>	<b>(6,611)</b>	<b>546,038</b>	<b>(7,362)</b>

(\*) CCF (Credit Conversion Factors) for guarantees given and credit commitments amount to EUR 87,995 million and 77,820 million at 31 December 2022 and 2021, 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 Entity gears its lending activity towards meeting the funding needs of households and businesses and providing added value services, all within the medium-low risk profile established as an objective 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 Entity's credit risk management profile is characterised by a prudent granting policy, at a price in keeping with the conditions of the borrower and suitable 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. Periodical processes are carried out to contrast and validate appraisal values, in order to detect potential anomalies in the actions of the appraisal companies used by the Entity.
    - The outlay policy, mainly concerning property development and self-development operations.
    - The loan-to-value (LTV) of the operation. The capital to be granted in mortgage operations is limited to percentages of the value of the guarantee, which is defined as the lowest of the appraisal value and the value shown on the official deed or the accredited value of the property. IT systems calculate the level of approval required for each type of operation.
- Credit derivatives: guarantors and counterparty. The Entity occasionally uses credit derivatives on a sporadic basis, contracted with high-level credit institutions and under the scope of collateral contracts to hedge credit risk.

A breakdown of the guarantees received in the approval of the Entity's lending operations 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		
	Gross amount	Allowances for impairment	Value of the collateral **	Gross amount	Allowances for impairment	Value of the collateral
<b>Stage 1:</b>	<b>300,702</b>	<b>(997)</b>	<b>404,822</b>	<b>291,752</b>	<b>(591)</b>	<b>411,799</b>
No collateral associated	156,409	(423)		144,076	(310)	
With real estate collateral	141,021	(572)	399,296	143,405	(280)	406,584
With other collateral	3,272	(2)	5,526	4,271	(1)	5,215
<b>Stage 2 + POCI without impairment:</b>	<b>25,681</b>	<b>(1,115)</b>	<b>36,649</b>	<b>28,391</b>	<b>(1,389)</b>	<b>35,971</b>
No collateral associated	11,247	(475)		12,855	(529)	
With real estate collateral	14,168	(634)	36,176	15,190	(847)	35,527
With other collateral	266	(6)	473	346	(13)	444
<b>Stage 3 + POCI with impairment:</b>	<b>9,017</b>	<b>(3,973)</b>	<b>11,999</b>	<b>11,876</b>	<b>(4,955)</b>	<b>15,121</b>
No collateral associated	3,225	(1,864)		3,578	(2,261)	
With real estate collateral	5,733	(2,078)	11,956	8,242	(2,671)	15,098
With other collateral	59	(31)	43	56	(23)	23
<b>TOTAL</b>	<b>335,400</b>	<b>(6,085)</b>	<b>453,470</b>	<b>332,019</b>	<b>(6,935)</b>	<b>462,891</b>

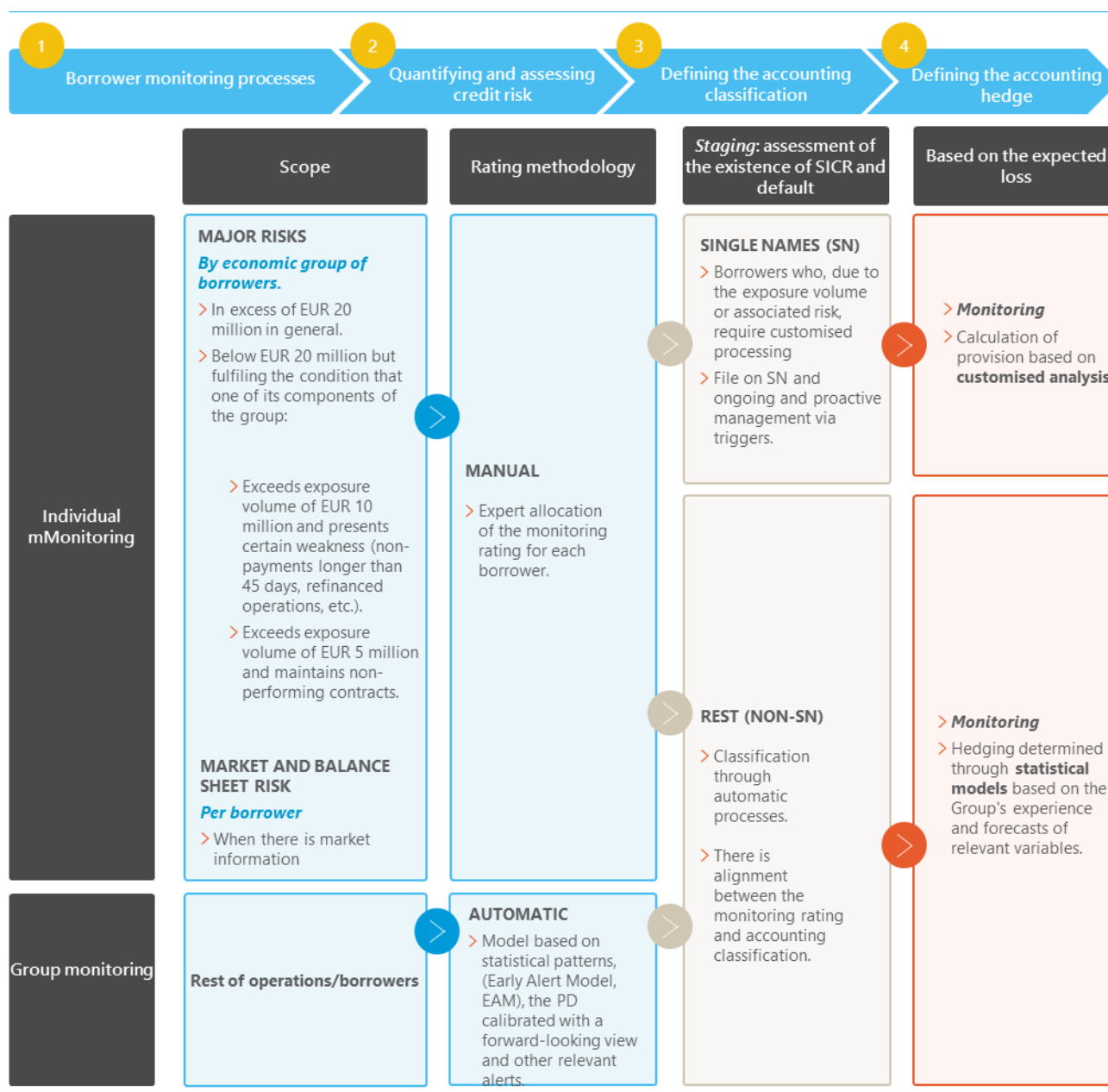
(\*) Includes loans and advances to customers under the headings "Financial assets measured at amortised cost" (Note 13) and "Financial assets not designated for trading compulsorily measured at fair value through profit or loss" (Note 11).

(\*\*) 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 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.

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

**Monitoring and measurement of credit risk**

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



### 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<sup>2</sup> which are, from best to worse: insignificant risk, low risk,

<sup>2</sup> 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.

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 Entity defines individually significant borrowers (Single Names) as those that meet the following thresholds or characteristics:<sup>3</sup>:

- ◆ 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 Entity (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 Entity'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.

- 
- 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.

<sup>3</sup> 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.



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

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

- ◆ Product-oriented tools are used mainly within the scope of authorisation of new retail banking operations (approval scorings) and take account of the debtor's characteristics, information deriving from the customer relationship, internal and external alerts, as well as the specific characteristics of the operation to determine 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 Entity 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 should be noted that the Entity considers through the LGD the income generated on the sale of defaulted contracts as one of the possible future cash flows generated to measure expected credit impairment losses. This income is calculated on the basis of the internal information of the sales carried out in the Entity<sup>4</sup>. The sale of those assets is considered reasonably foreseeable as a recovery method, and therefore the Entity considers it to be one of the recurring tools within its non-performing balance reduction strategy. In this regard, an active market for impaired debt exists, which ensures with a high probability the possibility to make future sales of debt<sup>5</sup>.

In addition to the regulatory use for determining the Entity's minimum capital requirements and the hedge calculation, the credit risk parameters (PD, LGD and EAD) are used in several management tools, such as in the calculation of risk-adjusted return, the pricing tool, customer pre-qualification tools, as well as monitoring tools and alerts systems.

### ③ Defining the accounting classification

<sup>4</sup> 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.

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

The accounting classification among the different stages of IFRS 9<sup>6</sup> 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 Entity has the monitoring and rating processes described in ②. Specifically, when the operations meet any of the following qualitative or quantitative criteria, unless they must be classified as Stage 3:

- 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 in insolvency proceedings classified as Stage 2. Risks of borrowers in insolvency proceedings 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<sup>7</sup>: 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 continue to be identified as refinancing, refinanced or restructured operations for a probationary period until they generally meet all the following requirements:

- i) 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;
- ii) 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;
- iii) 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;
- iv) There are no contractual clauses that may delay repayments, such as grace periods for the principal;

<sup>6</sup> See Note 2.7.

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

- v) 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 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.
- vi) 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.
- vii) Operations that have a second-call mortgage guarantee or later when the first-call guarantee operation is classified as Stage 3.
- viii) Operations in which all of the holders have operations refinanced under a Code of Good Practice.
- ix) 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 transactions 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 an SICR, the Entity has established triggers, which are indicators of impairment of the asset affecting the customer or the operations, and are assessed by the analyst to determine classification of customer operations to Stage 2 or Stage 3. 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 Entity.
  - 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<sup>8</sup> 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<sup>9</sup> 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 Entity 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.<sup>10</sup>

- 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<sup>11</sup>, the allowances for the non-performing

<sup>8</sup> 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.

<sup>9</sup> 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.

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

As indicated in ③ the collective analysis, the automatic rating is generated using a combination of i) a risk-model rating and ii) an alert-based rating. Considering that the Entity's policy in relation to granting asset operations follows the 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 Entity are mortgage-related, with no significant value fluctuations that could be considered evidence of a significant increase of credit risk in mortgages.

<sup>11</sup> As indicated in ⑤ 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



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 Entity generates a baseline scenario, as well as a range of potential scenarios that allow it to adjust the expected loss estimates, weighted by 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 Entity 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:

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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.

- ◆ 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

*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 Entity 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		
	2023	2024	2025	2022	2023	2024
<b>GDP growth</b>						
Baseline scenario	2.4	2.6	2.1	6.2	2.9	1.6
Upside range	5.1	4.1	2.0	7.8	4.3	1.9
Downside range	(1.6)	1.8	2.9	3.7	2.1	1.6
<b>Unemployment rate</b>						
Baseline scenario	12.6	12.5	11.8	14.5	13.2	12.5
Upside range	11.4	11.0	10.0	14.2	12.2	11.2
Downside range	15.8	16.3	14.9	15.7	15.8	15.1
<b>Interest rates **</b>						
Baseline scenario	1.70	1.78	1.78	(0.40)	(0.23)	0.15
Upside range	2.32	2.54	2.54	(0.33)	(0.07)	0.54
Downside range	0.84	0.99	1.46	(0.58)	(0.47)	(0.28)
<b>Evolution of property prices</b>						
Baseline scenario	2.2	2.5	2.8	1.6	2.5	2.8
Upside range	3.8	4.9	3.9	2.7	5.4	4.5
Downside range	(0.5)	(2.4)	1.5	(0.8)	(0.5)	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		
	Baseline scenario	Upside scenario	Downside scenario	Baseline scenario	Upside scenario	Downside scenario
Spain	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 Entity maintains a Post Model Adjustment (PMA) in the provision funds, with the result that it has a collective provision fund amounting to EUR 994 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 estimated sensitivity to a 1% fall in GDP and, additionally, to a 10% drop in real estate asset prices on expected credit risk losses at year-end 2022, broken down by portfolio type, is shown below:

**Sensitivity analysis***(Millions of euros)*

	Increase in the expected loss	
	1% drop in GDP	10% drop in real estate prices
<b>Other financial institutions</b>	<b>2</b>	<b>1</b>
<b>Non-financial corporations and individual entrepreneurs</b>	<b>50</b>	<b>63</b>
<b>Project finance</b>	<b>8</b>	<b>12</b>
For financing real estate construction and development, including land	3	9
For financing civil engineering work	3	3
Other project finance	2	
<b>Purposes other than project finance</b>	<b>42</b>	<b>50</b>
Large corporates	13	8
SMEs	26	36
Individual entrepreneurs	3	6
<b>Households (excluding individual entrepreneurs)</b>	<b>62</b>	<b>195</b>
<b>Home purchases</b>	<b>44</b>	<b>164</b>
For the purchase of a main residence	39	151
For the purchase of a secondary residence	5	13
<b>Consumer credit</b>	<b>11</b>	<b>6</b>
<b>Other purposes</b>	<b>7</b>	<b>25</b>
<b>TOTAL</b>	<b>114</b>	<b>259</b>

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 ownership of property assets in Spain, which basically originate from the streamlining of the Entity's credit activity through any of the following ways: *i)* acquisition at auctions held after assets have been foreclosed, mainly in relation to mortgage loans; *ii)* Acquisition of mortgaged real estate assets of individuals, with the subsequent subrogation and cancellation of the debts; *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., for multi-channel marketing activities through their own branches, the external collaboration of the network of real-estate agents and an active online presence. This marketing activity comes in addition to a key factor: support in prescribing properties generated by the branch network.
- Institutional sales: the Entity takes into account institutional operations of sales of asset portfolios to other specialised companies.
- Completion of housing developments: a number of minor measures to improve some of these developments are made to ensure they can be sold. These measures are performed using the synergies of the Group.
- Rental: it is a means of benefiting from rising demand and generating recurring income, as well as creating added value on the property in the event of its future sale.



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

#### Foreclosed real estate assets - 31-12-2022 \*

(Millions of euros)

	Gross carrying amount	Allowances for impairment **	Of which from foreclosure	Net carrying amount
<b>Real estate acquired from loans to real estate constructors and developers</b>	<b>52</b>	<b>(15)</b>	<b>(4)</b>	<b>37</b>
Buildings and other completed constructions	32	(9)	(3)	23
Homes	24	(6)	(2)	18
Other	8	(3)	(1)	5
Buildings and other constructions under	8	(2)		6
Homes	2	(1)		1
Other	6	(1)		5
Land	12	(4)	(1)	8
Consolidated urban land	7	(3)	(1)	4
Other land	5	(1)		4
<b>Real estate acquired from mortgage loans to homebuyers</b>	<b>397</b>	<b>(65)</b>	<b>(59)</b>	<b>332</b>
<b>Other real estate assets or received in lieu of payment of debt</b>	<b>109</b>	<b>(28)</b>	<b>(23)</b>	<b>81</b>
<b>Foreclosed equity instruments of real estate asset holding companies or received in lieu of payment of debt</b>	<b>9,182</b>	<b>(7,231)</b>		<b>1,951</b>
<b>Foreclosed finance to real estate asset holding companies or received in lieu of payment of debt</b>	<b>4,495</b>			<b>4,495</b>
<b>TOTAL</b>	<b>14,235</b>	<b>(7,339)</b>	<b>(86)</b>	<b>6,896</b>

(\*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 29 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 142 million, net.

(\*\*) Cancelled debt associated with the foreclosed assets totalled EUR 961 million and total write-downs of this portfolio amounted to EUR 510 million, EUR 108 million of which are impairment allowances 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
<b>Real estate acquired from loans to real estate constructors and developers</b>	<b>55</b>	<b>(15)</b>	<b>(8)</b>	<b>40</b>
Buildings and other completed constructions	36	(11)	(4)	25
Buildings and other constructions under	8	(1)	(1)	7
Land	11	(3)	(3)	8
<b>Real estate acquired from mortgage loans to homebuyers</b>	<b>410</b>	<b>(73)</b>	<b>(65)</b>	<b>337</b>
<b>Other real estate assets or received in lieu of payment of debt</b>	<b>104</b>	<b>(29)</b>	<b>(23)</b>	<b>75</b>
<b>Foreclosed equity instruments of real estate asset holding companies or received in lieu of payment of debt</b>	<b>9,182</b>	<b>(7,097)</b>		<b>2,085</b>
<b>Foreclosed finance to real estate asset holding companies or received in lieu of payment of debt</b>	<b>5,135</b>			<b>5,135</b>
<b>TOTAL</b>	<b>14,886</b>	<b>(7,214)</b>	<b>(96)</b>	<b>7,672</b>

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

(\*\*) Cancelled debt associated with the foreclosed assets totalled EUR 1,012 million and total write-downs of this portfolio amounted to EUR 560 million, of which EUR 117 million are impairment allowances 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 of the Entity's companies to the same borrower or other companies forming part of its economic group that become up to date on its payments for previously past-due loans.
- The amendment of the 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 operations are correctly classified and valued according to the Entity's best judgement, no additional impairment provision requirements are evident on the refinanced loans.

The breakdown of refinancing by economic sector is as follows:

**Refinancing - 31-12-2022 \****(Millions of euros)*

	Unsecured loans		Secured loans				Impairment due to credit risk *
	No. of operations	Gross carrying amount	No. of operations	Gross carrying amount	Maximum amount of the collateral		
					Real estate mortgage secured	Other collateral	
Public administrations	155	142	783	18	16		(2)
Other financial corporations and individual entrepreneurs (financial business)	33	38	28	90	89		(12)
Non-financial corporations and individual entrepreneurs (non-financial business)	22,534	3,860	10,593	2,135	1,520	20	(1,289)
<i>Of which: Financing for real estate construction and development (including land)</i>	<i>127</i>	<i>9</i>	<i>1,345</i>	<i>335</i>	<i>209</i>		<i>(121)</i>
Other households	26,981	254	98,313	3,824	2,855	7	(1,065)
<b>TOTAL</b>	<b>49,703</b>	<b>4,294</b>	<b>109,717</b>	<b>6,067</b>	<b>4,480</b>	<b>27</b>	<b>(2,368)</b>
<b>Of which: in stage 3</b>							
Public administrations	117	2	688	7	6		(1)
Other financial corporations and individual entrepreneurs (financial business)	14	21	15	1	1		(11)
Non-financial corporations and individual entrepreneurs (non-financial business)	10,808	1,432	7,041	1,160	701	12	(1,140)
<i>Of which: Financing for real estate construction and development (including land)</i>	<i>92</i>	<i>8</i>	<i>938</i>	<i>160</i>	<i>80</i>		<i>(86)</i>
Other households	14,733	150	60,004	2,361	1,592	4	(907)
<b>TOTAL STAGE 3</b>	<b>25,672</b>	<b>1,605</b>	<b>67,748</b>	<b>3,529</b>	<b>2,300</b>	<b>16</b>	<b>(2,059)</b>

**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				Impairment due to credit risk *
	No. of operations	Gross carrying amount	No. of operations	Gross carrying amount	Maximum amount of the collateral		
					Real estate mortgage secured	Other collateral	
Public administrations	53	150	2,148	36	30		(6)
Other financial corporations and individual entrepreneurs (financial business)	27	9	29	90	89		(3)
Non-financial corporations and individual entrepreneurs (non-financial business)	22,009	3,452	14,853	2,516	1,872	19	(1,333)
<i>Of which: Financing for real estate construction and development (including land)</i>	<i>153</i>	<i>11</i>	<i>2,032</i>	<i>418</i>	<i>308</i>		<i>(99)</i>
Other households	42,391	430	128,631	5,426	4,428	5	(1,174)
<b>TOTAL</b>	<b>64,480</b>	<b>4,041</b>	<b>145,661</b>	<b>8,068</b>	<b>6,419</b>	<b>24</b>	<b>(2,516)</b>
<i>Of which: in stage 3</i>	<i>32,870</i>	<i>1,617</i>	<i>110,599</i>	<i>5,293</i>	<i>4,148</i>	<i>15</i>	<i>(2,270)</i>

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

### **Geographical and counterparty concentration**

Moreover, the Entity 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, which complement the other positions of the Entity and of the secured investment and pension funds.

Risk by geographic area is as follows:

### **Concentration by geographic location**

(Millions of euros)

	Total	Spain	Rest of the European Union	America	Rest of the world
Central banks and credit institutions	43,334	19,165	14,805	2,529	6,835
Public administrations	95,281	81,536	9,303	2,476	1,966
Central government	76,458	62,773	9,252	2,475	1,958
Other public administrations	18,823	18,763	51	1	8
Other financial corporations and individual entrepreneurs (financial business)	34,137	28,177	4,166	404	1,390
Non-financial corporations and individual entrepreneurs (non-financial business)	172,597	140,626	17,471	6,388	8,112
Real estate construction and development (including	4,738	4,728	2	7	1
Civil engineering	6,936	5,804	284	848	
Other	160,923	130,094	17,185	5,533	8,111
Large corporates	109,696	82,009	15,891	4,827	6,969
SMEs and individual entrepreneurs	51,227	48,085	1,294	706	1,142
Other households	149,728	147,607	680	235	1,206
Homes	129,968	127,917	660	221	1,170
Consumer lending	9,242	9,220	10	5	7
Other purposes	10,518	10,470	10	9	29
<b>TOTAL 31-12-2022</b>	<b>495,077</b>	<b>417,111</b>	<b>46,425</b>	<b>12,032</b>	<b>19,509</b>
<b>TOTAL 31-12-2021</b>	<b>562,132</b>	<b>504,872</b>	<b>32,245</b>	<b>7,728</b>	<b>17,737</b>

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	19,165	282			1		47	17,949		9	500	377
Public administrations	81,536	1,880	955	1,443	618	1,541	2,026	4,372	188	2,569	589	2,582
Central government	62,773											
Other public administrations	18,763	1,880	955	1,443	618	1,541	2,026	4,372	188	2,569	589	2,582
Other financial corporations and individual entrepreneurs (financial business)	28,177	162	3	11	3	36	1,895	24,898	114	163	804	88
Non-financial corporations and individual entrepreneurs (non-financial business)	140,626	9,200	4,962	3,547	2,043	2,468	21,352	70,796	1,897	9,609	3,568	11,184
Real estate construction and development (including land)	4,728	447	206	186	77	107	1,354	1,666	82	212	236	155
Civil engineering	5,804	466	176	153	102	122	663	2,755	109	363	210	685
Other	130,094	8,287	4,580	3,208	1,864	2,239	19,335	66,375	1,706	9,034	3,122	10,344
Large corporates	82,009	2,157	2,807	1,374	354	571	6,583	57,693	799	3,696	1,442	4,533
SMEs and individual entrepreneurs	48,085	6,130	1,773	1,834	1,510	1,668	12,752	8,682	907	5,338	1,680	5,811
Other households	147,607	21,768	6,777	7,137	4,057	4,460	33,961	31,871	2,833	16,156	3,879	14,708
Homes	127,917	18,460	6,035	6,257	3,590	3,861	28,466	28,339	2,450	14,045	3,485	12,929
Consumer lending	9,220	1,413	393	494	238	271	2,513	1,619	180	1,013	191	895
Other purposes	10,470	1,895	349	386	229	328	2,982	1,913	203	1,098	203	884
<b>TOTAL 31-12-2022</b>	<b>417,111</b>	<b>33,292</b>	<b>12,697</b>	<b>12,138</b>	<b>6,722</b>	<b>8,505</b>	<b>59,281</b>	<b>149,886</b>	<b>5,032</b>	<b>28,506</b>	<b>9,340</b>	<b>28,939</b>
<b>TOTAL 31-12-2021</b>	<b>504,872</b>	<b>33,631</b>	<b>13,360</b>	<b>12,920</b>	<b>7,250</b>	<b>8,582</b>	<b>58,134</b>	<b>231,260</b>	<b>5,036</b>	<b>29,809</b>	<b>9,537</b>	<b>30,007</b>

(\*) 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)

	Total	Of which real estate collateral	Of which other collateral	Secured loans. Carrying amount based on latest available appraisal (loan to value)				
				≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤ 100%	> 100%
Public administrations	18,819	408		81	202	51	21	53
Other financial corporations and individual entrepreneurs (financial business)	18,864	606	593	286	207	144	495	67
Non-financial corporations and individual entrepreneurs (non- financial business)	142,431	22,474	2,216	9,908	7,761	3,628	1,367	2,026
Real estate construction and development (including land)	4,448	3,871	20	1,274	1,418	722	215	262
Civil engineering	6,286	520	158	246	196	59	38	139
Other	131,697	18,083	2,038	8,388	6,147	2,847	1,114	1,625
Large corporates	85,801	5,652	1,352	2,658	1,872	1,107	553	814
SMEs and individual entrepreneurs	45,896	12,431	686	5,730	4,275	1,740	561	811
Other households	149,201	134,149	749	44,220	43,820	32,992	7,666	6,200
Homes	129,968	127,112	252	40,414	41,765	32,096	7,252	5,837
Consumer lending	9,236	2,340	261	1,454	681	279	101	86
Other purposes	9,997	4,697	236	2,352	1,374	617	313	277
<b>TOTAL</b>	<b>329,315</b>	<b>157,637</b>	<b>3,558</b>	<b>54,495</b>	<b>51,990</b>	<b>36,815</b>	<b>9,549</b>	<b>8,346</b>
<i>Memorandum items: Refinancing, refinanced and restructured operations</i>	<i>7,992</i>	<i>4,595</i>	<i>72</i>	<i>1,276</i>	<i>1,323</i>	<i>920</i>	<i>559</i>	<i>589</i>

**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	18,509	460	7	80	221	73	33	60
Other financial corporations and individual entrepreneurs (financial business)	15,208	543	969	1,248	108	39	51	66
Non-financial corporations and individual entrepreneurs (non- financial business)	139,716	25,038	2,915	12,267	8,095	4,327	1,437	1,827
Other households	151,651	136,998	745	43,839	46,707	32,821	7,409	6,967
<b>TOTAL</b>	<b>325,084</b>	<b>163,039</b>	<b>4,636</b>	<b>57,434</b>	<b>55,131</b>	<b>37,260</b>	<b>8,930</b>	<b>8,920</b>
<i>Memorandum items: Refinancing, refinanced and restructured operations</i>	<i>9,593</i>	<i>6,648</i>	<i>230</i>	<i>1,431</i>	<i>1,623</i>	<i>1,811</i>	<i>972</i>	<i>1,041</i>

**Breakdown of loans and advances to customers by type***(Millions of euros)*

	31-12-2022			31-12-2021		
	Stage 1	Stage 2 + POCI without impairment	Stage 3 + POCI with impairment	Stage 1	Stage 2 + POCI without impairment	Stage 3 + POCI with impairment
<b>Loan type and status</b>						
Public administrations	18,502	293	29	18,105	364	59
Other financial corporations	18,691	171	23	15,050	171	6
Loans and advances to companies and individual	128,074	13,226	4,366	121,931	16,066	4,978
Real estate construction and development (including	9,007	1,588	643	9,840	1,901	726
Other companies and individual entrepreneurs	119,067	11,638	3,723	112,091	14,165	4,252
Other households	135,435	11,991	4,599	136,666	11,790	6,833
Homes	118,702	9,761	3,397	119,317	9,462	5,128
Other	16,733	2,230	1,202	17,349	2,328	1,705
<b>TOTAL</b>	<b>300,702</b>	<b>25,681</b>	<b>9,017</b>	<b>291,752</b>	<b>28,391</b>	<b>11,876</b>

**Breakdown of hedges of loans and advances to customers by type***(Millions of euros)*

	31-12-2022			31-12-2021		
	Stage 1	Stage 2 + POCI without impairment	Stage 3 + POCI with impairment	Stage 1	Stage 2 + POCI without impairment	Stage 3 + POCI with impairment
Public administrations			(5)		(3)	(16)
Other financial corporations	(7)	(3)	(11)	(9)	(7)	(3)
Loans and advances to companies and individual entrepreneurs	(576)	(525)	(2,134)	(245)	(619)	(2,395)
Real estate construction and development (including land)	(55)	(112)	(337)	(49)	(141)	(369)
Other companies and individual entrepreneurs	(521)	(413)	(1,797)	(196)	(478)	(2,026)
Other households	(414)	(587)	(1,823)	(337)	(760)	(2,541)
Homes	(260)	(391)	(1,241)	(124)	(467)	(1,595)
Other	(154)	(196)	(582)	(213)	(293)	(946)
<b>TOTAL</b>	<b>(997)</b>	<b>(1,115)</b>	<b>(3,973)</b>	<b>(591)</b>	<b>(1,389)</b>	<b>(4,955)</b>
<i>Of which: identified individually</i>		(170)	(996)		(124)	(983)
<i>Of which: identified collectively</i>	(997)	(945)	(2,977)	(591)	(1,265)	(3,972)

**Breakdown of loans and advances to customers according to arrears status and rates***(Millions of euros)*

	31-12-2022	31-12-2021
<b>By arrears status</b>		
Of which: default on payment of less than 30 days or up to date on payments	329,076	324,580
Of which: default on payment between 30 and 60 days	921	840
Of which: default on payment between 60 and 90 days	670	571
Of which: default on payment between 90 days and 6 months	751	870
Of which: default on payment between 6 months and 1 year	1,129	1,169
Of which: default on payment of more than 1 year	2,853	3,989
<b>By interest rate type</b>		
Fixed	114,555	113,131
Floating	220,845	218,888

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 counterpart:

**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	2,586	147	(107)
Mining and quarrying	528	10	(10)
Manufacturing industry	22,683	546	(440)
Electricity, gas, steam and air conditioning supply	9,931	122	(108)
Water supply	1,591	9	(15)
Buildings	10,649	482	(453)
Wholesale and retail trade	18,023	658	(489)
Transport and storage	11,794	234	(274)
Accommodation and food service activities	8,077	458	(196)
Information and communication	3,940	104	(78)
Financial and insurance activities	13,313	54	(94)
Real estate	17,570	269	(224)
Professional, scientific and technical activities	6,680	394	(273)
Administrative and support service activities	5,464	84	(70)
Public administration and defence; compulsory social security	1,560		(10)
Education	572	30	(23)
Human health services and social work activities	1,479	25	(28)
Arts, entertainment and recreation	1,046	177	(72)
Other services	3,428	124	(155)
<b>TOTAL</b>	<b>140,914</b>	<b>3,927</b>	<b>(3,119)</b>

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-.
- 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 Entity, at the end of the financial year, is stated as follows:

### Concentration according to credit quality - 31-12-2022

(Millions of euros)

	FA at amortised cost (Note 13)					FA held for trading - DS (Note 10)	FA not for trading * - DS (Note 11)	FA at FV with changes in other comprehensive income (Note 12)	Loan commitments, financial guarantees and other commitments given (Note 24)		
	Loans and advances to customers								Stage 1	Stage 2	Stage 3
	Stage 1	Stage 2	Stage 3	POCI	Debt sec.						
AAA/AA+/AA/AA-	16,019	7			8,219			2,426	5,635	1	
A+/A/A-	42,886	90			40,022	24		6,592	9,290	15	
BBB+/BBB/BBB-	82,548	738			3,737	39		1,536	36,081	204	1
INVESTMENT GRADE	141,453	835			51,978	63		10,554	51,006	220	1
Allowances for impairment	(501)	(12)							(4)		
BB+/BB/BB-	67,190	6,574	1					74	28,815	2,583	16
B+/B/B-	16,549	10,522	28						5,443	1,992	4
CCC+/CCC/CCC-	792	4,114	98		18				278	449	4
No rating	77,007	3,633	8,425	468	20,248	119		10	41,234	305	867
NON-INVESTMENT GRADE	161,538	24,843	8,552	468	20,266	119		84	75,770	5,329	891
Allowances for impairment	(513)	(1,103)	(3,751)	(222)					(56)	(66)	(375)
TOTAL	301,977	24,563	4,801	246	72,244	182		10,638	126,776	5,549	892

Debt sec.: Debt securities; FA: Financial assets

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

### Concentration according to credit quality - 31-12-2021

(Millions of euros)

	FA at amortised cost (Note 13)					FA held for trading - DS (Note 10)	FA not for trading * - DS (Note 11)	FA at FV with changes in other comprehensive income (Note 12)	Financial guarantees, loan commitments and other commitments given (Note 24)		
	Loans and advances to customers								Stage 1	Stage 2	Stage 3
	Stage 1	Stage 2	Stage 3	POCI	Debt sec.						
AAA/AA+/AA/AA-	16,105	33			2,447			60	5,282	10	
A+/A/A-	42,239	601			55,304	147		11,676	8,269	62	
BBB+/BBB/BBB-	76,803	1,745			3,478	170		1,687	29,052	288	
INVESTMENT GRADE	135,147	2,379			61,229	317		13,423	42,603	360	
Allowances for impairment	(291)							(1)	(4)	(1)	
BB+/BB/BB-	63,277							79	27,993	1,628	
B+/B/B-	18,827	10,607	34						6,186	2,024	
CCC+/CCC/CCC-	1,305	3,538	175		114				279	492	6
No rating	75,360	11,866	10,979	689	1,896	97		20	37,598	544	914
NON-INVESTMENT GRADE	158,769	26,011	11,188	689	2,010	97		99	72,056	4,688	920
Allowances for impairment	(323)	(1,389)	(4,873)	(82)					(43)	(49)	(298)
TOTAL	293,302	27,001	6,315	607	63,239	414		13,521	114,659	5,048	920

Debt sec.: Debt securities; FA: Financial assets

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

### Concentration according to sovereign risk

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

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

The risk associated with exposures to sovereign risk, whether direct exposure or assets with sovereign backing, is continuously monitored in view of publicly available information, which includes the ratings of public agencies. At 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 Entity are detailed below:

### **Sovereign risk exposure - 31-12-2022**

(Millions of euros)

Country/Supra national body	Residual maturity	FA at amortised cost	FA held for trading	FA at fair view w/changes in other comprehensive income	FA not designated for trading *	FL held for trading - Short positions
Spain	Less than 3 months	6,799	1			
	Between 3 months and 1 year	5,245	15	3,396	50	(13)
	Between 1 and 2 years	10,639	1	2,040		
	Between 2 and 3 years	14,641		182		
	Between 3 and 5 years	10,427	1	736		
	Between 5 and 10 years	20,090	5	18		(15)
	Over 10 years	8,778				
	<b>TOTAL</b>	<b>76,619</b>	<b>23</b>	<b>6,372</b>	<b>50</b>	<b>(28)</b>
Italy	Less than 3 months					
	Between 1 and 2 years			283		
	Between 3 and 5 years	147				
	Between 5 and 10 years	3,179	4	385		
	<b>TOTAL</b>	<b>3,326</b>	<b>4</b>	<b>668</b>		
US	Less than 3 months					
	Between 5 and 10 years			2,242		
	<b>TOTAL</b>			<b>2,242</b>		
France	Less than 3 months					
	Between 3 months and 1 year	97				
	Between 2 and 3 years	52				
	Between 5 and 10 years	1,924				
	<b>TOTAL</b>	<b>2,073</b>				
Japan	Less than 3 months					
	Between 3 months and 1 year	121				
	Between 3 and 5 years	358				



**Sovereign risk exposure - 31-12-2022***(Millions of euros)*

Country/Supra national body	Residual maturity	FA at amortised cost	FA held for trading	FA at fair view w/changes in other comprehensive income	FA not designated for trading *	FL held for trading - Short positions
	Between 5 and 10 years	251				
	<b>TOTAL</b>	730				
<b>European Union</b>	Less than 3 months					
	Between 3 and 5 years	645				
	Between 5 and 10 years	1,867				
	<b>TOTAL</b>	<b>2,512</b>		<b>128</b>		
<b>Other</b>	Less than 3 months	2				
	Between 3 months and 1 year	2		1		(10)
	Between 5 and 10 years	286				
	<b>TOTAL</b>	<b>290</b>		<b>1</b>		<b>(10)</b>
<b>TOTAL</b>		<b>85,550</b>	<b>27</b>	<b>9,411</b>	<b>50</b>	<b>(38)</b>

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

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

**Sovereign risk exposure - 31-12-2021***(Millions of euros)*

Country/Supranational body	FA at amortised cost	FA held for trading	FA at fair view w/changes in other comprehensive income	FA not designated for trading *	FL held for trading - Short positions
Spain	74,125	128	11,194	65	(120)
Italy	2,646	119	763		(119)
Other	638		1		
<b>TOTAL</b>	<b>77,409</b>	<b>247</b>	<b>11,958</b>	<b>65</b>	<b>(239)</b>

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

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

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

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

**Financing for real estate construction and development**

The tables below show financing for real estate 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		31-12-2021	
	Total amount	Of which: Stage 3	Total amount	Of which: Stage 3
Gross amount	4,821	271	5,706	361
Allowances for impairment	(242)	(150)	(277)	(159)
<b>CARRYING AMOUNT</b>	<b>4,579</b>	<b>121</b>	<b>5,429</b>	<b>202</b>
Excess gross exposure over the maximum recoverable value of effective collateral	943	147	922	123
<i>Memorandum items: Asset write-offs</i>	1,884		1,997	
<i>Memorandum items: Loans to customers excluding public administrations (business in Spain) (carrying amount)</i>	295,980		298,363	

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

#### Financing extended to group real estate companies

(Millions of euros)

	Carrying amount	
	31-12-2022	31-12-2021
<b>Finance to Group subsidiaries</b>	<b>4,495</b>	<b>5,135</b>
<i>BuildingCenter</i>	<i>4,495</i>	<i>5,135</i>

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
<b>Without mortgage collateral</b>	<b>618</b>	<b>619</b>
<b>With mortgage collateral</b>	<b>4,203</b>	<b>5,087</b>
Buildings and other completed constructions	2,911	3,429
Homes	1,958	2,313
Other	953	1,116
Buildings and other constructions under construction	952	1,240
Homes	811	1,100
Other	141	140
Land	340	418
Consolidated urban land	156	156
Other land	184	262
<b>TOTAL</b>	<b>4,821</b>	<b>5,706</b>

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

#### Financial guarantees

(Millions of euros)

	31-12-2022	31-12-2021
<b>Financial guarantees given related to real estate construction and development</b>	<b>210</b>	<b>446</b>
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
<b>Value of collateral *</b>	<b>11,984</b>	<b>13,710</b>
<i>Of which: guarantees non-performing risks</i>	<i>625</i>	<i>766</i>

(\*) 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
Financing granted in the year	330	210
Average percentage financed	93%	92%

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	
	Gross amount	Of which: non-performing	Gross amount	Of which: non-performing
<b>Not real estate mortgage secured</b>	<b>1,068</b>	<b>7</b>	<b>1,115</b>	<b>9</b>
<b>With real estate mortgage, by LTV ranges *</b>	<b>123,781</b>	<b>3,121</b>	<b>125,565</b>	<b>4,718</b>
LTV ≤ 40%	37,505	367	36,716	400
40% < LTV ≤ 60%	40,026	557	42,862	648
60% < LTV ≤ 80%	31,454	621	30,558	854
80% < LTV ≤ 100%	7,221	508	6,946	827
LTV > 100%	7,575	1,068	8,483	1,989
<b>TOTAL</b>	<b>124,849</b>	<b>3,128</b>	<b>126,680</b>	<b>4,727</b>

### 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 Entity is subject to an internal framework that has been approved by the Global Risk Committee, which enables rapid decision-making for both financial and other counterparties.

In the case of transactions with financial institutions, the Entity has a specific internal framework setting out the methodology used to grant credit lines. The maximum authorised credit risk exposure with an entity is primarily determined on the basis of the entities' ratings and the analysis of their financial statements. 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 a 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 and all of the characteristics of the transactions.

Counterparty risk exposure for repos and securities lending in the Entity is calculated as the difference between the market value of the securities/cash granted to the counterparty and the market value of the securities/cash received 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 Entity 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 Entity 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 Entity 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 the hypothetical case of a downgrade of the Entity's rating, the impact on collateral would be significant because most of the collateral agreements do not provide for franchises related to the Entity's external credit rating.

### *Risk associated with the investee portfolio*

The risk associated with equity investments (or "investees") is included under credit risk for investments that are not classified in the held-for-trading portfolio. More specifically, the Corporate Risk Catalogue 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 approach 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.

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
<b>Public administrations</b>	<b>7</b>	<b>9</b>
<b>Non-financial corporations and individual entrepreneurs (non-financial business)</b>	<b>16,487</b>	<b>20,297</b>
Real estate construction and development (including land)	75	94
Civil engineering	1,352	1,674
Other	15,060	18,529
Large corporates	3,685	4,612
SMEs and individual entrepreneurs	11,375	13,917
<b>TOTAL</b>	<b>16,494</b>	<b>20,306</b>

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

The Entity is only exposed to actuarial risk as a result of pension commitments that are not insured by any insurance firm. Given that the majority are insured, this risk is not significant in CaixaBank. Furthermore, insurance activity, which is what has and manages actuarial risk resulting from customers' insurance contracts, takes place via VidaCaixa, and therefore has no impact on CaixaBank's financial statements (non-consolidated).

#### 3.4.3 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 Entity's balance sheet not recognised in the trading book.

The management of this risk by the Entity 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 Entity 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 Entity. The difference between this value and the economic value calculated at current market rates gives us a numeric representation of the sensitivity of economic value to the various scenarios employed. The Entity 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 Entity's budget are included.

- **Net interest income projections:**

The Bank 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 demand accounts and the future performance of the Entity'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 Entity then uses this sensitivity measurement to define operating risk thresholds for net interest income for particular interest rate scenarios.

The sensitivities of net interest income and equity are measurements that complement each other and provide an overview of risk in the banking book, which focuses more on the short and medium term, in the case of net interest income, and on the medium and long term in the case of equity.

The following tables show, using a static gap, the distribution of interest rate revaluations and maturities of sensitive items on the Entity's balance sheet, without taking into account, where applicable, the value adjustments or value corrections at year-end:

### Matrix of maturities and revaluations of the 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
<b>ASSETS</b>							
Interbank and Central Banks	26,241	680		227	250	250	27,649
Loans and advances to	238,966	26,093	14,682	8,955	7,278	34,036	330,010
Fixed income portfolio	25,527	4,167	5,867	6,765	4,719	33,672	80,717
<b>TOTAL ASSETS</b>	<b>290,734</b>	<b>30,940</b>	<b>20,549</b>	<b>15,947</b>	<b>12,247</b>	<b>67,958</b>	<b>438,376</b>
<b>LIABILITIES</b>							
Interbank and Central Banks	37,080	848	65	38	169	43	38,242
Customer deposits	198,058	57,974	9,772	5,610	5,611	84,482	361,507
Issuances	10,682	6,997	13,245	6,239	6,252	10,824	54,239
<b>TOTAL LIABILITIES</b>	<b>245,820</b>	<b>65,819</b>	<b>23,082</b>	<b>11,887</b>	<b>12,032</b>	<b>95,349</b>	<b>453,988</b>
<b>ASSETS LESS LIABILITIES</b>	<b>44,914</b>	<b>(34,879)</b>	<b>(2,533)</b>	<b>4,060</b>	<b>215</b>	<b>(27,391)</b>	<b>(15,614)</b>
Hedges	(63,486)	9,486	24,535	4,573	19,203	5,959	271
<b>TOTAL DIFFERENCE</b>	<b>(18,572)</b>	<b>(25,393)</b>	<b>22,002</b>	<b>8,633</b>	<b>19,418</b>	<b>(21,432)</b>	<b>(15,344)</b>

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)	4.77%	(4.48%)
Economic value of equity for sensitive balance sheet aggregates (2)	(0.59%)	(0.3%)

(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 Bank'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 static gaps, the net interest income forecasts and the economic value of the Bank.

To mitigate the interest rate risk in the banking book, the Entity actively manages risk by arranging additional hedging transactions on financial markets to supplement the natural hedges generated on its own balance sheet as a result of the complementarity between the sensitivity to fluctuations in interest rates on deposits and on lending transactions arranged with customers or other counterparties. At 31 December 2022, the Entity 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 and demand account hedges. The most relevant are issue hedges that are structured as macro fair value hedges.

### Exchange rate risk in the banking book

Exchange rate risk in the banking book corresponds to the potential risk in the assets affected by adverse movements in exchange rates.

The Entity has foreign currency assets and liabilities in its balance sheet primarily as a result of its commercial activity and its shares in foreign currencies, in addition to the foreign currency assets and liabilities deriving from the Entity's measures to mitigate exchange rate risk.

The equivalent euro value of all foreign currency assets and liabilities in the Entity's balance sheet is as follows:

**Foreign currency positions***(Millions of euros)*

	31-12-2022	31-12-2021
Cash and cash balances at central banks and other demand deposits	583	456
Financial assets held for trading	1,949	4,425
Financial assets with changes in other comprehensive income	2,252	26
Financial assets measured at amortised cost	22,150	17,426
Other assets	(4,267)	491
<b>TOTAL FOREIGN CURRENCY ASSETS</b>	<b>22,667</b>	<b>22,824</b>
Financial liabilities at amortised cost	12,376	8,753
Deposits	9,301	6,929
Central banks	660	883
Credit institutions	4,440	1,435
Customers	4,201	4,610
Debt securities issued	2,462	1,718
Other financial liabilities	613	107
Other liabilities	2,496	4,987
<b>TOTAL FOREIGN CURRENCY LIABILITIES</b>	<b>14,872</b>	<b>13,740</b>

The Entity maintains the hedging of foreign currency risk, which may be carried out via transactions in cash or financial derivatives that mitigate asset and liability positions in the balance sheet. However, the nominal amount of these instruments is not reflected directly in the balance sheet, but rather as memorandum items for financial derivatives. This risk is managed by seeking to minimise the level of currency risk assumed in its commercial activity, which explains why the Entity's exposure to this 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	244	1,187	2,248	15,424	8,986	1,178
JPY	76	1		194	273	7
GBP	30	721	3	3,237	1,841	643
PLN (Polish Zloty)	115	6		1,042	388	627
CHF	13			203	242	4
CAD	11	100		1,167	62	90
Other	94	(66)	1	883	584	(53)
<b>TOTAL</b>	<b>583</b>	<b>1,949</b>	<b>2,252</b>	<b>22,150</b>	<b>12,376</b>	<b>2,496</b>

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 Entity has a high exposure to the Euribor index that is not affected by the transition as 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 Euribor-indexed contacts.

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
<b>Indexed to LIBOR</b>						
USD	10,056			913	1,181	955
<b>TOTAL</b>	<b>10,056</b>			<b>913</b>	<b>1,181</b>	<b>955</b>

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	677	
Cash flow hedges	1,224	
<b>TOTAL</b>	<b>1,901</b>	

### 3.4.4 Liquidity and funding risk

#### Overview

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

The Entity manages this risk to maintain sufficient liquidity levels so that it can comfortably meet all its payment obligations and to prevent its investment activities from being affected by a lack of lendable funds, at all times within the 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 the significant liquidity risks for the Entity and its liquidity management units;
- Formulation of the strategic principles the Entity 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 Entity holds specific strategies with regard to: i) management of intraday liquidity risk; ii) management of the short-term liquidity; iii) management of sources of financing/concentrations; iv) management of liquid assets; and v) management of collateralised assets. Similarly, the Entity has procedures to minimise liquidity risks in stress conditions through i) the early detection of the circumstances through which it can be generated; ii) minimising negative impacts; and iii) sound management to overcome a potential crisis situation.

### Mitigation techniques for liquidity risk

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

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

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

### Available in ECB facility

(Millions of euros)

	31-12-2022	31-12-2021
<b>Value of guarantees delivered as collateral</b>	<b>71,550</b>	<b>83,424</b>
<b>Drawn down</b>	<b>(15,178)</b>	<b>(75,890)</b>
TLTRO III *	(15,178)	(75,890)
<b>Interest on drawn guarantees</b>	<b>240</b>	<b>951</b>
<b>TOTAL AVAILABLE BALANCE IN ECB FACILITY</b>	<b>56,611</b>	<b>8,485</b>

(\*) Interest accrued from the borrowing from TLTRO III on 31 December 2022 and 2021 amounts to EUR 373 million and EUR 698 million, respectively. The value "interest on drawn guarantees" is the calculation carried out by the Bank of Spain to assess the guarantees drawn in the facility.

The Entity repaid a TLTRO III balance of EUR 60,712 million in 2022, of which EUR 12,615 million corresponded to ordinary repayments and EUR 48,097 million to early repayments, with outstanding financing of EUR 15,178 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 a positive net growth in eligible credit has been obtained in the period October 2020 – December 2021, allowing the application of a preferential rate to the TLTRO taken (deposit facility rate minus 50 basis points) to be extended to the period June 2021 – June 2022.

- 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
CaixaBank US MTN ("U.S. Medium Term Note") programme (Ireland 28-02-2022)	USD	5,000	
CaixaBank ECP ("Euro Commercial Paper") programme (Ireland 02-12-2022)	EUR	3,000	330

- 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 bonds 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 Entity's liquid assets based on the criteria established for determining high-quality liquid assets to calculate the LCR (HQLA), and available assets in facility not considered HQLAS:



**Liquid assets \***  
(Millions of euros)

	31-12-2022		31-12-2021	
	Market value	Applicable weighted amount	Market value	Applicable weighted amount
Level 1 assets	86,535	86,497	154,893	154,887
Level 2A assets	247	210	71	61
Level 2B assets	1,664	905	1,338	668
<b>TOTAL HIGH QUALITY LIQUID ASSETS (HQLAS)</b>	<b>88,447</b>	<b>87,613</b>	<b>156,302</b>	<b>155,616</b>
Assets available in facility not considered HQLAS		38,645		
<b>TOTAL LIQUID ASSETS</b>		<b>126,258</b>		<b>155,616</b>

(\*) 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 liquidity and financing ratios for the Entity are presented below:

**LCR and NSFR**

(Millions of euros)

	31-12-2022	31-12-2021
High-quality liquid assets - HQLAs (numerator)	87,613	155,616
Total net cash outflows (denominator)	44,010	45,226
Cash outflows	55,202	56,862
Cash inflows	11,192	11,636
<b>LCR (LIQUIDITY COVERAGE RATIO) (%) (1)</b>	<b>199%</b>	<b>344%</b>
<b>NSFR (NET STABLE FUNDING RATIO) (%) (2)</b>	<b>141%</b>	<b>153%</b>

(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 (EU) 2022/786 of 10 February 2022) to supplement Regulation (EU) 575/2013 of the European Parliament and of the Council with regard to 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			Preferred senior debt	Assessment date	Rating of mortgage covered bonds	Last review date of mortgage covered bonds
	Long-term debt	Short-term debt	Outlook				
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	
	Carrying amount of committed assets	Carrying amount of non-committed assets	Carrying amount of committed assets	Carrying amount of non-committed assets
Equity instruments		1,095		1,385
Debt securities *	22,379	60,686	37,595	39,580
Of which: covered bonds			7	1
Of which: asset-backed securities	10	68	57	59
Of which: issued by public administrations	21,194	54,755	34,981	36,088
Of which: issued by financial corporations	913	5,264	2,128	2,967
Of which: issued by non-financial corporations	262	599	422	465
Other assets **	79,320	334,239	117,940	374,414
Of which: loans and receivables	79,320	280,119	117,940	311,754
<b>TOTAL</b>	<b>101,699</b>	<b>396,020</b>	<b>155,535</b>	<b>415,379</b>

(\*) 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	
	FV of committed assets	FV of non-committed assets	FV of committed assets	FV of non-committed assets
Collateral received *	3,885	23,365	8,816	22,576
Equity instruments				
Debt securities	3,885	20,401	8,816	19,990
Other guarantees received		2,964		2,586
Own debt securities other than covered bonds or own asset-backed securities **		250		333
Issued and unpledged covered bonds and own asset-backed securities ***		52,059		16,586
<b>TOTAL</b>	<b>3,885</b>	<b>75,674</b>	<b>8,816</b>	<b>39,495</b>

(\*) 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
<b>Encumbered assets and collateral received (numerator)</b>	<b>105,583</b>	<b>164,351</b>
Debt securities	26,263	46,410
Loans and receivables	79,320	117,941
<b>Total assets + Total assets received (denominator)</b>	<b>524,968</b>	<b>602,305</b>
Equity instruments	1,095	1,385
Debt securities	107,350	105,980
Loan portfolio	359,439	429,695
Other assets	57,084	65,245
<b>ASSET ENCUMBRANCE RATIO</b>	<b>20.11%</b>	<b>27.29%</b>

During 2022, the asset encumbrance ratio has declined with respect to the 2021 ratio, down by 7.18 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	
	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 *
Financial liabilities	69,175	96,999	139,475	159,549
Derivatives	11,541	12,140	7,456	8,102
Deposits	39,425	54,658	108,303	124,390
Issuances	18,209	30,201	23,716	27,057
Other sources of charges	4,856	8,584	4,130	4,802
<b>TOTAL</b>	<b>74,031</b>	<b>105,583</b>	<b>143,605</b>	<b>164,351</b>

(\*) 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		23,240	3,001	1,157	250	27,649
Loans and advances - Customers	1,098	24,742	67,833	131,054	99,267	323,994
Debt securities		4,046	12,375	30,518	33,778	80,717
<b>TOTAL ASSETS</b>	1,098	52,028	83,209	162,729	133,295	432,360
Interbank liabilities		12,705	14,333	11,084	121	38,242
FL - Customer deposits	126,093	14,826	57,139	78,967	84,482	361,507
FL - Debt securities issued	8	3,203	5,875	34,018	11,134	54,239
<b>TOTAL LIABILITIES</b>	126,101	30,734	77,347	124,069	95,737	453,988
<i>Of which are wholesale issues net of treasury shares and multi-issuers</i>		3,750	2,625	24,926	21,131	52,432
<i>Of which are other financial liabilities for operating lease</i>		1	9	89	1,390	1,489
Drawable by third parties		4,941	15,447	25,987	39,403	85,778

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 Entity's internal behaviour models are applied. In order to assess the negative gap in the short term, the following aspects must be considered:

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

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

With respect to issuances, the Entity's policies take into account a balanced distribution of maturities, preventing concentrations and diversifying financing instruments.

In addition, the Entity's reliance on wholesale markets is limited.

### **3.4.5 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 the Group's 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 holding data on the Entity'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:**

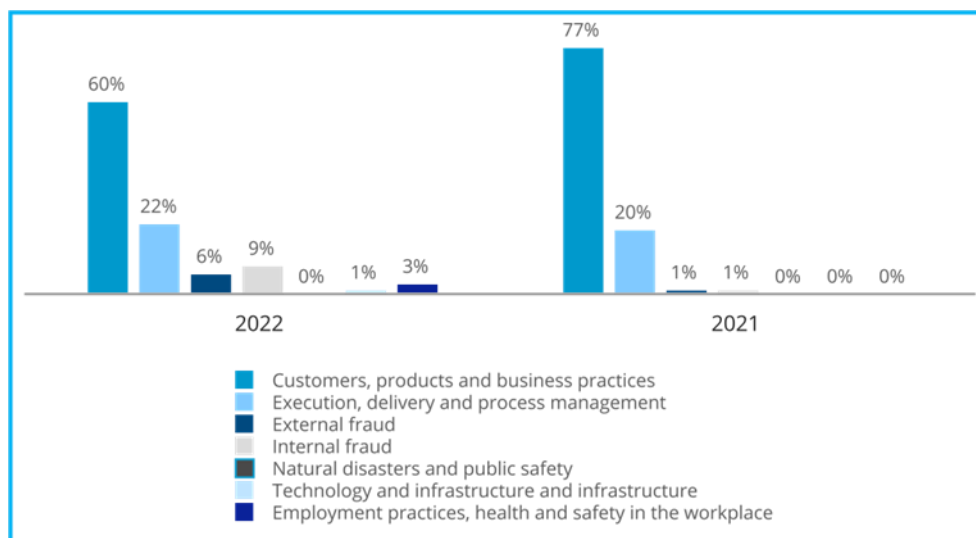
Operational risk is measured with the following aspects:

##### ■ 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 Entity'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 Entity'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 Entity— 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 Entity's risk arising from the application of conduct criteria that run contrary to the interests of its customers and stakeholders, or acts or omissions by the Entity that are not compliant with the legal or regulatory framework, or with internal codes, rules or procedures, or with codes of conduct and ethical and good practice

standards. The Entity's objective is: **i)** to minimise the probability of this risk occurring and **ii)** if it does, to detect, report and address the weaknesses promptly.

The management of compliance and conduct risk is not limited to any specific area, but rather the entire 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 Entity promotes awareness-raising and the 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 Entity as a result of changes in the legislation in force, the improper implementation of said legislation in the Entity's processes, its inadequate interpretation in different operations, or due to incorrect management of legal or administrative requirements or complaints or claims 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 Entity constantly monitors and tracks regulatory changes, in pursuit of greater legal certainty and defence of 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 Entity's strategic stance in financial regulation matters, driving the representation of the Entity's interests and coordinating the regular assessment of the regulatory initiatives and proposals that may affect the Entity.

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 hedges, 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 following table details a summary of the Entity's eligible own funds:

### Eligible own funds

(Millions of euros)

	31-12-2022		31-12-2021	
	Amount	In %	Amount	In %
<b>Net equity</b>	<b>34,262</b>		<b>35,425</b>	
Shareholders' equity	36,639		37,013	
Capital (Note 22)	7,502		8,061	
Profit/(loss)	3,145		5,226	
Reserves and other	25,992		23,726	
Minority interests and OCI	(2,377)		(1,588)	
<b>Other CET1 instruments</b>	<b>(800)</b>		<b>(601)</b>	
Adjustments applied to the eligibility of minority interests and OCI	466		63	
Other adjustments (1)	(1,266)		(664)	
<b>CET1 Instruments</b>	<b>33,462</b>		<b>34,824</b>	
<b>Deductions from CET1</b>	<b>(5,968)</b>		<b>(6,487)</b>	
Intangible assets	(3,463)		(3,856)	
Deferred tax assets	(1,901)		(2,074)	
Other deductions from CET1	(604)		(557)	
<b>CET1</b>	<b>27,494</b>	<b>12.8%</b>	<b>28,337</b>	<b>13.1%</b>
AT 1 instruments (2)	4,238		4,985	
AT1 Deductions				
<b>TIER 1</b>	<b>31,732</b>	<b>14.8%</b>	<b>33,322</b>	<b>15.5%</b>
T2 instruments (3)	5,575		5,192	
T2 Deductions				
<b>TIER 2</b>	<b>5,575</b>	<b>2.6%</b>	<b>5,192</b>	<b>2.4%</b>
<b>TOTAL CAPITAL</b>	<b>37,307</b>	<b>17.3%</b>	<b>38,514</b>	<b>17.9%</b>
Other eligible subordinated instruments. MREL	11,048		10,628	
<b>MREL, SUBORDINATED (4)</b>	<b>48,355</b>	<b>22.5%</b>	<b>49,142</b>	<b>22.8%</b>
Other computable instruments MREL	7,448		6,382	
<b>MREL (4)</b>	<b>55,803</b>	<b>25.9%</b>	<b>55,524</b>	<b>25.7%</b>
<b>RISK WEIGHTED ASSETS (RWA)</b>	<b>215,103</b>		<b>215,651</b>	
<b>Individual CaixaBank ratios:</b>				
CET1		12.9%		13.9%
TIER 1		15.0%		16.4%
Total capital		17.8%		19.0%
RWAs	199,250		200,755	

(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 2022 (see Note 20).

(3) A Tier 2 issue for EUR 750 million was completed in the fourth quarter (see Note 20). Another issue for GBP 500 million was completed in January 2023 (see Note 1.9)

(4) See Note 20 for 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	
	Amount	In %	Amount	In %
<b>BIS III minimum requirements</b>				
CET1 *	17,929	8.3%	17,651	8.2%
Tier 1	21,822	10.1%	21,553	10.0%
Total capital	27,010	12.6%	26,756	12.4%

(\*) 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 OEIFS (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
Exposure	563,692	631,351
Leverage ratio (Tier 1/Exposure)	5.6%	5.3%

The changes in eligible own funds are as follows:

### Changes in eligible own funds

(Millions of euros)

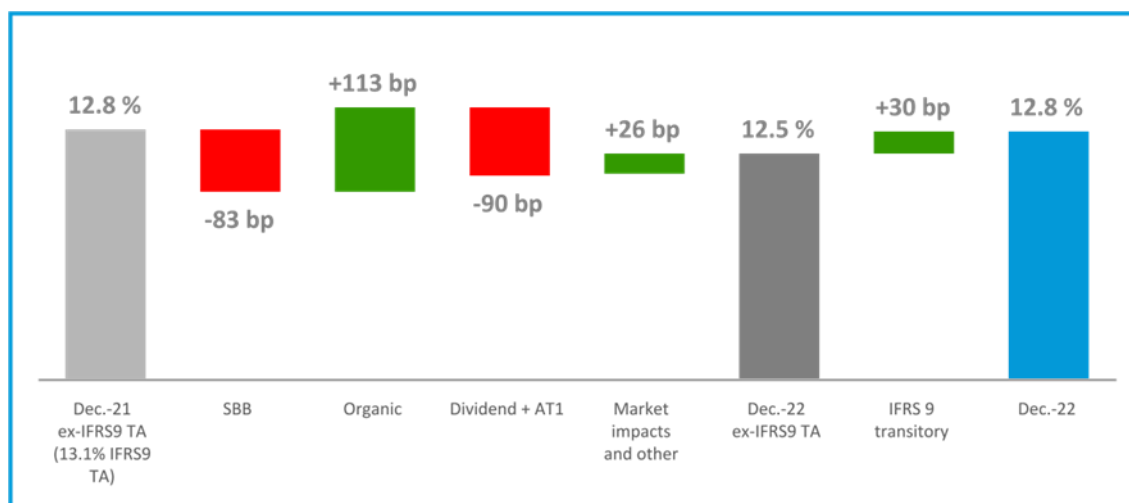
	31-12-2022		31-12-2021	
	Amount	In %	Amount	In %
<b>CET1 AT THE START OF THE YEAR</b>	<b>28,337</b>	<b>13.1%</b>	<b>19,654</b>	<b>13.6%</b>
<b>Changes in CET1 instruments</b>	<b>(1,362)</b>		<b>9,279</b>	
Capital	(559)		2,079	
Benefit	3,145		5,226	
Expected dividends	(1,730)		(1,179)	
Reserves	(1,781)		2,807	
Valuation adjustments and other <sup>(1)</sup>	(437)		346	
<b>Changes in deductions from CET1</b>	<b>519</b>		<b>(596)</b>	
Intangible assets	393		17	
Deferred tax assets	173		(285)	
Other deductions from CET1	(47)		(328)	
<b>CET1 AT THE END OF THE YEAR</b>	<b>27,494</b>	<b>12.8%</b>	<b>28,337</b>	<b>13.1%</b>
<b>ADDITIONAL TIER 1 AT THE START OF THE YEAR</b>	<b>4,985</b>	<b>2.3%</b>	<b>2,985</b>	<b>2.1%</b>
<b>Changes in AT1 instruments <sup>(2)</sup></b>	<b>(747)</b>		<b>2,000</b>	
Preference issues			2,000	
Redemption of issuances	(750)			
Other	3			
<b>ADDITIONAL TIER 1 AT THE END OF THE YEAR</b>	<b>4,238</b>	<b>2.0%</b>	<b>4,985</b>	<b>2.3%</b>
<b>TIER 2 AT THE START OF THE YEAR</b>	<b>5,192</b>	<b>2.4%</b>	<b>3,407</b>	<b>2.4%</b>
<b>Changes in Tier 2 instruments <sup>(2)</sup></b>	<b>383</b>		<b>1,785</b>	
Subordinated issuances	750		2,675	
Redemption of issuances	(500)		(1,175)	
Other	133		285	
<b>TIER 2 AT THE END OF THE YEAR</b>	<b>5,575</b>	<b>2.6%</b>	<b>5,192</b>	<b>2.4%</b>

(1) Includes IFRS 9 transitional adjustment

(2) See Note 20 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 (-83 basis points, corresponding to the total deduction of the maximum authorised amount for €1,800 million, see [Note 5](#)).

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 interest to 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	
	Amount	In %	Amount	In %
<b>Credit risk *</b>	<b>175,185</b>	<b>81.4%</b>	<b>172,795</b>	<b>80.2%</b>
Standardised approach	80,919	37.6%	83,706	38.9%
IRB approach	94,266	43.8%	89,089	41.3%
<b>Shareholder risk</b>	<b>19,978</b>	<b>9.3%</b>	<b>22,729</b>	<b>10.5%</b>
PD/LGD method	2,890	1.3%	4,837	2.2%
Simple method	17,088	7.9%	17,892	8.3%
<b>Market risk</b>	<b>1,130</b>	<b>0.5%</b>	<b>1,755</b>	<b>0.8%</b>
Standardised approach	12	0.0%	568	0.3%
Internal models (IMM)	1,118	0.5%	1,187	0.6%
<b>Operational risk</b>	<b>18,810</b>	<b>8.7%</b>	<b>18,371</b>	<b>8.5%</b>
Standardised approach	18,810	8.7%	18,371	8.5%
<b>TOTAL</b>	<b>215,103</b>	<b>100.0%</b>	<b>215,650</b>	<b>100.0%</b>

(\*) Includes credit valuation adjustments (CVA), deferred tax assets (DTAs) and securitisations.

## 5. APPROPRIATION OF PROFIT/(LOSS)

The appropriation of profits of CaixaBank, SA for the year 2022, which the Board of Directors, with the information available at the date of preparation of these financial statements, resolves to propose to the Annual General Meeting for approval, is presented below:

### Appropriation of profits of CaixaBank, S.A.

(Millions of euros)

	Amount
<b>Basis of appropriation</b>	
Profit/(loss) for the year	2,413
<b>Distribution</b>	
To dividends (1)	1,730
To reserves (2)	683
To legal reserve (3)	
To voluntary reserve (2) (4)	683
<b>NET PROFIT FOR THE YEAR</b>	<b>2,413</b>

(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 SHARESTOCK

### 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
<b>2022</b>				
2021 dividend	0.1463	1,179	27-01-2022	20-04-2022
<b>2021</b>				
2020 dividend	0.0268	216	29-01-2021	24-05-2021

### 6.2. EARNINGS PER SHARE

Basic and diluted earnings per share of the Entity are as follows:

#### Calculation of basic and diluted earnings per share

(Millions of euros)

	2022	2021
<b>Numerator</b>	<b>2,884</b>	<b>4,982</b>
Profit attributable to the Parent	3,145	5,226
Less: Preference share coupon amount (AT1)	(261)	(244)
<b>Denominator (thousands of shares)</b>	<b>7,819</b>	<b>7,575</b>
Average number of shares outstanding (1)	7,819	7,575
Adjustment for mandatory convertible instruments		
<b>Adjusted number of shares (basic earnings per share)</b>	<b>7,819</b>	<b>7,575</b>
<b>Basic earnings per share (in euros) (2)</b>	<b>0.37</b>	<b>0.66</b>
<b>Diluted earnings per share (euro) (3)</b>	<b>0.37</b>	<b>0.66</b>

(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 and 2021 had been considered, the basic profit would be EUR 0.27 and 0.53 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

No business combinations have taken place.

### Business combinations – 2021

#### **Bankia**

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 Entity 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 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, SA de Seguros y Reaseguros (BV). Thus, the Entity 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, applied to the BV capital acquired from Mapfre, equivalent to EUR 29 million).

The price for the purchase of 51% of BV reflects the value of EUR 577 million as determined by the independent expert chosen between the parties for the total share capital of BV (excluding the costs of the split).

Mapfre and CaixaBank 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, applied to the acquired capital of BV (51%). Arbitration is underway and the decision is expected in the first or second quarter of 2023.

As part of the reorganisation of the Entity's insurance business, in March 2022 CaixaBank sold 100% of the share capital of BV to VidaCaixa, which was recorded under "Non-current assets and disposal groups classified as held for sale", with no impact on the Entity's equity.

## 8. REMUNERATION OF "KEY MANAGEMENT PERSONNEL"

### 8.1. 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, Non-Executive Directors are covered by the civil liability policy for directors and executives of the Entity to cover any third-party liabilities they may incur when carrying out their duties.

Details of remuneration and other benefits received by the members of the Board of Directors of CaixaBank for their membership in that body in those years are as follows:



**Remuneration of the Board of Directors***(Thousands of euros)*

	Position	Fixed components				Variable components (5)					Total 2022	Total 2021
		Salary	Remuneration for being on the Board	Remuneration for being on Board committees	Remuneration for positions held in Group	Remuneration for being on Boards outside the Group (4)	Variable remuneration in cash	Share-based remuneration schemes	Long-term savings system	Other items (3)		
Goirigolzarri, Jose Ignacio (1)	Chairman	1,485	90	60		15	146	237		103	2,136	1,693
Gual, Jordi (1)												331
Muniesa, Tomás	Deputy		90	100	435	13					638	636
Gortázar, Gonzalo **	CEO	2,061	90	50	60		413	674	514	78	3,940	3,896
Reed, John S.	Lead Director		128	36							164	164
Ayuso, Joaquín (1)	Director		90	80							170	129
Bassons, María Teresa (1)												28
Campo, Francisco Javier (1)	Director		90	80							170	129
Castillo, Eva (1)	Director		90	80							170	129
Fisas, M. Verónica	Director		90	100							190	190
Fundación CajaCanarias, repres. by Natalia Aznarez (1)												33
García-Bragado, Alejandro (1)												28
Garmendia, Cristina	Director		90	110							200	200
Garralda, Ignacio (1)												21
Moraleda, María Amparo	Director		90	142							232	206
Sanchiz, Eduardo Javier	Director		90	140							230	230
Santero, Teresa (1)	Director		90	50							140	107
Serna, José	Director		90	80							170	163
Ulrich, Fernando María (1) (2)	Director		90	80	750						920	879
Usarraga, Koro	Director		90	160							250	250
<b>TOTAL</b>		<b>3,546</b>	<b>1,388</b>	<b>1,348</b>	<b>1,245</b>	<b>28</b>	<b>559</b>	<b>911</b>	<b>514</b>	<b>181</b>	<b>9,720</b>	<b>9,442</b>

(\*) Registered in the income statement of the respective companies.

(\*\*) Jose Ignacio Goirigolzarri and Gonzalo Gortazar have performed executive functions in 2022 and 2021.

(1) Appointed in 2021: José Ignacio Goirigolzarri as chairman, Joaquín Ayuso, Francisco Javier Campo and Eva Castillo as independent directors, Fernando Ulrich 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, María Teresa Bassons, Alejandro García-Bragado, Ignacio Garralda and the CajaCanarias Foundation stood down in 2021.

(2) The positions held at BPI are not in representation of CaixaBank Group.

(3) 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.

(4) Remuneration received for representing the Entity on Boards of Directors of listed companies and others in which the Company has a presence, outside of the consolidated group and which are recorded in the statements of profit or loss of the respective companies.

(5) 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.

## 8.2. REMUNERATION OF SENIOR MANAGEMENT

The breakdown and details of remuneration received by Senior Management of the Group are as follows:

### Remuneration of Senior Management

(Thousands of euros)

	31-12-2022	31-12-2021
Salary (1)	11,545	11,927
Post-employment benefits (2)	1,594	1,739
Other long-term provisions (3)	65	431
Other positions in Group companies	1,024	1,011
<b>TOTAL</b>	<b>14,228</b>	<b>15,108</b>
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	124	180
<b>TOTAL REMUNERATION</b>	<b>14,352</b>	<b>15,288</b>
Number of members of the Senior Management:	13	13

(1) This amount includes fixed remuneration, remuneration in kind and total variable remuneration received by members of the Senior Management. The variable remuneration corresponds to the objective annual bonus accrued in cash and shares of the financial year, including the deferred part, plus the provisional incentive corresponding to the first cycle of the share-based long-term variable remuneration plan.

(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
Post-employment commitments	18,792	19,533

## 8.3. 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](http://www.caixabank.com)).

In any case, the directors must notify the CaixaBank Board of Directors of any situation of conflict, direct or indirect, that the directors or persons related to them may be involved in, with the interests of the Entity, which will be subject to reporting in the financial statements, as established in article 229.3 of the Corporate Enterprises Act.

During 2022, no director has notified any situation that places them in a conflict of interest with the Entity. 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
<b>José Ignacio Goirigolzarri (Chairman)</b>	<ul style="list-style-type: none"> <li>Abstention from the deliberation and voting on the resolution regarding variable remuneration corresponding to 2021.</li> <li>Abstention from the deliberation and voting on the resolution regarding remuneration conditions corresponding to 2022.</li> </ul>
<b>Tomás Muniesa (Deputy Chairman)</b>	<ul style="list-style-type: none"> <li>Abstention from the deliberation and voting on the resolution regarding his appointment as member of the Executive Committee of the Board of Directors.</li> <li>Abstention from the deliberation and voting on the resolution regarding the sale of properties to a subsidiary of Criteria Caixa, S.A.U.</li> <li>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.</li> </ul>
<b>Gonzalo Gortazar (CEO)</b>	<ul style="list-style-type: none"> <li>Abstention from the deliberation and voting on the resolution regarding variable remuneration corresponding to 2021.</li> <li>Abstention from the deliberation and voting on the resolution regarding remuneration conditions corresponding to 2022.</li> </ul>
<b>John S. Reed (Lead Director)</b>	<ul style="list-style-type: none"> <li>Abstention in the deliberation on the proposal to agree to review the remuneration package of the Chairs of the Board of Directors' Committees.</li> </ul>
<b>Verónica Fisas (Director)</b>	<ul style="list-style-type: none"> <li>Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.</li> </ul>
<b>María Amparo Moraleda (Director)</b>	<ul style="list-style-type: none"> <li>Abstention from the deliberation and voting on the resolution regarding appointment as member of the Board of Director's Appointments and Sustainability Committee.</li> <li>Abstention in the deliberation on the proposal to agree to review the remuneration package of the Chairs of the Board of Directors' Committees.</li> <li>Abstention from deliberation and voting on motions regarding financing arrangements intended for related parties.</li> </ul>
<b>Eduardo Javier Sanchiz (Director)</b>	<ul style="list-style-type: none"> <li>Abstention in the deliberation on the proposal to agree to review the remuneration package of the Chairs of the Board of Directors' Committees.</li> </ul>
<b>Teresa Santero (Director)</b>	<ul style="list-style-type: none"> <li>Abstention from deliberations and voting on the resolution regarding the sale of the stake in the SAREB to the FROB.</li> <li>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.</li> </ul>
<b>José Serna (Director)</b>	<ul style="list-style-type: none"> <li>Abstention from the deliberation and voting on the resolution regarding the sale of a property to a subsidiary of Criteria Caixa, S.A.U.</li> <li>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.</li> </ul>
<b>Usarraga, Koro (Director)</b>	<ul style="list-style-type: none"> <li>Abstention in the deliberation on the proposal to agree to review the remuneration package of the Chairs of the Board of Directors' Committees.</li> <li>Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.</li> </ul>

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.

**8.4. VOTING RIGHTS HELD BY "KEY MANAGEMENT PERSONNEL"**

At year-end, the (direct and indirect) voting rights held by "key management personnel" are specified in section "Participation of the Board (A.3)" of the Annual Corporate Governance Report, attached to the Management Report.

## 9. 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
Cash	2,274	2,752
Cash balance in central banks (Note 3.4.4)	14,059	93,611
Other demand deposits	507	482
<b>TOTAL</b>	<b>16,840</b>	<b>96,845</b>

Cash balances at central banks includes balances held to comply with the mandatory minimum reserves requirement in the central bank based on eligible liabilities. The mandatory reserves earn interest at the rate applicable to all major Eurosystem financing operations.

## 10. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

### 10.1. TRADING DERIVATIVES

The breakdown of this heading is as follows:

#### Breakdown of trading derivatives (product and counterparty)

(Millions of euros)

	31-12-2022		31-12-2021	
	Assets	Liabilities	Assets	Liabilities
<b>Unmatured foreign currency purchases and sales</b>	<b>968</b>	<b>815</b>	<b>478</b>	<b>456</b>
Purchases of foreign currencies against euros	347	476	355	63
Purchases of foreign currencies against foreign currencies	90	87	87	86
Sales of foreign currencies against euros	531	252	36	307
<b>Share options</b>	<b>333</b>	<b>299</b>	<b>440</b>	<b>388</b>
Bought	333		440	
Issued		299		388
<b>Interest rate options</b>	<b>334</b>	<b>220</b>	<b>117</b>	<b>144</b>
Bought	334		117	
Issued		220		144
<b>Foreign currency options</b>	<b>68</b>	<b>28</b>	<b>46</b>	<b>56</b>
Bought	68		46	
Issued		28		56
<b>Other share, interest rate and inflation transactions</b>	<b>11,106</b>	<b>8,612</b>	<b>15,890</b>	<b>10,548</b>
Share swaps	105	16	132	102
Future rate agreements (FRAs)	139	154		
Interest-rate and inflation-linked swaps	10,862	8,442	15,758	10,446
<b>Commodity derivatives and other risks</b>	<b>541</b>	<b>388</b>	<b>400</b>	<b>281</b>
Swaps	524	368	398	279
Purchased options	17		2	
Sold options		20		2
<b>TOTAL</b>	<b>13,350</b>	<b>10,362</b>	<b>17,371</b>	<b>11,873</b>
<i>Of which: contracted in organised markets</i>	<i>37</i>	<i>36</i>	<i>35</i>	<i>43</i>
<i>Of which: contracted in non-organised markets</i>	<i>13,313</i>	<i>10,326</i>	<i>17,336</i>	<i>11,830</i>
<b>NOTIONAL</b>	<b>839,012</b>		<b>619,404</b>	

For the most part, the Entity hedges the market risk related to derivatives arranged with customers individually by arranging symmetric derivatives on the market, recognising both in the trading portfolio. In this way, the market risk arising from these operations is not significant.

### 10.2. EQUITY INSTRUMENTS

The breakdown of this heading is as follows:

#### Breakdown of equity instruments

(Millions of euros)

	31-12-2022	31-12-2021
Shares in Spanish companies	233	186
Shares in foreign companies		
<b>TOTAL</b>	<b>233</b>	<b>186</b>



### 10.3. DEBT SECURITIES

The breakdown of this heading is as follows:

#### Breakdown of debt securities \*\*

(Millions of euros)

	31-12-2022	31-12-2021
Spanish government debt securities *	23	128
Foreign government debt securities *	4	119
Issued by credit institutions	14	28
Other Spanish issuers	128	111
Other foreign issuers	13	28
<b>TOTAL</b>	<b>182</b>	<b>414</b>

(\*) 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".

### 10.4. 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
On overdrafts on repurchase agreements	59	280
Debt securities - public *	38	239
Debt securities - other issuers	21	41
<b>TOTAL</b>	<b>59</b>	<b>280</b>

(\*) 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.

## 11. FINANCIAL ASSETS NOT DESIGNATED FOR TRADING COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The breakdown of this heading is as follows:

### Breakdown of financial assets not designated for trading compulsorily measured at fair value through profit or loss

(Millions of euros)

	31-12-2022	31-12-2021
Equity instruments	56	54
Loans and advances	50	67
Customers	50	67
<b>TOTAL</b>	<b>106</b>	<b>121</b>

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](#)).

## 12. FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME

The breakdown of this heading is as follows:

### Breakdown of Financial assets at fair value with changes in other comprehensive income

(Millions of euros)

	31-12-2022	31-12-2021
<b>Equity instruments</b>	<b>807</b>	<b>1,144</b>
Shares in listed companies	683	1,000
Shares in non-listed companies	124	144
<b>Debt securities *</b>	<b>10,638</b>	<b>13,521</b>
Spanish government debt securities	6,372	11,194
Foreign government debt securities	3,039	764
Issued by credit institutions	390	565
Other Spanish issuers	13	55
Other foreign issuers	824	943
<b>TOTAL</b>	<b>11,445</b>	<b>14,665</b>
<b>Equity instruments</b>		
Of which: gross unrealised gains	8	9
Of which: gross unrealised losses	(1,269)	(1,540)
<b>Debt securities</b>		
Of which: gross unrealised gains	27	378
Of which: gross unrealised losses	(431)	

(\*) See ratings classification in Note 3.4.1. "Concentration according to credit quality".

### 12.1. EQUITY INSTRUMENTS

The breakdown of the changes under this heading is as follows:

#### Changes in 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		(629)	329	(17)		683
Other	144	2		(2)		(20)	124
<b>TOTAL</b>	<b>1,144</b>	<b>2</b>	<b>(629)</b>	<b>327</b>	<b>(17)</b>	<b>(20)</b>	<b>807</b>

(\*) 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 combinations (Note 7)	Acquisition s 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
Other	56	149	1	(16)	(3)	(6)	(37)	144
<b>TOTAL</b>	<b>899</b>	<b>149</b>	<b>1</b>	<b>(16)</b>	<b>(3)</b>	<b>151</b>	<b>(37)</b>	<b>1,144</b>

(\*) At 31 December 2021, the stake in Telefónica, SA was 4.49% due to the dilutive effect of the scrip dividend (4.87% at 31 December 2020). Subsequent to year-end and up to the date of formulation, CaixaBank completed a fair value hedge on 1.95% of Telefónica's share capital in the market.

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)

(1) Listed company. The information on equity and the last published profit/(loss) is at 30-09-2022.

(2) Unlisted company. 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.

## 12.2. DEBT SECURITIES

The breakdown of the changes under this heading is as follows:

### Changes in debt securities

(Millions of euros)

	2022			2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
<b>Opening balance</b>	<b>13,513</b>		<b>8</b>	<b>16,448</b>		
<b>Plus:</b>						
Additions due to business combinations				9,644		8
Transfers between stages		8	(8)			
Acquisitions	4,259					
Interest	315			(16)		
Gains/(losses) recognised with adjustments to equity (Note 24.2)	(783)	1		(188)		
<b>Less:</b>						
Sales and redemptions	(6,662)			(12,350)		
Amounts transferred to income statement (Note 32) *	(13)			(25)		
<b>CLOSING BALANCE</b>	<b>10,629</b>	<b>9</b>		<b>13,513</b>		<b>8</b>

(\*) 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".

## 13. 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)

	Gross balance	Value adjustments				Balance sheet amount
		Impairment allowances	Accrued interest	Fee and commission income	Other	
<b>Debt securities</b>	<b>71,893</b>	<b>(1)</b>	<b>352</b>			<b>72,244</b>
<b>Loans and advances</b>	<b>349,407</b>	<b>(6,109)</b>	<b>844</b>	<b>(217)</b>	<b>898</b>	<b>344,823</b>
Credit institutions	13,187	(7)	56			13,236
Customers	336,220	(6,102)	788	(217)	898	331,587
<b>TOTAL</b>	<b>421,300</b>	<b>(6,110)</b>	<b>1,196</b>	<b>(217)</b>	<b>898</b>	<b>417,067</b>

### Breakdown of financial assets at amortised cost - 31-12-2021

(Millions of euros)

	Gross balance	Value adjustments				Balance sheet amount
		Impairment allowances	Accrued interest	Fee and commission income	Other	
<b>Debt securities</b>	<b>62,976</b>		<b>263</b>			<b>63,239</b>
<b>Loans and advances</b>	<b>341,552</b>	<b>(6,967)</b>	<b>552</b>	<b>(250)</b>	<b>648</b>	<b>335,535</b>
Central banks	59					59
Credit institutions	8,263	(9)	(3)			8,251
Customers	333,230	(6,958)	555	(250)	648	327,225
<b>TOTAL</b>	<b>404,528</b>	<b>(6,967)</b>	<b>815</b>	<b>(250)</b>	<b>648</b>	<b>398,774</b>

### 13.1. 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
Spanish government debt securities	57,516	55,623
Of which: SAREB	17,502	19,160
Other Spanish issuers	323	274
Other foreign issuers	14,405	7,342
<b>TOTAL</b>	<b>72,244</b>	<b>63,239</b>

(\*) 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			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>63,238</b>			<b>63,238</b>	<b>19,970</b>			<b>19,970</b>
Additions due to business combinations (Note 7)					37,005			37,005
New financial assets	30,218			30,218	18,395			18,395
Financial asset disposals (other than write-offs) **	(21,003)			(21,003)	(11,924)			(11,924)
Changes in interest accrual	(145)			(145)	(167)			(167)
Exchange differences and other	(63)			(63)	(40)			(40)
<b>CLOSING BALANCE</b>	<b>72,245</b>			<b>72,245</b>	<b>63,239</b>			<b>63,239</b>
Impairment allowances *	(1)			(1)				

(\*) 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.

**13.2. LOANS AND ADVANCES*****Loans and advances - Credit institutions***

The breakdown of the gross balances of this heading is as follows:

**Breakdown of loans and advances to credit institutions by type***(Millions of euros)*

	31-12-2022	31-12-2021
<b>Demand</b>	<b>7,917</b>	<b>5,033</b>
Other accounts	7,917	5,033
<b>Term</b>	<b>5,270</b>	<b>3,230</b>
Deposits with agreed maturity	5,265	1,701
Deposits with agreed maturity in stage 3	5	1,529
<b>TOTAL</b>	<b>13,187</b>	<b>8,263</b>

***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				
	POCI *					POCI *				
	Stage 1	Stage 2	Stage 3	Not impaired	Impaired	Stage 1	Stage 2	Stage 3	Not impaired	Impaired
Gross carrying amount	302,991	25,678	8,552	3	465	293,916	28,390	11,188	1	688
Impairment allowances	(1,014)	(1,115)	(3,751)		(222)	(614)	(1,389)	(4,873)		(82)
<b>TOTAL</b>	<b>301,977</b>	<b>24,563</b>	<b>4,801</b>	<b>3</b>	<b>243</b>	<b>293,302</b>	<b>27,001</b>	<b>6,315</b>	<b>1</b>	<b>606</b>

(\*) 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			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>293,916</b>	<b>28,390</b>	<b>11,188</b>	<b>333,494</b>	<b>198,489</b>	<b>16,997</b>	<b>7,229</b>	<b>222,715</b>
Additions due to business combinations (Note 7)	(1,512)	1,040	472		104,589	13,120	4,193	121,902
Transfers	(11,318)	10,532	786		(3,640)	1,911	1,729	
From stage 1:	9,732	(11,185)	1,453		(10,846)	10,170	676	
From stage 2:	74	1,693	(1,767)		7,070	(8,742)	1,672	
From stage 3:					136	483	(619)	
New financial assets	67,186	1,820	558	69,564	50,715	1,508	736	52,959
Financial asset disposals (other than write-offs)	(56,599)	(5,572)	(1,789)	(63,960)	(56,237)	(5,146)	(1,458)	(62,841)
Write-offs			(1,877)	(1,877)			(1,241)	(1,241)
<b>CLOSING BALANCE</b>	<b>302,991</b>	<b>25,678</b>	<b>8,552</b>	<b>337,221</b>	<b>293,916</b>	<b>28,390</b>	<b>11,188</b>	<b>333,494</b>

The changes of hedges 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			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>614</b>	<b>1,389</b>	<b>4,873</b>	<b>6,876</b>	<b>580</b>	<b>793</b>	<b>3,039</b>	<b>4,412</b>
Additions due to business combinations (Note 7)					612	897	1,920	3,429
Net allowances	400	(274)	66	192	(578)	(301)	1,260	381
From stage 1:	285	(387)	238	136	(484)	60	(123)	(547)
From stage 2:	(23)	(83)	(926)	(1,032)	7	(138)	283	152
From stage 3:	(8)	129	727	848	52	(68)	1,159	1,143
New financial assets	157	81	307	545	131	56	331	518
Disposals	(11)	(14)	(280)	(305)	(284)	(211)	(390)	(885)
Amounts used			(1,201)	(1,201)			(1,064)	(1,064)
Transfers and other			13	13			(282)	(282)
<b>CLOSING BALANCE</b>	<b>1,014</b>	<b>1,115</b>	<b>3,751</b>	<b>5,880</b>	<b>614</b>	<b>1,389</b>	<b>4,873</b>	<b>6,876</b>

## 14. DERIVATIVES - HEDGE ACCOUNTING (ASSETS AND LIABILITIES)

The breakdown of the balances of these headings is as follows:

### Breakdown of hedging derivatives (product and counterparty)

(Millions of euros)

	31-12-2022		31-12-2021	
	Assets	Liabilities	Assets	Liabilities
Interest rates	209	69	987	49
Equity instruments	38		12	
Currencies and gold	8	7	6	3
Other		98	10	53
<b>TOTAL FAIR VALUE HEDGES</b>	<b>255</b>	<b>174</b>	<b>1,015</b>	<b>105</b>
Interest rates		1		
Currencies and gold	351	127		116
Other		1,068	3	707
<b>TOTAL CASH FLOW HEDGES</b>	<b>351</b>	<b>1,196</b>	<b>3</b>	<b>823</b>
<b>TOTAL</b>	<b>606</b>	<b>1,370</b>	<b>1,018</b>	<b>928</b>
<b>Memorandum items</b>				
<i>Of which: OTC - credit institutions</i>	<i>606</i>	<i>1,370</i>	<i>1,018</i>	<i>928</i>

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		1	378	2,662	9,693	12,734	(0.13) %
Liability interest-rate hedges	1,264	2,567	3,754	51,015	13,325	71,925	0.21 %
<b>TOTAL FAIR VALUE HEDGES</b>	<b>1,264</b>	<b>2,568</b>	<b>4,132</b>	<b>53,677</b>	<b>23,018</b>	<b>84,659</b>	
Asset interest-rate hedges	1,492	4,243	3,531	31,005	5,049	45,320	(2.13) %
<b>TOTAL CASH FLOW HEDGES</b>	<b>1,492</b>	<b>4,243</b>	<b>3,531</b>	<b>31,005</b>	<b>5,049</b>	<b>45,320</b>	

**Hedging items - Fair value hedges***(Millions of euros)*

	Hedged item	Risk covered	Hedging instrument used	31-12-2022		2022		31-12-2021	
				Value of hedging instrument		Change in FV used to calculate the ineffectiveness of the hedge (Note 30)	Ineffectiveness taken to profit/(loss) (Note 30)	Value of hedging instrument	
				Assets	Liabilities			Assets	Liabilities
<b>Macro-hedges</b>	Issuances	Transformation from fixed to floating	Interest-rate swaps and options	203	37	(4,711)	3	913	2
	Fixed-rate loans	Transformation from fixed to floating	Interest-rate swaps and options	6	17	1,489	4	31	49
	Demand accounts	Transformation from fixed to floating	Interest-rate swaps			(1,885)			
	<b>TOTAL</b>			<b>209</b>	<b>54</b>	<b>(5,107)</b>	<b>7</b>	<b>944</b>	<b>51</b>
<b>Micro-hedges</b>	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
	Debt fixed-income portfolio amortised cost portfolio	Transformation of fixed-rate debt in foreign currency to floating-rate in foreign	Interest-rate swaps		4	1			5
	Shares issued	Transformation from 12M Euribor to 3M Euribor	Interest-rate swaps	1	21	(29)		9	
	Currency loan	Transformation from fixed rate in foreign currency to floating	Currency swaps	8	1	(3)		9	
	Debt amortised cost portfolio	Debt transformation from fixed to floating rate	Interest-rate swaps			31			
	Debt securities issued	Debt transformation from inflation-linked fixed to floating	Inflation-linked swaps and inflation-linked options			(8)		9	
	Public Debt amortised cost portfolio	Value of hedged fixed-income assets	Forward			(32)		32	
	Equity instruments OCI	Market risk	Equity swaps	37		38		12	
	Other								2
	<b>TOTAL</b>			<b>46</b>	<b>120</b>	<b>24</b>		<b>71</b>	<b>54</b>

**Hedged items - Fair value hedges**

(Millions of euros)

				31-12-2022				2022			31-12-2021	
				Hedged instrument		Accumulated fair value adjustments in the hedged item		Accumulate d 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 item	Risk covered	Hedging instrument used	Assets	Liabilities	Assets	Liabilities				Assets	Liabilities
Macro-hedges	Issuances	Transformation from fixed to floating	Interest-rate swaps and options		49,032		(3,799)	66	4,714	Financial liabilities at amortised cost		43,950
	Fixed-rate loans	Transformation from fixed to floating	Interest-rate swaps and options	11,553			(1,647)	1,005	(1,485)	Financial assets measured at	11,211	
	Demand accounts	Transformation from fixed to floating	Interest-rate swaps		20,000		(1,886)		1,885	Financial liabilities at amortised cost		3,000
	TOTAL			11,553	69,032	(1,647)	(5,685)	1,071	5,114		11,211	46,950
Micro-hedges	Public debt OCI portfolio	Transformation from fixed to floating	Interest-rate swaps	58		N/A	N/A		(9)	Financial assets at fair value *	68	
	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	
	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 measured at amortised cost	37	
	Shares issued	Transformation from 12M Euribor to 3M Euribor	Interest-rate swaps		2,893		(20)		29	Shares issued		3,581
	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	
	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	452		(34)			(31)	Financial assets at fair value *	452	
	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
	Public Debt amortised cost portfolio	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 *	228	
	Other			3				7			4	
	TOTAL			1,640	2,893	(38)	(20)	(23)	(24)		3,461	3,612

(\*) with changes in other comprehensive income

**Hedging items - cash flow hedges***(Millions of euros)*

				31-12-2022			31-12-2021	
Hedged item	Risk covered	Hedging instrument used	Value of hedging instrument		Amount reclassified from equity to profit or loss	Ineffectiveness taken to profit/(loss)	Value of hedging instrument	
			Assets	Liabilities			Assets	Liabilities
<b>Macro-hedges</b>	Mortgage Euribor loans	Mortgage Euribor transformation to fixed rate			12			
	Floating-rate currency loans	Transformation from floating rate in foreign currency to floating rate in euros	345	95	(140)			114
	Fixed-rate term deposits	Transformation from fixed to floating			1			
	<b>TOTAL</b>		<b>345</b>	<b>95</b>	<b>(127)</b>			<b>114</b>
<b>Micro-hedges</b>	Inflation-linked public debt	Transformation from inflation-linked floating to fixed rate		289	(124)			165
	Public debt at amortised cost in foreign currency	Transformation from fixed rate in foreign currency to fixed rate in euros	6	33	1		3	2
	Inflation-linked public debt at amortised cost	Transformation from floating to fixed		779	(291)			542
	<b>TOTAL</b>		<b>6</b>	<b>1,101</b>	<b>(414)</b>		<b>3</b>	<b>709</b>

**Hedged items - cash flow hedges**

(Millions of euros)

				31-12-2022			31-12-2021	
Hedged item		Risk covered	Hedging instrument used	Reserve of cash flow hedges	Pending amount in reserve of cash flow hedges of hedging relationships for which recognising hedges no longer applies	Line on the balance sheet including the hedged item	Reserve of cash flow hedges	Pending amount in reserve of cash flow hedges of hedging relationships for which recognising hedges no longer applies
Macrohedg es	Mortgage Euribor loans	Mortgage Euribor transformation to fixed rate	Interest-rate swaps	(557)			7	
	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)	
	Fixed-rate term deposits	Transformation from fixed to floating	Interest-rate swaps			Financial liabilities at amortised cost		23
	TOTAL			(573)	22		(13)	23
Microhedg es	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)	
	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	(45)		Financial assets measured at amortised cost	(97)	
	TOTAL			(162)			(144)	

(\*) with changes in other comprehensive income



## 15. INVESTMENTS IN SUBSIDIARIES, 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	Impairment losses	Transfers and other *	31-12-2022	
	Carrying amount	% Stake					Carrying amount	% Stake
<b>COST</b>	17,405		1	(6)		117	17,518	
BuildingCenter	9,182	100.00%					9,182	100.00%
VidaCaixa **	2,338	100.00%				197	2,535	100.00%
Banco BPI	2,060	100.00%					2,060	100.00%
CaixaBank Payments & Consumer	1,572	100.00%				30	1,602	100.00%
Hiscan Patrimonio	540	100.00%				(60)	480	100.00%
Puerto Triana	261	100.00%					261	100.00%
Hiscan Patrimonio II	223	100.00%					223	100.00%
CaixaBank Asset Management	177	100.00%					177	100.00%
CaixaBank Tech	176	100.00%					176	100.00%
Other ***	876		1	(6)		(50)	822	
<b>IMPAIRMENT ALLOWANCES</b>	(7,811)				(174)	1	(7,984)	
BuildingCenter	(7,097)				(134)		(7,231)	
Hiscan Patrimonio	(363)					1	(362)	
Other	(351)				(40)		(391)	
<b>TOTAL GROUP ENTITIES</b>	<b>9,594</b>		<b>1</b>	<b>(6)</b>	<b>(174)</b>	<b>118</b>	<b>9,534</b>	
<b>COST</b>	82			(41)		(15)	26	
Other	82			(41)		(15)	26	
<b>IMPAIRMENT ALLOWANCES</b>	(8)						(8)	
Other	(8)						(8)	
<b>TOTAL ASSOCIATES</b>	<b>74</b>			<b>(41)</b>		<b>(15)</b>	<b>18</b>	

(\*) Transfers and other mainly includes the distribution of reserves and dividends deducted from cost of investment.

(\*\*) Includes the non-monetary contribution of Bankia Vida (see Note 7)

(\*\*\*) Includes the transfer from Sa Nostra Vida to VidaCaixa

At year-end, there were no agreements to provide additional financial support or any other contractual commitment made by the parent company or subsidiaries with associates and joint ventures of the Entity not recognised in the financial statements. Likewise, there are no contingent liabilities related to these investments.

### 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).

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 income statement of the Entity.

In November 2022, CaixaBank transferred the remaining 18.69% of the share capital of Sa Nostra Life to VidaCaixa for a sale price of EUR 51 million.

Following this acquisition, the reorganisation of Bankia's insurance business is now complete. The acquisition did not significantly impact the income statement.

#### ***CaixaBank Payments & Consumer***

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 operation had no significant impact on the income statement.

#### **Impairment of the portfolio of investments**

For the purpose of assessing the recoverable amount of investments in associates and joint ventures, the Entity 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.

## 16. 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		
	Land and buildings	Instal. furniture and others	Rights of use *	Land and buildings	Instal. furniture and others	Rights of use *
<b>Cost</b>						
Opening balance	3,463	5,588	2,024	2,251	4,075	1,568
Additions due to BC (Note 7)				1,562	1,674	428
Additions	11	354	118	23	286	59
Disposals	(6)	(523)	(225)	(4)	(399)	(31)
Transfers	(387)	(4)		(369)	(48)	
<b>CLOSING BALANCE</b>	<b>3,081</b>	<b>5,415</b>	<b>1,917</b>	<b>3,463</b>	<b>5,588</b>	<b>2,024</b>
<b>Accumulated depreciation</b>						
Opening balance	(842)	(3,967)	(327)	(438)	(2,703)	(201)
Additions due to BC (Note 7)				(396)	(1,435)	
Additions	(36)	(197)	(159)	(39)	(183)	(134)
Disposals	4	443	26		328	8
Transfers	151	1		31	26	
<b>CLOSING BALANCE</b>	<b>(723)</b>	<b>(3,720)</b>	<b>(460)</b>	<b>(842)</b>	<b>(3,967)</b>	<b>(327)</b>
<b>Impairment allowances</b>						
Opening balance		(25)			(11)	
Additions due to BC (Note 7)					(21)	
Allowances (Note 35)					(1)	
Provisions (Note 35)		1				
Transfers		2			8	
<b>CLOSING BALANCE</b>		<b>(22)</b>			<b>(25)</b>	
<b>OWN USE, NET</b>	<b>2,358</b>	<b>1,673</b>	<b>1,457</b>	<b>2,621</b>	<b>1,596</b>	<b>1,697</b>
<b>Cost</b>						
Opening balance	57			70	1	
Additions due to BC (Note 7)				582		
Additions	2			1		
Disposals	(11)	(1)		(32)		
Disposals due to contributions				(612)	(1)	
Transfers	119	1		48		
<b>CLOSING BALANCE</b>	<b>167</b>			<b>57</b>		
<b>Accumulated depreciation</b>						
Opening balance	(3)			(8)	(1)	
Additions due to BC (Note 7)				(39)		
Additions	(1)			(3)		
Disposals	2	1		6		
Disposals due to contributions				41	1	
Transfers	(39)	(1)				
<b>CLOSING BALANCE</b>	<b>(41)</b>			<b>(3)</b>		
<b>Impairment allowances</b>						
Opening balance	(13)			(21)		
Additions due to BC (Note 7)				(146)		
Allowances (Note 35)	(18)			(2)		
Provisions (Note 35)	1			2		
Transfers	(3)			(20)		
Disposals due to contributions	2			168		
Amounts used	4			6		
<b>CLOSING BALANCE</b>	<b>(27)</b>			<b>(13)</b>		
<b>INVESTMENT PROPERTY</b>	<b>99</b>			<b>41</b>		

BC: business combination; INSTAL.: Installations

(\*) Corresponds to the rights of use of land and buildings. With respect to right-of-use assets, "Other financial liabilities - Liabilities associated with right-of-use assets" (see Note 20.4) shows the present value of future lease payments during the contract's mandatory term

**Property, plant and equipment for own use**

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	2,816
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.

## 17. INTANGIBLE ASSETS

The breakdown of this heading is as follows:

### Breakdown of intangible assets \*

(Millions of euros)

	Remaining useful life	31-12-2022	31-12-2021
<b>Goodwill</b>			<b>118</b>
Acquisition of Banca Cívica			118
<b>Other intangible assets</b>		<b>810</b>	<b>679</b>
Software	1 to 15 years	621	469
Other intangible assets (generated by mergers/acquisitions)		189	210
Bankia asset management	11 years	101	110
Bankia insurance brokerage	12 years	88	100
<b>TOTAL</b>		<b>810</b>	<b>797</b>

(\*) Beyond the provisions of Note 40 on the "la Caixa" brand and the star logo, 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.

The breakdown of the changes of the balance under this heading is as follows:

### Changes in other intangible assets

(Millions of euros)

	2022			2021		
	Goodwill	Software	Other assets	Goodwill	Software	Other assets
<b>Gross cost</b>						
Opening balance	2,410	747	229	2,410	702	23
Additions due to business combinations (Note 7)					79	391
Additions		247			160	
Transfers and other		3				(162)
Write-downs (Note 35)		(18)			(194)	(23)
<b>SUBTOTAL</b>	<b>2,410</b>	<b>979</b>	<b>229</b>	<b>2,410</b>	<b>747</b>	<b>229</b>
<b>Accumulated depreciation</b>						
Opening balance	(2,292)	(278)	(19)	(2,087)	(298)	(15)
Additions due to business combinations (Note 7)					(55)	
Additions	(118)	(88)	(23)	(205)	(77)	(34)
Transfers and other		(1)				12
Write-downs (Note 35)		11			152	18
<b>SUBTOTAL</b>	<b>(2,410)</b>	<b>(356)</b>	<b>(42)</b>	<b>(2,292)</b>	<b>(278)</b>	<b>(19)</b>
<b>Impairment allowances</b>						
Opening balance						
<b>CLOSING BALANCE</b>						
<b>TOTAL</b>		<b>623</b>	<b>187</b>	<b>118</b>	<b>469</b>	<b>210</b>

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	2,449
Commitments to acquire intangible assets	Insignificant
Assets with ownership restrictions	Insignificant

## 18. 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
Insurance contracts linked to pensions	2,259	2,985
Pensions and similar obligations (Note 21.1)	577	804
Long-term obligations (Note 21.2)	1,682	2,181
Net pension plan assets (Note 21.1)	158	256
Inventories	5	7
Other assets	1,564	1,358
Prepayments and accrued income	928	910
Ongoing transactions	474	287
Other	162	161
<b>TOTAL OTHER ASSETS</b>	<b>3,986</b>	<b>4,606</b>
Prepayments and accrued income	1,702	1,083
Ongoing transactions	617	273
Other	82	152
<b>TOTAL OTHER LIABILITIES</b>	<b>2,401</b>	<b>1,508</b>

### 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 was recorded under "Other liabilities - Accruals" and 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 Entity reached an agreement with Mapfre for the termination of the agency contract signed between Mapfre and Bankia Mediación Operador de Banca de Seguros Vinculado, SAU (Bankia Mediación) for the distribution of non-life insurance for which compensation amounting to EUR 247 million was agreed and paid in cash, corresponding to 110% of the value of the new production (excluding the existing portfolio) of the non-life insurance business, as determined by the independent expert designated by the parties. The amount 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 under "Other Assets - Accruals" on the balance sheet as this is an amount that the Entity 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 Entity's directors estimate that the advance 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 21 .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.



## 19. NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The breakdown of the changes of the balance under this heading is as follows:

### Changes in non-current assets for sale

(Millions of euros)

	2022			2021		
	Foreclosed assets			Foreclosed assets		
	Foreclosure rights (1)	Other	Other assets (2)	Foreclosure rights (1)	Other	Other assets (2)
<b>Gross cost</b>						
Opening balance	222	316	1,221	130	67	234
Additions due to business combinations (Note 7)				130	1,647	322
Additions	88	21	1	82	9	399
Transfers and other	(67)	58	149	(15)	87	1,991
Disposals in the year (3)	(62)	(47)	(1,044)	(105)	(132)	(1,313)
Disposals due to contributions (4)					(1,362)	(412)
<b>CLOSING BALANCE</b>	<b>181</b>	<b>348</b>	<b>327</b>	<b>222</b>	<b>316</b>	<b>1,221</b>
<b>Impairment allowances</b>						
Opening balance	(46)	(70)	(44)	(33)	(11)	(65)
Additions due to business combinations (Note 7)				(17)	(468)	(67)
Allowances (Note 37)		(9)	(79)		(12)	(69)
Recoveries (Note 37)		4	35	1	3	2
Disposals due to contributions					354	140
Transfers and other	9	(4)	2	3	22	(18)
Amounts used		8	27		42	33
<b>CLOSING BALANCE</b>	<b>(37)</b>	<b>(71)</b>	<b>(59)</b>	<b>(46)</b>	<b>(70)</b>	<b>(44)</b>
<b>TOTAL</b>	<b>144</b>	<b>277</b>	<b>268</b>	<b>176</b>	<b>246</b>	<b>1,177</b>
Of which: Investments (3)			82			874
Of which: Bankia Vida						775
Of which: Property, plant and equipment		277	268		246	303
Of which: Foreclosure rights	144			176		

(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) At 31 December 2021, it included the investment of Bankia Mediación and Bankia Vida, which were transferred to VidaCaixa in 2022.

(4) In 2021, a non-monetary capital increase was carried out with respect to LivingCenter, S.A. with properties from Bankia, in the amount of EUR 1,361 million.

### 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 Critería Patrimonio, S.L.U. (a wholly-owned subsidiary of Critería 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.

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	
	No. of assets	Gross amount	No. of assets	Gross amount
Up to 1 year	201	21	2,229	142
Between 1 and 2 years	385	24	480	45
Between 2 and 5 years	1,486	93	1,182	77
More than 5 years	4,973	391	3,489	274
<b>TOTAL</b>	<b>7,045</b>	<b>529</b>	<b>7,380</b>	<b>538</b>

## 20. FINANCIAL LIABILITIES

The breakdown of this heading is as follows:

### Breakdown of financial liabilities at amortised cost - 31-12-2022

(Millions of euros)

	Gross balance	Value adjustments				Balance sheet amount
		Accrued interest	Microhedge s	Transaction costs	Premiums and discounts	
<b>Deposits</b>	<b>396,834</b>	<b>(11)</b>	<b>(20)</b>	<b>(9)</b>	<b>360</b>	<b>397,154</b>
Central banks	15,835	(236)				15,599
Credit institutions	11,510	69				11,579
Customers	369,489	156	(20)	(9)	360	369,976
<b>Debt securities issued</b>	<b>48,403</b>	<b>596</b>		<b>(9)</b>	<b>1,040</b>	<b>50,030</b>
<b>Other financial liabilities</b>	<b>7,202</b>					<b>7,202</b>
<b>TOTAL</b>	<b>452,439</b>	<b>585</b>	<b>(20)</b>	<b>(18)</b>	<b>1,400</b>	<b>454,386</b>

### Breakdown of financial liabilities at amortised cost - 31-12-2021

(Millions of euros)

	Gross balance	Value adjustments				Balance sheet amount
		Accrued interest	Microhedge s	Transaction costs	Premiums and discounts	
<b>Deposits</b>	<b>461,404</b>	<b>(957)</b>	<b>8</b>	<b>(10)</b>	<b>458</b>	<b>460,903</b>
Central banks	76,773	(1,150)				75,623
Credit institutions	12,242	13				12,255
Customers	372,389	180	8	(10)	458	373,025
<b>Debt securities issued</b>	<b>48,622</b>	<b>580</b>		<b>(10)</b>	<b>1,432</b>	<b>50,624</b>
<b>Other financial liabilities</b>	<b>6,224</b>					<b>6,224</b>
<b>TOTAL</b>	<b>516,250</b>	<b>(377)</b>	<b>8</b>	<b>(20)</b>	<b>1,890</b>	<b>517,751</b>

### 20.1. 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
<b>Demand</b>	<b>2,347</b>	<b>2,442</b>
Other accounts	2,347	2,442
<b>Term or at notice</b>	<b>9,163</b>	<b>9,800</b>
Deposits with agreed maturity	2,779	2,572
Repurchase agreement	6,384	7,228
<b>TOTAL</b>	<b>11,510</b>	<b>12,242</b>

## 20.2. CUSTOMER DEPOSITS

The breakdown of the gross balances of this heading is as follows:

### Breakdown of customer deposits

(Millions of euros)

	31-12-2022	31-12-2021
<b>By type</b>	<b>369,489</b>	<b>372,389</b>
Current accounts and other demand deposits	248,660	247,073
Savings accounts	94,538	89,611
Deposits with agreed maturity	22,592	31,237
Of which: registered mortgage covered bonds		6
Hybrid financial liabilities	1,122	1,192
Repurchase agreements	2,577	3,276
<b>By sector</b>	<b>369,489</b>	<b>372,389</b>
Public administrations	16,585	19,390
Private sector	352,904	352,999

## 20.3. 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
Mortgage covered bonds	16,815	20,412
Plain vanilla bonds *	21,798	17,075
Structured notes	311	385
Promissory notes	329	590
Preference shares	4,250	5,000
Subordinated debt	4,900	5,160
<b>TOTAL</b>	<b>48,403</b>	<b>48,622</b>

(\*) 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	Structured notes	Subordinated debt	Preference shares
<b>Gross balance</b>						
Opening balance 2021	45,713	3,500	11,730	591	3,150	3,000
Additions due to business combinations (Note 7)	17,671	900	2,599		1,675	1,250
Issuances	6,064	1,000	2,787		1,000	750
Depreciation and amortisation	(7,424)	(900)			(665)	
Exchange differences and other						
CLOSING BALANCE 2021	62,024	4,500	17,116	591	5,160	5,000
<b>Repo securities</b>						
Opening balance 2021	(32,180)	(3,500)	(41)	(153)		
Additions due to business combinations (Note 7)	(7,976)	(900)				
Buy-backs	(6,916)	(1,000)		(53)		
Repayments and other	5,460	900				
CLOSING BALANCE 2021	(41,612)	(4,500)	(41)	(206)		
<b>CLOSING NET BALANCE 2021</b>	<b>20,412</b>		<b>17,075</b>	<b>385</b>	<b>5,160</b>	<b>5,000</b>

**Changes in debt securities issued***(Millions of euros)*

	Mortgage covered bonds	Public sector covered bonds	Plain vanilla bonds	Structured notes	Subordinated debt	Preference shares
<b>Gross balance</b>						
Opening balance 2022	62,024	4,500	17,116	591	5,160	5,000
Issuances	6,553	2,000	4,791		750	
Depreciation and amortisation	(13,640)	(2,000)	(68)	(170)	(1,010)	(750)
Exchange differences and other						
<b>CLOSING BALANCE 2022</b>	<b>54,937</b>	<b>4,500</b>	<b>21,839</b>	<b>421</b>	<b>4,900</b>	<b>4,250</b>
<b>Repo securities</b>						
Opening balance 2022	(41,612)	(4,500)	(41)	(206)		
Buy-backs	(6,500)	(2,000)				
Repayments and other	9,990	2,000		96		
<b>CLOSING BALANCE 2022</b>	<b>(38,122)</b>	<b>(4,500)</b>	<b>(41)</b>	<b>(110)</b>		
<b>CLOSING NET BALANCE 2022</b>	<b>16,815</b>		<b>21,798</b>	<b>311</b>	<b>4,900</b>	<b>4,250</b>

The breakdown of preference share issues are as follows:

**Breakdown of preference share issues***(Millions of euros)*

Issue date	Maturity	Nominal amount	Nominal interest rate	Outstanding amount	
				31-12-2022	31-12-2021
June 2017 *	Perpetual	1,000	6.750%	1,000	1,000
July 2017	Perpetual	750	6.000%		750
March 2018 *	Perpetual	1,250	5.250%	1,250	1,250
September 2018	Perpetual	500	6.375%	500	500
October 2020 *	Perpetual	750	5.875%	750	750
September 2021 *	Perpetual	750	3.625%	750	750
<b>PREFERENCE SHARES</b>				<b>4,250</b>	<b>5,000</b>
Own securities purchased					
<b>TOTAL</b>				<b>4,250</b>	<b>5,000</b>

(\*) They are perpetual Additional Tier 1 Instruments, although they may be (partially or totally) redeemed under specific circumstances at the option of CaixaBank (once at least five years have elapsed from their issue date according to the specific conditions of each of them, and with the prior consent of the corresponding competent authority) and, in all cases, are convertible into ordinary newly-issued shares of the entity if CaixaBank or CaixaBank Group has a Common Equity Tier 1 ratio (CET1) of less than 5.125%, calculated in accordance with European Regulation 575/2013, of 26 June, of the European Parliament and Council, on prudential requirements of credit institutions and investment firms ("CRR"). The conversion price of the preference shares shall be the highest of i) the volume-weighted daily average price of CaixaBank's shares in the five trading days prior to the day the corresponding conversion is announced, ii) the Conversion Floor Price and iii) the nominal value of CaixaBank's shares at the time of conversion.

The breakdown of subordinated debt issues is as follows:

**Breakdown of subordinated debt issues***(Millions of euros)*

Issue date	Maturity	Nominal amount	Nominal interest rate	Outstanding amount	
				31-12-2022	31-12-2021
February 2017	15-02-2027	1,000	3.500%		510
March 2017	17.7.2028	500	3.375%		500
July 2017	07-07-2042	150	4.000%	150	150
July 2017	14-07-2028	1,000	2.750%	1,000	1,000
April 2018	17-04-2030	1,000	2.250%	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	
<b>SUBORDINATED DEBT</b>				<b>4,900</b>	<b>5,160</b>
Own securities purchased					
<b>TOTAL</b>				<b>4,900</b>	<b>5,160</b>

## 20.4. OTHER FINANCIAL LIABILITIES

The detail of the balance of this heading in the balance sheet is as follows:

### Breakdown of other financial liabilities

(Millions of euros)

	31-12-2022	31-12-2021
Payment obligations	960	1,132
Guarantees received	5	5
Clearing houses	1,178	1,314
Tax collection accounts	1,728	1,406
Special accounts	1,495	308
Liabilities associated with right-of-use assets (Note 16)	1,502	1,731
Other items	334	328
<b>TOTAL</b>	<b>7,202</b>	<b>6,224</b>

"Other financial liabilities - Liabilities associated with right-of-use assets (see Note 16) shows the present value of future lease payments during the contract's mandatory term. The movement corresponding to the financial year is as follows:

### Future payments on operating leases

(Millions of euros)

	31-12-2020	Addition due to BC	Net addition	Financ. update	Payments	31-12-2021	Net addition update	Financ. update	Payments	31-12-2022
Linked to the contract with Jezzine Uno, S.A.U.	569		(1)	9	(38)	539	30	9	(40)	538
Linked to other operational leases	820	456	8	8	(100)	1,192	(97)	1	(132)	964
<b>TOTAL</b>	<b>1,389</b>	<b>456</b>	<b>7</b>	<b>17</b>	<b>(138)</b>	<b>1,731</b>	<b>(67)</b>	<b>10</b>	<b>(172)</b>	<b>1,502</b>
<b>Discount rate applied (according to the term)</b>										
Spain	[0.10%-1.66%]					[0.00%-1.66%]				

Financ. update: Financial update; BC: Business combination (see Note 7)



## 21. 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	
<b>BALANCE AT 31-12-2020</b>	<b>499</b>	<b>1,397</b>	<b>314</b>	<b>187</b>	<b>89</b>	<b>35</b>	<b>323</b>
Additions due to business combinations (Note 7)	626	107	302	197	257	85	226
With a charge to the statement of profit or loss	(390)	2,263	140	30	(22)	2	181
Provision		4	308	37	(20)	87	382
Reversal		(13)	(168)	(7)	(2)	(85)	(201)
Interest cost/(income)	4						
Personnel expenses *	(394)	2,272					
Actuarial (gains)/losses	(38)						
Amounts used	(45)	(348)	(202)	(23)			(73)
Transfers and other	152	(12)	159	(39)	18	(69)	(170)
<b>BALANCE AT 31-12-2021</b>	<b>804</b>	<b>3,407</b>	<b>713</b>	<b>352</b>	<b>342</b>	<b>53</b>	<b>487</b>
With a charge to the statement of profit or loss	6	(238)	96	(44)	101	(6)	1
Provision		3	207	12	149	83	293
Reversal		(200)	(111)	(56)	(48)	(89)	(292)
Interest cost/(income)	6	2					
Personnel expenses		(43)					
Actuarial (gains)/losses	(182)						
Amounts used	(50)	(595)	(237)	(14)			(148)
Transfers and other			(5)	(2)	4	7	18
<b>BALANCE AT 31-12-2022</b>	<b>578</b>	<b>2,574</b>	<b>567</b>	<b>292</b>	<b>447</b>	<b>54</b>	<b>358</b>

(\*) 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.

## 21.1. PENSIONS AND OTHER POST-EMPLOYMENT DEFINED OBLIGATIONS

### *Provisions for pensions and similar obligations – Defined benefit post-employment plans*

The Entity's defined benefit post-employment 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 Entity 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. A net defined benefit liability will only exist when CaixaBank or the pension fund maintains certain uninsured commitments.

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 are recorded under 'Other assets - all other 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	2022	2021	2022	2021	2022	2021	2022	2021
OPENING BALANCE	(804)	(492)	804	490	(1,411)	(1,703)	1,667	1,696	256	(7)
Interest cost (income)	(5)	(3)	5	3	(10)	(5)	12	5	2	
Past service cost	(1)	(1)								
COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN PROFIT OR LOSS	(6)	(4)	5	3	(10)	(5)	12	5	2	
Actuarial gains/(Losses) arising from experience assumptions	12	17			4	35			4	35
Actuarial gains/(Losses) arising from financial assumptions	170	21	(183)	(30)	312	33	(308)	(132)	4	(99)
COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN EQUITY	182	38	(183)	(30)	316	68	(308)	(132)	8	(64)
Plan contributions			1	(93)				19		19
Plan payments	50	45	(50)	(45)	97	105	(97)	(104)		1
Settlements		84				310	(108)		(108)	310
Additions due to business combinations (Note 7)		(626)		478		(137)		137		
Transactions		151		1	(11)	(49)	11	46		(3)
OTHER	50	(346)	(49)	341	86	229	(194)	98	(108)	327
CLOSING BALANCE	(578)	(804)	577	804	(1,019)	(1,411)	1,177	1,667	158	256

### Recognised in:

"Other assets - Net pension plan assets" (Note 18)									158	256
"Other assets - Insurance contracts linked to pensions" (Note 18)			577	804						
"Provisions - Pensions and other post-employment defined benefit obligations"	(578)	(804)								

### Type of obligation

Vested obligations	(577)	(802)			(1,018)	(1,407)				
Non-vested obligations	(1)	(2)			(1)	(4)				

### Type of investment

Implemented through insurance policies			577	804			1,177	1,667		
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(\*) 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 assumption used in actuarial valuations of the Entity's commitments are as follows:

**Actuarial and financial assumptions in Spain**

	31-12-2022	31-12-2021
Discount rate of post-employment benefits (1)	3.62 %	0.84%
Long-term benefit discount rate (1)	3.2 %	0.01%
Mortality tables (2)	PERM-F/2000 - P	PERM-F/2000 - P
Annual pension review rate (3)	0.35 %	0.35%
Annual cumulative CPI (4)	2.93 %	2.56%
Annual salary increase rate	1.0% 2023; CPI + 0.5% 2024 and onwards	0.75% 2022; 1% 2023; CPI + 0.5% 2024 and onwards

(1) Using a rate curve based on high-rated corporate bonds, with the same currency and terms as the commitments assumed. Rate informed on the basis of the weighted average term of these commitments.

(2) It has been decided to maintain the PERM-F/2000-P tables as the best estimate of the survival pattern, based on historical experience.

(3) Depending on each obligation. Based on the Agreement to Amend Employment Conditions signed on 1 July 2021, a fixed rate of 0.35% has been considered as a future revaluation for pension commitments arising from collective systems, covenants and/or agreements.

(4) Using the Spanish zero coupon inflation curve. Rate informed on the basis of the weighted average term of the commitments.

The actuarial assumptions of pension commitments are carried out by qualified actuaries independent of the Entity.

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)

	+50 bp	-50 bp
Discount rate	-26	28
Annual pension review rate *	0	0

(\*) According to Labour Agreement signed on 7 July 2022, fixed annual growth 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 Entity's gross obligations and on the fair value of insurance contracts linked to pensions and the fair value of assets held through pension funds.

Consistent with the 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:

**Estimated payments of post-employment benefits**

(Millions of euros)

	BUDGET	2024	2025	2026	2027	2028-2032
Spain *	49	47	46	45	43	192

(\*) Excluding insured provisions to be paid directly by VidaCaixa to the Pension Funds.

## 21.2. PROVISIONS FOR OTHER EMPLOYEE BENEFITS

The Entity has funds to cover the commitments of its discontinuation programmes, both in terms of salaries and other social costs, from the moment of termination until reaching the age established in the agreements. Funds are also in place covering length of service bonuses and other obligations with existing personnel. The main training programmes for which funds are kept are as follows:

### 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 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)

	2022		2021	
	Obligations	Assets	Obligations	Assets
<b>PRESENT VALUE AT THE START OF THE PERIOD</b>	<b>(3,407)</b>	<b>2,181</b>	<b>(1,397)</b>	<b>864</b>
Service cost for the current year	(3)		1	
Past services (new commitments)	80		(2,272)	
Personnel expenses	43		(2,272)	
Provisions/Reversal of provisions	37			
Interest on the present value	(2)	2	(1)	1
Actuarial Gains/(Losses)	163	(158)	9	(27)
<b>COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN PROFIT OR LOSS</b>	<b>238</b>	<b>(156)</b>	<b>(2,263)</b>	<b>(26)</b>
Additions due to business combinations			(107)	
Company contributions and surrenders		62		1,529
Claims paid	595	(405)	348	(186)
Transactions			12	
<b>OTHER</b>	<b>595</b>	<b>(343)</b>	<b>253</b>	<b>1,343</b>
<b>PRESENT VALUE AT THE END OF THE PERIOD</b>	<b>(2,574)</b>	<b>1,682</b>	<b>(3,407)</b>	<b>2,181</b>
<i>Of which: With pre-retired personnel</i>	<i>(78)</i>		<i>(188)</i>	
<i>Of which: Termination benefits</i>	<i>(2,428)</i>		<i>(3,143)</i>	
<i>Of which: Length of service bonuses and other</i>	<i>(65)</i>		<i>(64)</i>	
<i>Of which: Other commitments deriving from Barclays Bank</i>	<i>(3)</i>		<i>(12)</i>	
<i>Of which: Other assets - Insurance contracts linked to pensions (see Note 18)</i>		<i>1,682</i>		<i>2,181</i>

## 21.3. PROVISIONS FOR PENDING LEGAL ISSUES AND TAX LITIGATION

Litigiousness in the field of banking and financial products is subject to comprehensive monitoring and control to identify risks that may lead to the outflow of funds from the entity, making the necessary allocations and taking the appropriate measures in terms of adaptation and improving procedures, products and services. 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 Entity 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, multicurrency clauses, mortgage expenses, early repayment, etc.), the necessary provisions are held and the Entity 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 Entity 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, liabilities arising from the transfer of assets and rights, excessive and abnormal price of interest rates, right to honour or statements of subsidiary civil liability arising from the potential conduct of persons with employment relationships.

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 Entity, in concordance with the current context and legal reasonableness, as well as the best information available, does not hold provisions for this concept.

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 Entity 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 51 million euros (29 million euros for the life business and 23 million euros for the non-life business). The Entity 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 Entity 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 Entity 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 Entity 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 Entity 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
Income Tax assessments	16	20
Tax on deposits	22	40
Other	254	292
<b>TOTAL</b>	<b>292</b>	<b>352</b>

The main tax procedures ongoing at year-end 2022 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 Entity has allocated provisions to cover the maximum contingencies that may arise from the assessments signed in disagreement relating to corporate income tax and VAT.

## 21.4. PROVISION FOR COMMITMENTS AND GUARANTEES GIVEN

This heading includes the provisions for credit risk of the guarantees and contingent commitments given (Note 24).

## 21.5. OTHER PROVISIONS

The content of the main sections of this heading is set out below. The expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain.

### ***Class action brought by the ADICAE association (floor clauses)***

The legal 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 Entity 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.



## 22. EQUITY

### 22.1. SHAREHOLDERS' EQUITY

#### Share capital

Selected information on the figures and type of share capital figures is presented below:

#### Information about share capital

	31-12-2022	31-12-2021
Number of fully subscribed and paid up shares (units) (1)	7,502,131,619	8,060,647,033
Par value per share (euros)	1	1
Closing price at year-end (euros)	3.672	2.414
Market cap at year-end, excluding treasury shares (millions of euros) (2)	25,870	19,441

(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.

#### Changes in capital

The breakdown of the changes of the balance under this heading is as follows:

#### Changes in capital - 2022

(Millions of euros)

	Number of shares	Date of first listing	Nominal amount
<b>BALANCE AT 31-12-2020</b>	<b>5,981,438,031</b>		<b>5,981</b>
Merger with Bankia (Note 7)	2,079,209,002	29-03-2021	2,079
<b>BALANCE AT 31-12-2021</b>	<b>8,060,647,033</b>		<b>8,061</b>
Capital reduction	(558,515,414)		(559)
<b>BALANCE AT 31-12-2022</b>	<b>7,502,131,619</b>		<b>7,502</b>

#### 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 3,500,000,000 and for a period of three years, with the power to exclude pre-emptive subscription rights if this is in the Company's best interest. The breakdown of instruments issued under this agreement is presented in [Note 20.3](#).

### 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
<b>BALANCE AT 31-12-2020</b>	<b>12,033</b>
Merger with Bankia ( <a href="#">Note 7</a> )	3,235
<b>BALANCE AT 31-12-2021</b>	<b>15,268</b>
Capital reduction	(1,798)
<b>BALANCE AT 31-12-2022</b>	<b>13,470</b>

### 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
Legal reserve <a href="#">(1)</a>	1,612	1,612
Restricted reserves for financing the acquisition of treasury shares	2	6
Unrestricted reserve for depreciated capital <a href="#">(2)</a>	559	
Unrestricted reserves	5,207	2,773
<b>TOTAL</b>	<b>7,380</b>	<b>4,391</b>

[\(1\)](#) At 2022 year-end, the legal reserve has reached the minimum amount required by the Spanish Corporate Enterprises Act.

[\(2\)](#) See "Capital reduction" section

### Other equity instruments

The value of shares included in variable share-based remuneration plans (see [Note 32](#)) not delivered is as follows:

#### Breakdown of other equity instruments

(Millions of euros)

	31-12-2022	31-12-2021
Value of shares not delivered	46	39

### 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		
	No. of treasury shares	% Share capital *	Cost/Sales	No. of treasury shares	% Share capital *	Cost/Sales
<b>OPENING BALANCE</b>	<b>6,797,987</b>	<b>0.084%</b>	<b>18</b>	<b>3,528,919</b>	<b>0.059%</b>	<b>10</b>
Acquisitions and other	564,030,654		1,817	6,197,179		16
Disposals and other **	(563,534,359)		(1,812)	(2,928,111)		(8)
<b>CLOSING BALANCE</b>	<b>7,294,282</b>	<b>0.097%</b>	<b>23</b>	<b>6,797,987</b>	<b>0.084%</b>	<b>18</b>

(\*) Percentage calculated on the basis of the total number of CaixaBank shares at the end of the respective years.

(\*\*) In 2022 and 2021, the results of treasury share transactions generated were not significant, being recognised under "Other reserves".

Additionally, the number of treasury shares accepted as financial guarantees given by the Entity and treasury shares owned by third parties and managed by a company of the Entity were as follows:

#### Treasury shares accepted as financial guarantees and owned by third parties

(Millions of shares / Millions of euros)

	Treasury shares accepted as financial guarantees		Treasury shares owned by third parties managed by the Group	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021
Number of treasury shares	18	17	19	18
% of share capital	0.237%	0.215%	0.249%	0.225%
Nominal amount	18	17	19	18

## 22.2. ACCUMULATED OTHER COMPREHENSIVE INCOME

Changes under this heading are contained in the statement of recognised income and expenses.

## 23. TAX MATTERS

### 23.1. TAX CONSOLIDATION

The consolidated tax group for Corporation Tax includes CaixaBank, as the parent, and subsidiaries include Spanish companies in the commercial group that comply with the requirements for inclusion under regulations, including the "la Caixa" Banking Foundation and CriteríaCaixa.

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.

### 23.2. 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. Furthermore, as the successor of Bankia, the Entity has the years 2014 and thereafter open for review for Corporation Tax and the last four years for the remaining taxes applicable to it.

The various interpretations that can be drawn from the tax regulations governing transactions carried out by financial institutions may give rise to certain contingent tax liabilities that cannot be objectively quantified. The Entity's management considers that the provision under "Provisions - Pending legal issues and tax litigation" in the balance sheet is sufficient to cover these contingent liabilities.

### 23.3. RECONCILIATION OF THE ACCOUNTING PROFIT TO THE TAXABLE PROFIT

The Entity's reconciliation of accounting profit to taxable profit is presented below:

#### Reconciliation of accounting profit to taxable profit

(Millions of euros)

	2022	2021
<b>Profit/(loss) before tax (A)</b>	<b>3,052</b>	<b>3,867</b>
<b>Increases/decreases due to permanent differences</b>	<b>(1,039)</b>	<b>(4,851)</b>
Dividends and capital gains exempt from taxation	(1,148)	(842)
Valuation adjustments for impairment of subsidiaries	140	418
Expense recognised against reserves	(285)	(324)
Amortisation of goodwill	118	204
Income from business combinations (Note 7)		(4,300)
Other increases	269	321
Other reductions	(133)	(328)
<b>Taxable income/(tax loss)</b>	<b>2,013</b>	<b>(984)</b>
<b>Tax payable (taxable income * tax rate)</b>	<b>(604)</b>	<b>295</b>
<b>Tax relief and tax credits</b>	<b>1</b>	<b>1</b>
<b>Income tax rate for the year</b>	<b>(603)</b>	<b>296</b>
<b>Tax adjustments</b>	<b>(28)</b>	<b>80</b>
<b>Tax adjustments for expenses recognised in reserve accounts</b>	<b>(7)</b>	<b>(24)</b>
<b>Other tax</b>	<b>(1)</b>	<b>(4)</b>
<b>INCOME TAX (B)</b>	<b>(639)</b>	<b>348</b>
<b>PROFIT/(LOSS) AFTER TAX (A) + (B)</b>	<b>2,413</b>	<b>4,215</b>

(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 rate of 30%.

(3) The effective tax rate is calculated by dividing income tax for the year by taxable income.

## 23.4. DEFERRED TAX ASSETS AND LIABILITIES

The changes in the balance of these headings is as follows:

### Changes in deferred tax assets

(Millions of euros)

	31-12-2020	Regularisations	Additions due to business combinations (Note 7)	Additions	Dispos als	31-12-2021	Regularisations	Additio ns	Dispos als	31-12-2022
Pension plan contributions	567	1	281	1		850	2	2		854
Allowances for credit losses	3,932	39	5,323		(33)	9,261	1			9,262
Early retirement obligations	4				(1)	3	0		(2)	1
Provision for foreclosed property	265		1,221			1,486				1,486
Credit investment fees	4	(1)				3	(1)			2
Assets measured at fair value through equity	76		9	30		115		294		409
Tax loss carryforwards	879	(1)	309			1,187	89			1,276
Unused tax credits	634	(72)	85	4		651	4		(7)	648
Others from business combinations	14		1,026		(381)	659	(227)		(124)	308
Others (1)	1,198	(63)	517	325	(232)	1,745	162	146	(517)	1,536
<b>TOTAL</b>	<b>7,573</b>	<b>(97)</b>	<b>8,771</b>	<b>360</b>	<b>(647)</b>	<b>15,960</b>	<b>30</b>	<b>442</b>	<b>(650)</b>	<b>15,782</b>
<i>Of which: monetisable</i>	<i>4,768</i>					<i>11,600</i>				<i>11,603</i>

(1) Includes, inter alia, eliminations from intra-group operations and those corresponding to different provisions, and other adjustments due to differences between accounting and tax rules.

### CHANGE IN DEFERRED TAX LIABILITIES

(Millions of euros)

	31-12-2020	Regularisations	Additions due to business combinations (Note 7)	Additions	Dispos als	31-12-2021	Regularisations	Additio ns	Dispos als	31-12-2022
Revaluation of property on 1st application of Bank of Spain Circular 4/2004	195				(152)	173	126		(19)	280
Assets measured at fair value through equity	192				(107)	114			(111)	3
Intangible assets from business combinations	3				(56)	64			(7)	57
Others from business combinations	135				(338)	283			(62)	221
Other	93	(18)		209		517	(151)		(38)	328
<b>TOTAL</b>	<b>618</b>	<b>(18)</b>		<b>209</b>	<b>(653)</b>	<b>1,151</b>	<b>(25)</b>	<b>0</b>	<b>(237)</b>	<b>889</b>

At 31 December 2022, the Entity has a total of EUR 3,061 million of tax assets deferred by unregistered tax credits, of which EUR 2,853 million correspond to tax loss carryforwards and EUR 208 million to deductions.

Twice per year, in collaboration with an independent expert, the Entity assesses the recoverable amount of its recognised deferred tax assets in the balance sheet, on the basis of a budget consisting in a 6-year horizon with the forecasted results used to estimate the recoverable value of the banking CGU 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.

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 Entity performs sensitivity analyses on the key assumptions used to project cash flows in the recoverability model without any significant changes in the estimated term in the baseline scenario.

The exercises to assess the recoverability of tax assets, which have been carried out since 2014, are reinforced by backtesting exercises, which show a high level of explainability.

In light of the existing risk factors (see [Note 3](#)) and the reduced deviation with respect to the estimates used to elaborate the budgets, the Administrators consider that, despite the limitations for applying different monetisable timing differences, tax loss carryforwards and unused tax credits, the recovery of all activated tax credits is still probable with future tax benefits.

### 23.5. OTHER

In accordance with the provisions of article 86 of Act 27/2014, of 27 November, on Corporation Tax, the transactions in which CaixaBank has participated in 2022 under the special tax regime of Chapter VII of Title VII of the Corporation Tax Act are listed below:

- In November 2022, the merger of Bankia Vida, Sociedad Anónima de Seguros y Reaseguros, Sociedad Unipersonal (absorbed company) by Vidacaixa, S.A.U. de Seguros y Reaseguros (absorbing company) was completed (see [Note 7](#)).
- In April 2022, CaixaBank, as the sole shareholder of Caixabank Payments & Consumer Finance, S.A.U, made the following shareholder contributions to the accounting reserve established in account 118 (Contributions from shareholders or owners) included under heading 11 ("Reserves and other equity instruments") of Royal Decree 1514/2007, of 16 November, approving the National Chart of Accounts, through various non-monetary contributions of ownership interests in the companies Bizum, S.L., Euro 6000, S.L., Redsys Servicios de Procesamiento S.L., Servired Sociedad Española de Medios de Pagos S.A., Sistemas de Tarjetas y Medios de Pago, S.A. and Visa INC (see [Note 15](#)).

Information on transactions subject to the special tax regime in prior years is included in the tax notes to the financial statements of CaixaBank, Bankia, Banco de Valencia, Banca Cívica and the savings banks for prior years.

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 material for the statement of profit or loss.



## 24. GUARANTEES AND CONTINGENT COMMITMENTS GIVEN

The breakdown of “Guarantees and contingent commitments given” included as memorandum items is set out below:

### Breakdown of exposure and hedging on guarantees and contingent commitments - 31-12-2022

(Millions of euros)

	Off balance sheet exposure			Hedge		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial guarantees given	10,092	667	188	(22)	(41)	(173)
Loan commitments given	81,856	3,594	327	(26)	(9)	(19)
Other commitments given	34,828	1,288	377	(12)	(16)	(183)

### Breakdown of exposure and hedging on guarantees and contingent commitments - 31-12-2021

(Millions of euros)

	Off balance sheet exposure			Hedge		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial guarantees given	8,042	731	187	(6)	(11)	(57)
Loan commitments given	75,937	3,267	327	(29)	(15)	(9)
Other commitments given	30,680	1,050	406	(12)	(24)	(232)

The Entity only needs to pay the amount of contingent liabilities if the guaranteed counterparty breaches its obligations. It believes that most of these risks will reach maturity without being settled.

With respect to contingent commitments, the Entity has an undertaking to facilitate funds to customers through drawables on lines of credit and other commitments, whenever it receives a request and subject to compliance with certain conditions by the counterparties. It believes that a large portion of them will fall due prior to drawdown, either because they will not be requested by customers or because the drawdown conditions will not be met.

The breakdown of “Loan commitments given” included as memorandum items in the balance sheet, is set out below:

### Loan commitments given

(Millions of euros)

	31-12-2022		31-12-2021	
	Available	Limits	Available	Limits
<b>Drawable by third parties</b>				
Credit institutions	46	128	74	105
Public administrations	4,482	5,233	5,522	6,038
Other sectors	81,249	122,225	73,935	118,266
<b>TOTAL</b>	<b>85,777</b>	<b>127,586</b>	<b>79,531</b>	<b>124,409</b>
<i>Of which: conditionally drawable</i>	<i>5,531</i>	<i>0</i>	<i>5,002</i>	

## 25. OTHER SIGNIFICANT DISCLOSURES

### 25.1. 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
Assets under management	207,702	218,938
Mutual funds, portfolios and SICAVs	96,009	103,632
Pension funds	43,104	47,930
Insur. Prod.	68,589	67,376
Other *	4,619	3,567
<b>TOTAL</b>	<b>212,321</b>	<b>222,505</b>

(\*) Includes, among others, transitional funds associated with transfers and collection activity, as well as other funds distributed by CaixaBank.

### 25.2. TRANSFERRED FINANCIAL ASSETS

The Entity converted a portion of their homogeneous loan and credits into fixed-income securities by transferring the assets to various securitisation special purpose vehicles set up for this purpose. In accordance with current regulations, securitisations in which substantially all the risk is retained may not be derecognised.

The balances classified in "Financial assets at amortised cost" corresponding to the outstanding amounts of securitised loans on the balance sheet are as follows:

#### Breakdown of securitised assets

(Millions of euros)

	31-12-2022	31-12-2021
<b>Securitised mortgage loans</b>	<b>22,987</b>	<b>26,449</b>
<b>Other securitised loans</b>	<b>4,761</b>	<b>7,896</b>
Loans to companies	2,995	4,771
Leasing arrangements	408	666
Consumer financing	1,134	2,211
Other	224	248
<b>TOTAL</b>	<b>27,748</b>	<b>34,345</b>

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)*

			Initial exposure securitised	Asset securitised		Repo securitisation bonds		Credit enhancements	
Issue date		Acquired by:		2022	2021	2022	2021	2022	2021
July	2003	AyT Génova Hipotecario III, FTH	800	0	0	0	0	0	0
March	2004	AyT Génova Hipotecario IV, FTH	800	0	72	0	13	0	8
November	2004	TDA 22 Mixto, FTH	388	23	28	9	11	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	0	8	0	1
June	2005	AyT Génova Hipotecario VI, FTH	700	72	89	45	55	5	5
November	2005	AyT Génova Hipotecario VII, FTH	1,400	178	213	73	86	8	8
December	2005	Valencia Hipotecario 2, FTH	940	0	98	0	34	0	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, FTH	2,100	255	308	143	170	9	9
July	2006	AyT Hipotecario Mixto V, FTA	873	74	88	37	45	4	4
October	2006	Caixa Penedés 1 TDA	23	2	2	0	0	0	0
November	2006	Valencia Hipotecario 3, FTA	901	129	151	52	63	5	5
November	2006	AyT Génova Hipotecario IX, FTH	1,000	177	208	73	84	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	201	236	8	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	38	38	27	27
December	2007	AyT Génova Hipotecario XI, FTH	1,200	244	288	252	293	30	31
December	2007	Madrid RMBS IV, FTA	2,400	678	749	628	691	242	242
July	2008	FonCaixa FTGENCAT 6, FTA	750	82	100	23	23	19	19
July	2008	AyT Génova Hipotecario XII, FTH	800	180	214	183	214	30	30
August	2008	Caixa Penedés FTGENCAT 1 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	1,233	1,423	124	142
April	2011	AyT Goya Hipotecario IV, FTA	1,300	396	465	417	479	44	55
December	2011	AyT Goya Hipotecario V, FTA	1,400	433	515	461	528	49	59
February	2016	CaixaBank RMBS 1, FT	14,200	8,160	9,212	8,240	9,208	568	568
June	2016	CaixaBank Consumo 2, FT	1,300	136	170	139	0	52	52
November	2016	CaixaBank Pymes 8, FT	2,250	363	488	382	512	71	71
March	2017	CaixaBank RMBS 2, FT	2,720	1,691	1,891	1,734	1,923	107	118
July	2017	CaixaBank Consumo 3, FT	2,450	265	401	265	397	12	18
November	2017	CaixaBank Pymes 9, FT	1,850	270	447	272	455	12	20
December	2017	CaixaBank RMBS 3, FT	2,550	1,530	1,743	1,540	1,744	64	72
May	2018	CaixaBank Consumo 4, FT	1,700	109	260	133	293	7	14
November	2018	CaixaBank Pymes 10, FT	3,325	822	1,188	892	1,283	39	56
June	2019	CaixaBank Leasings 3, FT	1,830	408	666	424	688	23	39
November	2019	CaixaBank Pymes 11, FT	2,450	962	1,334	1,045	1,442	53	74
June	2020	CaixaBank Consumo 5, FT	3,550	997	1,825	1,155	2,068	68	117
November	2020	CaixaBank Pymes 12, FT	2,550	1,304	1,834	1,339	1,879	73	103
September	2021	Caixabank Corporates 1 FT	2,302	689	1,150	833	2,301	115	117
<b>TOTAL</b>			<b>92,135</b>	<b>27,748</b>	<b>34,345</b>	<b>26,797</b>	<b>33,836</b>	<b>2,822</b>	<b>3,093</b>

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 Entity 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 receivables" 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
February 2016	Gaudí I	2,025		43
August 2018	Gaudí II	2,025	367	805
April 2019	Gaudí III	1,282	544	899
June 2022	Gaudí IV	1,500	1,317	
<b>TOTAL</b>		<b>6,832</b>	<b>2,228</b>	<b>1,747</b>

The transfer of credit risk takes the form of a financial guarantee and it is not considered a substantial transfer of risk and profit. Therefore, the underlying exposure is maintained on the balance sheet.

### 9.3. SECURITIES DEPOSITS AND INVESTMENT SERVICES

The breakdown, by type, of the securities deposited by customers with the Entity and third parties is as follows:

#### Securities deposited by third parties

(Millions of euros)

	31-12-2022	31-12-2021
<b>Book entries</b>	<b>97,868</b>	<b>99,718</b>
Securities recorded in the market's central book-entry office	79,371	76,894
Equity instruments. Quoted	60,833	61,281
Equity instruments. Unquoted	850	719
Debt securities. Quoted	17,458	14,781
Debt securities. Unquoted	230	113
Securities registered at the Entity	610	766
Equity instruments. Unquoted	610	766
Securities entrusted to other depositories	17,887	22,058
Equity instruments. Unquoted	17,887	22,058
<b>Securities</b>	<b>2,559</b>	<b>2,577</b>
Held by the Entity	<b>2,559</b>	<b>2,577</b>
Equity instruments	2,559	2,577
<b>Other financial instruments</b>	<b>43</b>	<b>43</b>
<b>TOTAL</b>	<b>100,470</b>	<b>102,338</b>

### 25.4. FINANCIAL ASSETS DERECOGNISED DUE TO IMPAIRMENT

Changes in the items derecognised from the balance sheet because recovery was deemed remote are summarised below. These financial assets are recognised under "Suspended assets" in the memorandum accounts supplementing the balance sheet:

**Changes in written-off assets***(Millions of euros)*

	2022	2021
<b>OPENING BALANCE</b>	<b>16,963</b>	<b>11,800</b>
<b>Additions:</b>	<b>1,918</b>	<b>6,014</b>
<i>Of which due to business combinations (Note 7)</i>		4,223
<b>Disposals:</b>	<b>2,083</b>	<b>851</b>
Cash recovery of principal (Note 34)	307	300
Disposal of written-off assets **	760	227
Due to expiry of the statute-of-limitations period, forgiveness or any other cause	1,016	324
<b>CLOSING BALANCE</b>	<b>16,798</b>	<b>16,963</b>
<i>Of which: interest accrued on the non-performing loans *</i>	6,415	6,331

(\*) 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.

**25.5. PUBLIC SECTOR COVERED BONDS**

Information relating to loans used as guarantees for public sector covered bonds is shown below:

**Loans used as guarantees for public sector covered bonds***(Millions of euros)*

	31-12-2022			31-12-2021		
	Total nominal value *	Of which: residing outside of Spain (non-residents)	Of which: residing in other European Economic Area countries	Total nominal value *	Of which: residing in other European Economic Area countries	Of which: residing in other European Economic Area countries
Central governments	235	235		264	264	
Autonomous and regional government	14,805	14,805		17,825	17,645	180
Local government	1,849	1,849		1,972	1,972	
<b>TOTAL</b>	<b>16,889</b>	<b>16,889</b>		<b>20,061</b>	<b>19,881</b>	<b>180</b>

(\*) Principal drawn down and receivable on loans

The table below shows the nominal amount of public sector covered bonds issued and outstanding:

**Nominal amount of public sector covered bonds issued***(Millions of euros)*

	31-12-2022	31-12-2021
<b>Public sector covered bonds issued</b>	<b>4,500</b>	<b>4,500</b>
<b>Issued via public offering</b>		
<b>Other issuances</b>	<b>4,500</b>	<b>4,500</b>
Residual maturity up to 1 year		2,000
Residual maturity between 2 and 3 years	2,500	
Residual maturity between 3 and 5 years	2,000	2,500
<i>Of which: Treasury shares</i>	4,500	4,500
<b>COVERAGE OF PUBLIC SECTOR COVERED BONDS ON LOANS</b>	<b>26.64 %</b>	<b>22.43 %</b>

## 26. INTEREST INCOME

The breakdown of this item in the accompanying statement of profit or loss is as follows:

### Breakdown of interest income

(Millions of euros)

	2022	2021
<b>Central banks</b>	<b>338</b>	
<b>Credit institutions</b>	<b>161</b>	<b>65</b>
<b>Debt securities</b>	<b>830</b>	<b>286</b>
Financial assets held for trading	7	1
Financial assets at fair value with changes in other comprehensive income	328	170
Financial assets measured at amortised cost	495	115
<b>Loans and advances to customers and other financial income</b>	<b>5,295</b>	<b>4,269</b>
Public administrations	118	76
Trade credits and bills	274	166
Mortgage loans	2,147	1,810
Loans secured by personal guarantee	2,639	2,140
Other	117	77
<b>Adjustments to income due to hedging transactions</b>	<b>(671)</b>	<b>(239)</b>
<b>Other assets</b>	<b>14</b>	<b>8</b>
<b>Interest income - liabilities</b>	<b>563</b>	<b>842</b>
<b>TOTAL</b>	<b>6,530</b>	<b>5,231</b>

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
Deposits at central banks	0.30%	0.00%
Financial assets held for trading – debt securities	1.13%	0.11%
Financial assets measured at fair value with changes in other comprehensive income - Debt securities	2.44%	1.16%
Financial assets measured at amortised cost		
Loans and advances to credit institutions	1.78%	0.59%
Loans and advances to customers	1.65%	1.47%
Debt securities	0.78%	0.31%

## 27. INTEREST EXPENSE

The breakdown of this item in the accompanying statement of profit or loss is as follows:

### Breakdown of interest expense

(Millions of euros)

	2022	2021
Central banks	(18)	(2)
Credit institutions	(260)	(21)
Money market transactions through counterparties	(51)	
Customer deposits and other finance costs	(399)	(358)
Debt securities issued (excluding subordinated liabilities) *	(442)	(393)
Subordinated liabilities *	(94)	(70)
Adjustments to expenses as a consequence of hedging transactions	196	441
Asset interest expense	(324)	(371)
Lease liability interest (Note 20.4)	(10)	(17)
Other	(6)	(8)
<b>TOTAL</b>	<b>(1,408)</b>	<b>(799)</b>

(\*) 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
Deposits from central banks	0.02%	0.00%
Deposits from credit institutions	1.05%	0.13%
Customer deposits	0.09%	0.06%
Debt securities issued (excluding subordinated liabilities)	1.09%	1.08%
Subordinated liabilities	1.03%	0.77%



## 28. 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
<b>Financial assets held for trading</b>	<b>14</b>	<b>11</b>
<b>Financial assets at fair value with changes in other comprehensive income</b>	<b>70</b>	<b>91</b>
Telefónica	69	90
Other	1	1
<b>Investments in Group companies</b>	<b>1,170</b>	<b>590</b>
VidaCaixa	593	539
Caixabank Payments & Consumer	219	28
Banco BPI	194	13
Caixabank Asset Management	141	
Nuevo MicroBank	11	2
Other	12	8
<b>Investments in associates and joint ventures</b>	<b>5</b>	<b>24</b>
Erste Group		21
Other	5	3
<b>TOTAL</b>	<b>1,259</b>	<b>716</b>

## 29. 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
Contingent liabilities	200	168
Credit facility drawdowns	133	121
Exchange of foreign currencies and banknotes	172	135
Collection and payment services	767	867
Securities services	93	98
Marketing of non-banking financial products	1,590	1,389
Other fees and commissions	505	459
<b>TOTAL</b>	<b>3,460</b>	<b>3,237</b>

### Breakdown of fee and commission expense

(Millions of euros)

	2022	2021
Assigned to other entities and correspondents	(43)	(59)
<i>Of which: transactions with cards and ATMs</i>	(42)	(58)
Securities transactions	(31)	(32)
Other fees and commissions	(141)	(116)
<b>TOTAL</b>	<b>(215)</b>	<b>(207)</b>

## 30. GAINS/(LOSSES) ON FINANCIAL ASSETS AND LIABILITIES

The breakdown of this item in the accompanying statement of profit or loss is as follows:

### Breakdown of gains/(losses) on financial assets and liabilities

(Millions of euros)

	2022	2021
<b>Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net</b>	<b>15</b>	<b>29</b>
Financial assets measured at amortised cost		3
Debt securities (Note 13.1)		3
Financial liabilities at amortised cost	2	1
Financial assets at fair value with changes in other comprehensive income	13	25
Debt securities (Note 12.2)	13	25
Other		
<b>Gains/(losses) on financial assets and liabilities held for trading (net)</b>	<b>440</b>	<b>74</b>
Equity instruments	18	(18)
Debt securities	(1)	(1)
Financial derivatives	423	93
<b>Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss (net)</b>	<b>(4)</b>	<b>2</b>
Equity instruments	(4)	3
Loans and advances		(1)
<b>Gains/(losses) from hedge accounting, net</b>	<b>7</b>	<b>2</b>
Ineffective portions of fair value hedges	7	2
Valuation of hedging derivatives (Note 14)	(5,121)	(964)
Valuation of hedged items (Note 14)	5,128	966
<b>TOTAL</b>	<b>458</b>	<b>107</b>

## 31. OTHER OPERATING INCOME AND EXPENSE

The breakdown of this item in the accompanying statement of profit or loss is as follows:

### Breakdown of other operating income

(Millions of euros)

	2022	2021
Income from investment property and other income	19	23
Other income	108	88
<b>TOTAL</b>	<b>127</b>	<b>111</b>

### Breakdown of other operating expense

(Millions of euros)

	2022	2021
Contribution to the Deposit Guarantee Fund / National Resolution Fund *	(542)	(558)
Operating expenses from investment properties and other **	(32)	(23)
Expenses associated with regulators and supervisors	(26)	(25)
Taxes on deposits	(112)	(109)
Equity provision associated with monetisable DTAs	(133)	(112)
Other items	(134)	(134)
<b>TOTAL</b>	<b>(979)</b>	<b>(961)</b>

(\*) 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 an additional rate which will be used to finance the activities of the FROB as a resolution authority and which is the equivalent of 2.5% of the annual contribution that will be made to the National Resolution Fund.

(\*\*) Includes expenses related to leased investment property.

## 32. PERSONNEL EXPENSES

The breakdown of this item in the accompanying statement of profit or loss is as follows:

### Breakdown of personnel expenses

(Millions of euros)

	2022	2021
Wages and salaries	(2,356)	(2,426)
Social security contributions	(550)	(570)
Contributions to pension plans (savings and risk)	(172)	(141)
Of which: Risk premiums paid to VidaCaixa	(2)	(11)
Transfers to defined benefit plans		394
Of which: 2021 labour agreement (Note 21)		394
Other personnel expenses	(64)	(2,363)
Of which: 2021 labour agreement (Note 21)		(2,272)
Of which: Premiums paid to SegurCaixa Adeslas for employee health policies	(24)	(17)
<b>TOTAL</b>	<b>(3,142)</b>	<b>(5,106)</b>

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 Remuneration Report – Variable remuneration components.

The average number of employees, by professional category and gender, is set out below:

### Average number of employees \*

(Number of employees)

	2022			2021		
	Male	Female	Of which: with a disability ≥ 33%	Male	Female	Of which: with a disability ≥ 33%
Directors	3,132	2,093	26	4,200	2,651	31
Middle management	3,234	3,582	43	3,104	3,595	46
Advisers	9,321	15,369	338	10,438	16,035	356
<b>TOTAL</b>	<b>15,687</b>	<b>21,044</b>	<b>407</b>	<b>17,742</b>	<b>22,281</b>	<b>433</b>

(\*) The distribution, by professional category and gender, at any given time is not significantly different from that of the average number of

### 33. 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
IT and systems	(387)	(622)
Advertising and publicity *	(133)	(139)
Property and fixtures	(120)	(129)
Rent **	(16)	(52)
Communications	(50)	(57)
Outsourced administrative services	(232)	(174)
Tax contributions	(65)	(57)
Surveillance and security carriage services	(43)	(39)
Representation and travel expenses	(38)	(23)
Printing and office materials	(8)	(14)
Technical reports	(47)	(67)
Contribution and taxes on property	0	(6)
Governing and control bodies	(4)	(4)
Other expenses	(146)	(95)
<b>TOTAL</b>	<b>(1,289)</b>	<b>(1,478)</b>

(\*) 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 / Number of invoices)

	Amount	%	Number of invoices	%
Total payments made	2,715		1,450,444	
Of which: paid within the legal period *	2,427	89.4 %	1,417,699	97.7 %
Total payments pending	31		17,820	
<b>TOTAL PAYMENTS IN THE YEAR</b>	<b>2,746</b>		<b>1,468,264</b>	

(\*) 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	12.5
Ratio of transactions paid	12.3
Ratio of transactions pending payment	33.1

**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
<b>Auditor of the Group (PwC)</b>		
<b>Audit</b>	<b>2,671</b>	<b>3,387</b>
Audit	2,671	3,387
<b>Audit-related services</b>	<b>1,584</b>	<b>1,511</b>
Review services prescribed by statutory or supervisory regulation to an auditor	866	916
Limited review	570	570
Customer asset protection reports	94	144
Review of pro forma financial information		45
Review of TLTRO III forms / other Eurosystem eligibility reports	180	145
Review of forms of indicators to calculate the contribution to the SRF	22	12
Other audit-related services	718	595
Comfort letters for issues	469	427
Non-Financial Information Review Report	162	75
Report on the Internal Control System for Financial Information	24	24
Reports on social discount assurance and carbon footprint	63	69
Other services	182	26
<b>TOTAL</b>	<b>4,437</b>	<b>4,924</b>

(\*) 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.



## 34. 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
<b>Financial assets measured at amortised cost</b>	<b>(651)</b>	<b>(631)</b>
Loans and advances	(651)	(631)
Net allowances (Note 13)	(332)	(523)
Of which POCIs	(140)	(142)
Write-downs	(626)	(408)
Recovery of loans written off (Note 25.4)	307	300
<b>Financial assets at fair value with changes in other comprehensive income</b>	<b>1</b>	
<b>TOTAL</b>	<b>(650)</b>	<b>(631)</b>

## 35. 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
<b>Tangible assets (Note 16)</b>	<b>(96)</b>	<b>(72)</b>
Property, plant and equipment for own use	(79)	(72)
Net allowances	1	(1)
Write-downs	(80)	(71)
Investment property	(17)	
Net allowances	(18)	(2)
Releases	1	2
<b>Intangible assets (Note 17)</b>	<b>(7)</b>	<b>(47)</b>
Write-downs	(7)	(47)
<b>Others (Note 18)</b>		<b>(22)</b>
Other		(22)
<b>TOTAL</b>	<b>(103)</b>	<b>(141)</b>

## 36. GAINS/(LOSSES) ON DERECOGNITION OF NON-FINANCIAL ASSETS

The breakdown of this item in the accompanying statement of profit or loss is as follows:

### Breakdown of gains/(losses) on derecognition of non-financial assets

(Millions of euros)

	2022			2021		
	Gains	Losses	Net profit/(loss)	Gains	Losses	Net profit/(loss)
On disposals of tangible assets	12	(2)	10	23	(15)	8
Due to sale of investments (Note 15)	15	(2)	13	20	(56)	(36)
On disposals of other assets	1		1	440		440
<i>Of which: Sale of the card business of Bankia to CaixaBank Payments&amp;Consumer</i>				174		174
<i>Of which: Sale of businesses from Bankia</i>				266		266
<b>TOTAL</b>	<b>28</b>	<b>(4)</b>	<b>24</b>	<b>483</b>	<b>(71)</b>	<b>412</b>

## 37. PROFIT/(LOSS) FROM NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE NOT QUALIFYING AS DISCONTINUED OPERATIONS

The breakdown of this item in the accompanying statement of profit or loss is as follows:

### Breakdown of profit/(loss) from non-current assets classified as held for sale

(Millions of euros)

	2022	2021
Impairment losses on non-current assets held for sale (Note 19)	(49)	(75)
Gain on disposal of non-current investments held for sale (Note 15)		319
<i>Of which: Profit for the sale of the share in Erste Bank</i>		318
Profit/(loss) on disposal of non-current assets held for sale	113	7
<i>Of which: Gain on the sale of the property at Paseo Castellana 51 (Note 19)</i>	101	
<b>TOTAL</b>	<b>64</b>	<b>251</b>

## 38. INFORMATION ON THE FAIR VALUE

The Entity's process for determining fair value ensures that the assets and liabilities are measured according to applicable criteria. In that regard, the measurement techniques used to estimate fair value comply with the following aspects:

- The most consistent and appropriate financial and economic methods are used, which have proven to provide the most realistic estimate of the price of the financial instrument and are commonly used by the market.
- They maximise the use of available information, both in terms of observable data and recent transactions of a similar nature, and limit—to the extent possible—the use of unobservable data and estimates.
- They are widely and sufficiently documented, including the reasons for their choice compared to other alternatives.
- The measurement methods chosen are respected over time, provided that there are no reasons to change the reasons for their choice.
- The validity of measurement models is regularly assessed using recent transactions and current market data.

Assets and liabilities are classified into one of the following levels using the following method to obtain their fair value:

- Level 1: assets and liabilities measured using the price that would be paid for them on an organised, transparent and deep market ("quoted price" or "market price"). In general, the following are included at this level:
  - ◆ Quoted debt securities. The following are mainly classified at this level:
    - Spanish and foreign public debt bonds, as well as other debt instruments issued by Spanish and foreign issuers.
    - Spanish and foreign public debt bonds under the insurance business.
    - Own securities issued by the Entity, mainly vanilla bonds and mortgage bonds.
  - ◆ Quoted equity instruments. Investments in quoted shares and investments in collective investment institutions are mainly classified at this level.
  - ◆ Derivatives traded in organised markets.
- Level 2: assets and liabilities in which the relevant data used in measurement are directly or indirectly observable on the market, such as quoted prices for similar assets or liabilities in the active markets, interest rate curves or credit differentials. In general, the following are included at this level:
  - ◆ Debt securities of quoted debt with a low volume and level of market activity. Public debt bonds of Spanish autonomous communities, as well as other private debt instruments, are mainly classified at this level.
  - ◆ Over-the-counter hedging and trading derivatives. Interest-rate swaps, as well as financial swaps on goods and other risks, are mainly classified at this level.
  - ◆ Real estate assets corresponding to real estate investments, inventories, as well as assets arising from credit regularisations.
- Level 3: assets and liabilities for which the relevant data used for measurement are not observable market data, for the measurement of which alternative techniques are used, including price requests submitted to the issuer or the use of market parameters corresponding to instruments with a risk profile that can be equated to that of the instrument being measured. In general, the following are included at this level:
  - ◆ Unquoted debt securities. Unquoted debt bonds are mainly classified at this level.
  - ◆ Loans and receivables.
  - ◆ Deposits.
  - ◆ Unquoted equity instruments.

### 38.1. FAIR VALUE OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The fair value of the financial instruments measured at fair value recognised in the balance sheet, broken down by associated carrying amount and level is as follows:

#### Fair value of financial assets (FA) measured at fair value (FV)

(Millions of euros)

	31-12-2022					31-12-2021				
	Carrying amount	Fair value				Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
<b>FA held for trading (Note 10)</b>	<b>13,765</b>	<b>13,765</b>	<b>452</b>	<b>13,313</b>		<b>17,971</b>	<b>17,971</b>	<b>635</b>	<b>17,336</b>	
Derivatives	13,350	13,350	37	13,313		17,371	17,371	35	17,336	
Equity instruments	233	233	233			186	186	186		
Debt securities	182	182	182			414	414	414		
<b>FA not designated for trading compulsorily measured at FV through profit or loss (Note 11)</b>	<b>106</b>	<b>106</b>	<b>43</b>	<b>2</b>	<b>61</b>	<b>121</b>	<b>121</b>	<b>46</b>	<b>2</b>	<b>73</b>
Equity instruments	56	56	43	2	11	54	54	46	2	6
Loans and advances	50	50			50	67	67			67
<b>FA at FV with changes in other comprehensive income (Note 12)</b>	<b>11,445</b>	<b>11,445</b>	<b>11,321</b>		<b>124</b>	<b>14,665</b>	<b>14,665</b>	<b>14,392</b>	<b>129</b>	<b>144</b>
Equity instruments	807	807	683		124	1,144	1,144	1,000		144
Debt securities	10,638	10,638	10,638			13,521	13,521	13,392	129	
<b>Derivatives - hedge accounting (Note 14)</b>	<b>606</b>	<b>606</b>		<b>606</b>		<b>1,018</b>	<b>1,018</b>		<b>1,018</b>	
<b>TOTAL</b>	<b>25,922</b>	<b>25,922</b>	<b>11,816</b>	<b>13,921</b>	<b>185</b>	<b>33,775</b>	<b>33,775</b>	<b>15,073</b>	<b>18,485</b>	<b>217</b>

#### Fair value of financial liabilities (FL) measured at fair value (FV)

(Millions of euros)

	31-12-2022					31-12-2021				
	Carrying amount	Fair value				Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
<b>FL held for trading (Note 10)</b>	<b>10,421</b>	<b>10,421</b>	<b>95</b>	<b>10,326</b>		<b>12,153</b>	<b>12,153</b>	<b>323</b>	<b>11,830</b>	
Derivatives	10,362	10,362	36	10,326		11,873	11,873	43	11,830	
Short positions	59	59	59			280	280	280		
<b>Derivatives - hedge accounting (Note 14)</b>	<b>1,370</b>	<b>1,370</b>		<b>1,370</b>		<b>928</b>	<b>928</b>		<b>928</b>	
<b>TOTAL</b>	<b>11,791</b>	<b>11,791</b>	<b>95</b>	<b>11,696</b>		<b>13,081</b>	<b>13,081</b>	<b>323</b>	<b>12,758</b>	

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	<ul style="list-style-type: none"> <li>&gt; Present value method</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Interest rate curves</li> <li>&gt; Probability of default for the calculation of CVA and DVA</li> </ul>	
	Exchange rate options	<ul style="list-style-type: none"> <li>&gt; Black-Scholes model</li> <li>&gt; Stochastic local volatility model</li> <li>&gt; Vanna-Volga model</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Interest rate curves</li> <li>&gt; Quoted option price</li> <li>&gt; Probability of default for the calculation of CVA and DVA</li> </ul>	
	Interest rate options	<ul style="list-style-type: none"> <li>&gt; Present value method</li> <li>&gt; Normal Black model</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Interest rate curves</li> <li>&gt; Quoted option price</li> <li>&gt; Probability of default for the calculation of CVA and DVA</li> </ul>	
	Index and equity options	<ul style="list-style-type: none"> <li>&gt; Black-Scholes model</li> <li>&gt; Local volatility</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Quoted option prices</li> <li>&gt; Correlations</li> <li>&gt; Dividends.</li> <li>&gt; Probability of default for the calculation of CVA and DVA.</li> </ul>	
	Inflation rate options	<ul style="list-style-type: none"> <li>&gt; Normal Black model</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Interest rate curves</li> <li>&gt; Credit Default Swap curves</li> <li>&gt; Probability of default for the calculation of CVA and DVA.</li> </ul>	
	Loans and advances	<ul style="list-style-type: none"> <li>&gt; Present value method</li> <li>&gt; Intensity of default</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Interest rate curves</li> <li>&gt; Credit Default Swap curves</li> <li>&gt; Probability of default for the calculation of CVA and DVA.</li> </ul>	
Equity instruments		<ul style="list-style-type: none"> <li>&gt; DCF (Discounted cash flow)</li> <li>&gt; ECF (Equity cash flow)</li> <li>&gt; DDM (Dividend Discount Method)</li> <li>&gt; Underlying carrying amount</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Macroeconomic inputs</li> <li>&gt; Risk premia and market premia</li> <li>&gt; Market peers</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Business planes</li> <li>&gt; Perpetual growth (g)</li> <li>&gt; Net equity</li> </ul>
Debt securities		<ul style="list-style-type: none"> <li>&gt; Present value method</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Interest rate curves</li> <li>&gt; Risk premia</li> <li>&gt; Market peers</li> <li>&gt; Observable market prices</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Risk premia</li> </ul>
Loans and receivables		<ul style="list-style-type: none"> <li>&gt; Present value method</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Interest rate curves</li> <li>&gt; Early cancellation ratios</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Credit loss ratios (internal models)</li> </ul>

(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 Entity's directors consider the models and techniques applied appropriately reflect the fair values of the financial assets and financial liabilities recognised in the balance sheet, and the gains and losses on these financial instruments.

The main measurement methods used by the Entity to determine recurring fair value have not been changed during the year (the main measurement methods were not changed during 2021).

#### **Significant inputs used for financial instruments measured at fair value classified at Level 2**

- Dividends: future equity dividends in index and stock options are derived from estimated future dividends and dividend futures quotes.
- Correlations: they are used as input in the measurement of share basket options and are extracted using the historical closing prices of the various components of each basket.
- Probability of default for the calculation of CVA and DVA: Credit Valuation Adjustments (CVA) and Debit Valuation Adjustments (DVA) are added to the valuation of Over The Counter (OTC) derivatives due to the risk associated with the counterparty's and own credit risk exposure, respectively. In addition, Funding Valuation Adjustment (FVA) is a valuation adjustment of derivatives of customer transactions that are not perfectly collateralised that includes the funding costs related to the liquidity necessary to perform the transaction.

The CVA is calculated bearing in mind the expected exposure with each counterparty in each future maturity. The CVA for an individual counterparty is equal to the sum of the CVA for all maturities. Adjustments are calculated by estimating exposure at default (EAD), the probability of default (PD) and loss given default (LGD) for all derivatives on any underlying at the level of the legal entity that the Entity is exposed to. Similarly, DVA is calculated by multiplying the expected negative exposure given the probabilities of default by the Group's LGD.

The data necessary to calculate PD and LGD come from the credit market prices (Credit Default Swaps). Counterparty data are applied where available. Where the information is not available, the Entity performs an exercise that considers, among other factors, the counterparty's sector and rating to assign the PD and the LGD, calibrated directly to market or with market adjustment factors for the probability of default and the historical expected loss. With FVA, the adjustment shares part of the CVA/DVA approaches, since it is also based on the future credit exposure of the derivatives, but in this case the exposures are not netted by counterparty, but rather at aggregate level in order to recognise the joint management of the liquidity. The data necessary to calculate funding cost are also based on prices taken from its issuance and credit derivatives markets.

The change in the value of the CVA/FVA and DVA/FVA adjustments are recognised in "Gains/(losses) on financial assets and liabilities held for trading, net" in the statement of profit or loss.

The table below shows the changes to these adjustments:

#### **Changes in CVA/FVA AND DVA/FVA**

(Millions of euros)

	2022		2021	
	CVA/FVA	DVA/DFVA	CVA/FVA	DVA/DFVA
<b>OPENING BALANCE</b>	<b>(120)</b>	<b>26</b>	<b>(113)</b>	<b>21</b>
Additions due to business combinations (Note 7)			(80)	8
Additions/changes in derivatives	74	50	74	(3)
Cancellation or maturity of derivatives			(1)	
<b>CLOSING BALANCE</b>	<b>(46)</b>	<b>76</b>	<b>(120)</b>	<b>26</b>

### **Significant inputs used for financial instruments measured at fair value classified at Level 3**

Taking into account the Entity's risk profile, exposure to Level 3 assets and liabilities is reduced, chiefly focusing on equity instruments with a fair value based on multiple measurement models. The inputs used for estimating fair value take into account observable variables (macroeconomic inputs, risk and market premiums and comparable market variables) and unobservable variables (business plans, growth rates (g) according to estimates of institutions with recognised experience and net book equity according to the annual accounts of the measured company).

### **Transfers between levels**

The transfers between levels of the instruments recorded at fair value are specified below:

#### **Transfers between levels - 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 cost			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 between levels in 2021.

Given the Entity's risk profile regarding its portfolio of debt securities measured at fair value (see [Note 3.4.1](#)), the change in fair value attributable to credit risk is not expected to be significant.

### Changes and transfers of financial instruments in Level 3

The change brought about in the Level 3 balance, on instruments registered at fair value, is detailed below:

#### Changes in level 3 financial instruments at fair value \*\*

(Millions of euros)

	2022		2021	
	FA not held for trading *- Equity instruments	FA at fair value with changes in other comprehensive income	FA not held for trading *- Equity instruments	FA at fair value with changes in other comprehensive income
	Debt sec.	Equity instruments	Debt sec.	Equity instruments
<b>OPENING BALANCE</b>	<b>6</b>	<b>144</b>	<b>3</b>	<b>57</b>
Additions due to business combinations (Note 7)				149
Reclassifications to other levels				(37)
Total gains/(losses)		(2)		(9)
To reserves		(1)		(3)
To equity valuation adjustments		(1)		(6)
Acquisitions	5	2	3	1
Settlements and other		(20)		(17)
<b>CLOSING BALANCE</b>	<b>11</b>	<b>124</b>	<b>6</b>	<b>144</b>
Total gains/(losses) in the period for instruments held at the end of the period		2		9

FA: Financial Assets. Debt sec.: Debt securities

(\*) 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 changes in level 3 financial instruments at fair value in 2021.

## 38.2. FAIR VALUE OF ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

The methodology for estimating the fair value of financial instruments at amortised cost recurrently is consistent with the provisions of Note 38.1. It is worth highlighting that the fair value presented for certain instruments may not correspond to their realisable value in a sales or settlement scenario, since it was not determined for that purpose; in particular:

- Loans and advances: Includes investments the typical lending activity. Fair value is estimated using the present value method based on expected cash flows established in the various contracts and subsequently discounted using:
  - ◆ Market interest rate curves as of the appraisal date.
  - ◆ Early write-off ratios based on available internal historical information.
  - ◆ Credit loss ratios based on IFRS 9 expected loss estimates based on internal models.
- Deposits: Includes the attracted deposits central banks, financial institutions and customers. Fair value is obtained using the present value method based on expected cash flows established in the various contracts and subsequently discounted using:
  - ◆ Market interest rate curves as of the appraisal date.
  - ◆ Internal model for estimating current account maturities and other demand deposits calibrated based on available internal historical information. This model takes the sensitivity of its remuneration at market interest rates and the level of permanence of account balances on the balance sheet.
  - ◆ The credit differential is added to the risk-free curve based on the generic loss probabilities of credit ratings.
- Debt securities issued: Includes Entity 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 measured at amortised cost, see [Notes 13 and 20](#).

The fair value of the financial instruments at amortised cost recognised in the balance sheet, broken down by associated carrying amount and level is as follows:

**Fair value of financial assets (FA) measured at amortised cost***(Millions of euros)*

	31-12-2022					31-12-2021				
	Carrying amount	Fair value				Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
<b>FA at amortised cost (Note 13)</b>	<b>417,067</b>	<b>414,987</b>	<b>43,946</b>	<b>18,751</b>	<b>352,290</b>	<b>398,774</b>	<b>421,822</b>	<b>39,071</b>	<b>21,354</b>	<b>361,397</b>
Debt securities	72,244	65,914	43,946	18,751	3,217	63,239	63,444	39,071	21,354	3,019
Loans and advances	344,823	349,073			349,073	335,535	358,378			358,378

**Fair value of financial liabilities (FL) measured at amortised cost***(Millions of euros)*

	31-12-2022					31-12-2021				
	Carrying amount	Fair value				Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
<b>FL at amortised cost (Note 20)</b>	<b>454,386</b>	<b>426,540</b>	<b>43,325</b>	<b>2,617</b>	<b>380,598</b>	<b>517,751</b>	<b>518,463</b>	<b>49,589</b>	<b>2,027</b>	<b>466,847</b>
Deposits	397,154	373,088			373,088	460,903	460,241			460,241
Debt securities issued	50,030	46,250	43,325	2,617	308	50,624	51,998	49,589	2,027	382
Other financial liabilities	7,202	7,202			7,202	6,224	6,224			6,224

FL: Financial liabilities

### 38.3. 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 Entity has a corporate policy that guarantees the professional competence and independence and objectivity of external valuation agencies, under which these agencies must comply with neutrality and credibility requirements so that use of their estimates does not undermine the reliability of their valuations. This policy stipulates that all valuation agencies and appraisers used by the Entity in Spain must be included in the Bank of Spain's Official Registry and that their valuations be performed in accordance with the methodology set out in Ministerial Order ECO/805/2003 of 27 March. In 2022, the main appraisers and valuation agencies that the Entity worked with 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 Entity has established the following criteria to obtain the appraisal values of real estate assets.

- Statistical appraisals are used for real estate with a fair value of less than EUR 300 thousand.
- For foreclosed real estate with a fair value of EUR 300 thousand or more, appraisals have been requested in accordance with the criteria established by Order ECO/805/2003:
  - ◆ Appraisals under 2 years old are used for real estate investments, using the rental update method.
  - ◆ Appraisals under one year old are used for stock, using the cost method application.
  - ◆ Appraisals under one year old are used for properties from credit regularisations, using the comparison method application.

For the specific case of properties from credit regularisations (foreclosed assets) classified as non-current assets for sale, the Entity has developed an internal methodology that determines the discount to be applied to the appraisal value (obtained from appraisal companies and agencies), based on recent experience in sales of Entity assets over the past 3 years; while for sales costs on asset sales over the past 12 months. This methodology is chiefly based on the following drivers:

- Type of property: The model categorises the type of property, differentiating between residential, commercial, land and ongoing.
- Location. The model categorises property by zones, according to the commercial interest of their geographical location.
- The time that the property has been on the market. The model categorises property based on the time from the date of ownership of the property to the date of sale.

According to the drivers described above, for each sale made the Entity calculates the ratio between the difference between the amount of the last current updated appraisal and the sale price, in the numerator, and the amount of the last current updated appraisal, in the denominator. Thus, it determines the adjustment to be made to the measurement value in order to obtain fair value. The updating of the data used to calculate the adjustment based on appraisal values is conducted on a three-year basis.

In order to determine sale costs, the Entity calculates the ratio between the assumed marketing costs and the total volume of sales of realised assets.

Furthermore, the Entity has established a backtesting analysis between the adjustment calculated by the model and the price for which the properties were finally sold. This exercise is conducted on a biannual basis.

The measurement methods used by the Entity to determine non-recurring fair value have not been changed during the year (measurement methods were not changed in 2021).

## 39. DISCLOSURES REQUIRED UNDER THE MORTGAGE MARKET LAW

In accordance with regulations governing the mortgage market, issuers of mortgage covered bonds are required to disclose relevant information regarding their issuances. Consequently, CaixaBank, SA presents the following information regarding its total mortgage covered bond issuances:

### Information on support and privileges available to holders of mortgage covered bonds issued by the Group

CaixaBank is the only Group entity that issues mortgage covered bonds in Spain.

Mortgage covered bonds are securities in which the principal and interest are especially secured, with no need for registration, by mortgages on all the bonds registered in favour of the Entity, without prejudice to liability of the Entity's assets.

The securities include credit rights for holders vis-à-vis the Entity, guaranteed as stated in the preceding paragraphs, and entail execution to claim payment for the issuer after they mature. The holders of these securities are considered to be creditors with special preference, as stipulated in section 3 of Article 1,923 of the Civil Code, vis-à-vis any other creditor, in relation to the total mortgage credits and loans registered in favour of the issuer. All holders of bonds, irrespective of their date of issue, have the same seniority over the loans and credits which guarantee the bonds.

The members of the Board of Directors certify that CaixaBank has express policies and procedures in place covering all activities carried out within the scope of its mortgage market issuances, and that they guarantee strict compliance with the mortgage market regulations applicable to such activities. These policies and procedures cover aspects such as:

- Relationship between the sum of loans and credits and the appraisal value of the mortgaged asset.
- Relationship between the debt and the borrower's income, and verification of the information provided by the borrower and its solvency.
- Prevention of mismatches between flows from the hedging portfolio and those arising from payments owed on issued securities.
- Proper procedures for the selection of appraisers.

### Information concerning mortgage market issuances

The nominal value of the outstanding mortgage-covered bonds, mortgage participations and mortgage transfer certificates issued by CaixaBank is shown below:



**Mortgage market issuances***(Millions of euros)*

	31-12-2022	31-12-2021
<b>Mortgage covered bonds issued in public offers (debt securities)</b>		
<b>Mortgage covered bonds not issued in public offers (debt securities)</b>	<b>54,936</b>	62,024
Residual maturity up to 1 year	5,750	10,140
Residual maturity between 1 and 2 years	3,900	9,250
Residual maturity between 2 and 3 years	9,202	3,900
Residual maturity between 3 and 5 years	19,285	21,914
Residual maturity between 5 and 10 years	13,800	12,835
Residual maturity over 10 years	2,999	3,985
<b>Deposits</b>	<b>4,635</b>	<b>5,638</b>
Residual maturity up to 1 year	625	1,003
Residual maturity between 1 and 2 years		625
Residual maturity between 2 and 3 years	1,405	
Residual maturity between 3 and 5 years	1,280	1,405
Residual maturity between 5 and 10 years	1,325	2,605
Residual maturity over 10 years		
<b>TOTAL MORTGAGE COVERED BONDS</b>	<b>59,571</b>	<b>67,662</b>
<i>Of which: recognised under liabilities</i>	<i>21,451</i>	<i>26,050</i>
<b>Mortgage participations issued in public offers</b>		
<b>Mortgage units not issued in public offering (*)</b>	<b>2,838</b>	<b>3,544</b>
<b>TOTAL MORTGAGE PARTICIPATIONS</b>	<b>2,838</b>	<b>3,544</b>
<b>Mortgage transfer certificates issued in public offers</b>		
<b>Mortgage transfer certificates not issued in public offering (**)</b>	<b>20,138</b>	<b>22,884</b>
<b>TOTAL MORTGAGE TRANSFER CERTIFICATES</b>	<b>20,138</b>	<b>22,884</b>

(\*)The average weighted maturity at 31 December 2022 is 152 months (159 months at 31 December 2021).

(\*\*)The average weighted maturity at 31 December 2022 is 197 months (207 months at 31 December 2021).

**Information on mortgage loans and credits**

The nominal amount of all CaixaBank's mortgage loans and credits as well as those which are eligible, pursuant to applicable regulations, for the purposes of calculating the mortgage covered bonds issuance limit, is as follows:

**Mortgage loans. Eligibility and accountability in relation to the mortgage market***(Millions of euros)*

	31-12-2022	31-12-2021
<b>Total loans</b>	<b>161,332</b>	<b>167,687</b>
<b>Mortgage participations issued</b>	<b>2,838</b>	<b>3,544</b>
<i>Of which: On balance sheet loans</i>	<i>2,838</i>	<i>3,544</i>
<b>Mortgage transfer certificates issued</b>	<b>21,115</b>	<b>24,036</b>
<i>Of which: On balance sheet loans</i>	<i>20,138</i>	<i>22,884</i>
<b>Loans backing mortgage bonds issuances and covered bond issuances</b>	<b>137,379</b>	<b>140,107</b>
Non-eligible loans	30,236	34,450
Meet eligibility requirements, except for limits established in article 5.1. of Royal Decree 716/2009 of 24 April	14,468	16,821
Other	15,768	17,629
Eligible loans	107,143	105,657
Non-computable amounts	163	148
Computable amounts	106,980	105,509
Loans suitable for backing mortgage bond issuances	106,980	105,509

Information is also provided on all pending mortgage loans and credits, and those that are eligible without taking into account the calculation limits set out in Article 12 of Royal Decree 716/2009 of 24 April:

**Mortgage loans and credits***(Millions of euros)*

	31-12-2022		31-12-2021	
	Total portfolio of loans and credits	Total portfolio of eligible loans and credits	Total portfolio of loans and credits	Total portfolio of eligible loans and credits
<b>By source</b>	<b>137,379</b>	<b>107,143</b>	<b>140,107</b>	<b>105,580</b>
Originated by the Entity	137,379	107,143	140,107	105,580
Other				
<b>By currency</b>	<b>137,379</b>	<b>107,143</b>	<b>140,107</b>	<b>105,657</b>
Euro	136,894	106,875	139,554	105,340
Other	485	268	553	317
<b>By payment situation</b>	<b>137,379</b>	<b>107,143</b>	<b>140,107</b>	<b>105,657</b>
Business as usual	131,919	106,124	132,170	104,214
Past-due	5,460	1,019	7,937	1,443
<b>By average residual maturity</b>	<b>137,379</b>	<b>107,143</b>	<b>140,107</b>	<b>105,657</b>
Up to 10 years	27,637	21,107	28,810	21,531
From 10 to 20 years	58,837	49,048	62,456	50,977
From 20 to 30 years	45,427	36,569	41,652	32,353
Over 30 years	5,478	419	7,189	796
<b>By type of interest rate</b>	<b>137,379</b>	<b>107,143</b>	<b>140,107</b>	<b>105,657</b>
Fixed	42,447	37,341	31,415	27,215
Variable	94,932	69,802	108,692	78,442
<b>By holder</b>	<b>137,379</b>	<b>107,143</b>	<b>140,107</b>	<b>105,657</b>
Legal entities and entrepreneurs	22,300	11,630	24,479	12,527
<i>Of which: Real estate developers</i>	<i>4,094</i>	<i>1,967</i>	<i>4,996</i>	<i>2,179</i>
Other individuals and not-for-profit institutions	115,079	95,513	115,628	93,130
<b>By collateral</b>	<b>137,379</b>	<b>107,143</b>	<b>140,107</b>	<b>105,657</b>
<b>Assets / completed buildings</b>	<b>133,600</b>	<b>105,364</b>	<b>135,854</b>	<b>103,934</b>
Homes	118,658	97,988	119,896	96,000
<i>Of which: Subsidised housing</i>	<i>2,799</i>	<i>2,532</i>	<i>3,156</i>	<i>2,775</i>
Commercial	6,609	2,919	7,034	3,183
Other	8,333	4,457	8,924	4,751
<b>Assets / buildings under construction</b>	<b>2,966</b>	<b>1,348</b>	<b>3,142</b>	<b>1,292</b>
Homes	1,827	916	2,128	907
<i>Of which: Subsidised housing</i>	<i>20</i>	<i>8</i>	<i>23</i>	<i>9</i>
Commercial	295	118	231	96
Other	844	314	783	289
<b>Land</b>	<b>813</b>	<b>431</b>	<b>1,111</b>	<b>431</b>
Built	337	214	349	207
Other	476	217	762	224

A breakdown of the eligible loans and mortgage covered bonds affected by the issuance of CaixaBank mortgage covered bonds on 31 December 2022 and 2021 is provided below, according to the outstanding principal of loans and credit, divided by the last fair value of the guarantees affected (LTV):

**Eligible mortgage loans and credits***(Millions of euros)*

	31-12-2022	31-12-2021
<b>Mortgage on homes</b>	<b>98,904</b>	<b>96,907</b>
Transactions with LTV below 40%	41,826	42,097
Transactions with LTV between 40% and 60%	34,075	35,229
Transactions with LTV between 60% and 80%	23,003	19,581
<b>Other assets received as collateral</b>	<b>8,239</b>	<b>8,750</b>
Transactions with LTV below 40%	4,951	5,363
Transactions with LTV between 40% and 60%	3,098	3,238
Transactions with LTV over 60%	190	149
<b>TOTAL</b>	<b>107,143</b>	<b>105,657</b>

Changes in mortgage loans and credits, which back the issuance of mortgage covered bonds, are shown below:

### Mortgage loans and credits. Changes is nominal values - 2022

(Millions of euros)

	Eligible loans	Non-eligible loans
<b>Opening balance</b>	<b>105,656</b>	<b>34,450</b>
<b>Reductions in the year</b>	<b>16,103</b>	<b>10,069</b>
Cancellations on maturity	46	59
Early cancellation	232	845
Assumed by other entities	513	54
Other	15,312	9,111
<b>Additions in the year</b>	<b>17,590</b>	<b>5,856</b>
Additions due to business combinations (Note 7)		
Originated by the Entity	14,135	4,762
Other	3,455	1,094
<b>Closing balance</b>	<b>107,143</b>	<b>30,237</b>

The amounts available (undrawn committed amounts) of the entire portfolio of mortgage loans and credits pending payment are as follows:

### Available mortgage loans and credits

(Millions of euros)

	31-12-2022	31-12-2021
Potentially eligible	16,684	17,172
Other	3,872	3,916
<b>TOTAL</b>	<b>20,556</b>	<b>21,088</b>

The calculation of the degree of collateralisation and overcollateralisation of mortgage-covered bonds issued by CaixaBank is shown below:

**Degree of collateralisation and overcollateralisation**  
*(Millions of euros)*

	31-12-2022	31-12-2021
Non-registered mortgage covered bonds	54,936	62,024
Registered mortgage covered bonds placed as customer deposits	4,635	5,638
<b>MORTGAGE COVERED BONDS ISSUED (A)</b>	<b>59,571</b>	<b>67,662</b>
Total outstanding mortgage loans and credits *	161,332	167,687
Mortgage participations issued	(2,838)	(3,544)
Mortgage transfer certificates issued	(21,115)	(24,036)
<b>PORTFOLIO OF LOANS AND CREDIT COLLATERAL FOR MORTGAGE COVERED BONDS (B)</b>	<b>137,379</b>	<b>140,107</b>
<b>COLLATERALISATION: (B)/(A)</b>	<b>231 %</b>	<b>207 %</b>
<b>OVERCOLLATERALISATION: [(B)/(A)]-1</b>	<b>131 %</b>	<b>107 %</b>

(\*) Includes on and off balance sheet portfolio.

## 40. 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 ordinary course of business and on an arm's length basis; **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
<b>Outstanding financing</b>	<b>9,721</b>	<b>9,036</b>
Average maturity (years)	19	19
Average interest rate (%)	0.58%	0.41%
<b>Financing granted in the year</b>	<b>3,375</b>	<b>1,363</b>
Average maturity (years)	9	22
Average interest rate (%)	0.92%	0.93%

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 2022 financial year have been disclosed in detail. The most significant balances between CaixaBank and its related parties are detailed below, complementing the other balances in this report.

**Related party balances and operations***(Millions of euros)*

	Significant shareholder (1)		Group entities		Associates and joint ventures		Directors and Senior Management (2)		Other related parties (3)		Employee pension plan	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>												
Loans and advances to credit institutions			1,606	1,237								
Loans and advances	17	36	17,394	16,274	826	552	10	9	19	24		
Reverse repurchase agreement				80								
Mortgage loans	16	18				3	10	9	10	11		
Other	1	18	17,394	16,194	826	549			9	13		
<i>Of which: valuation adjustments</i>			(25)	(25)	(2)	(1)						
Debt securities	17,503	19,161	1,864	1,733								
<b>TOTAL</b>	<b>17,520</b>	<b>19,197</b>	<b>20,864</b>	<b>19,244</b>	<b>826</b>	<b>552</b>	<b>10</b>	<b>9</b>	<b>19</b>	<b>24</b>		
<b>LIABILITIES</b>												
Customer deposits	479	304	6,520	6,179	774	1,054	20	13	14	18	485	119
Debt securities issued			375	245								
<b>TOTAL</b>	<b>479</b>	<b>304</b>	<b>6,895</b>	<b>6,424</b>	<b>774</b>	<b>1,054</b>	<b>20</b>	<b>13</b>	<b>14</b>	<b>18</b>	<b>485</b>	<b>119</b>
<b>PROFIT OR LOSS</b>												
Interest income			272	246	11	6						
Interest expense	(1)		(74)	(81)		(1)						
Fee and commission income			1,051	728	261	176						
Fee and commission expenses			(43)	(27)		(2)						
<b>TOTAL</b>	<b>(1)</b>		<b>1,206</b>	<b>866</b>	<b>272</b>	<b>179</b>						
<b>OTHER</b>												
Contingent liabilities	16	1	224	447	29	40						
Contingent commitments			3,113	3,335	519	742	1	2	1	1		
Assets under management (AUMs) and assets under custody (4)	27,169	23,623	72	72	1,632	1,489	30	28	20	21	1,422	1,396
<b>TOTAL</b>	<b>27,185</b>	<b>23,624</b>	<b>3,409</b>	<b>3,854</b>	<b>2,180</b>	<b>2,271</b>	<b>31</b>	<b>30</b>	<b>21</b>	<b>22</b>	<b>1,422</b>	<b>1,396</b>

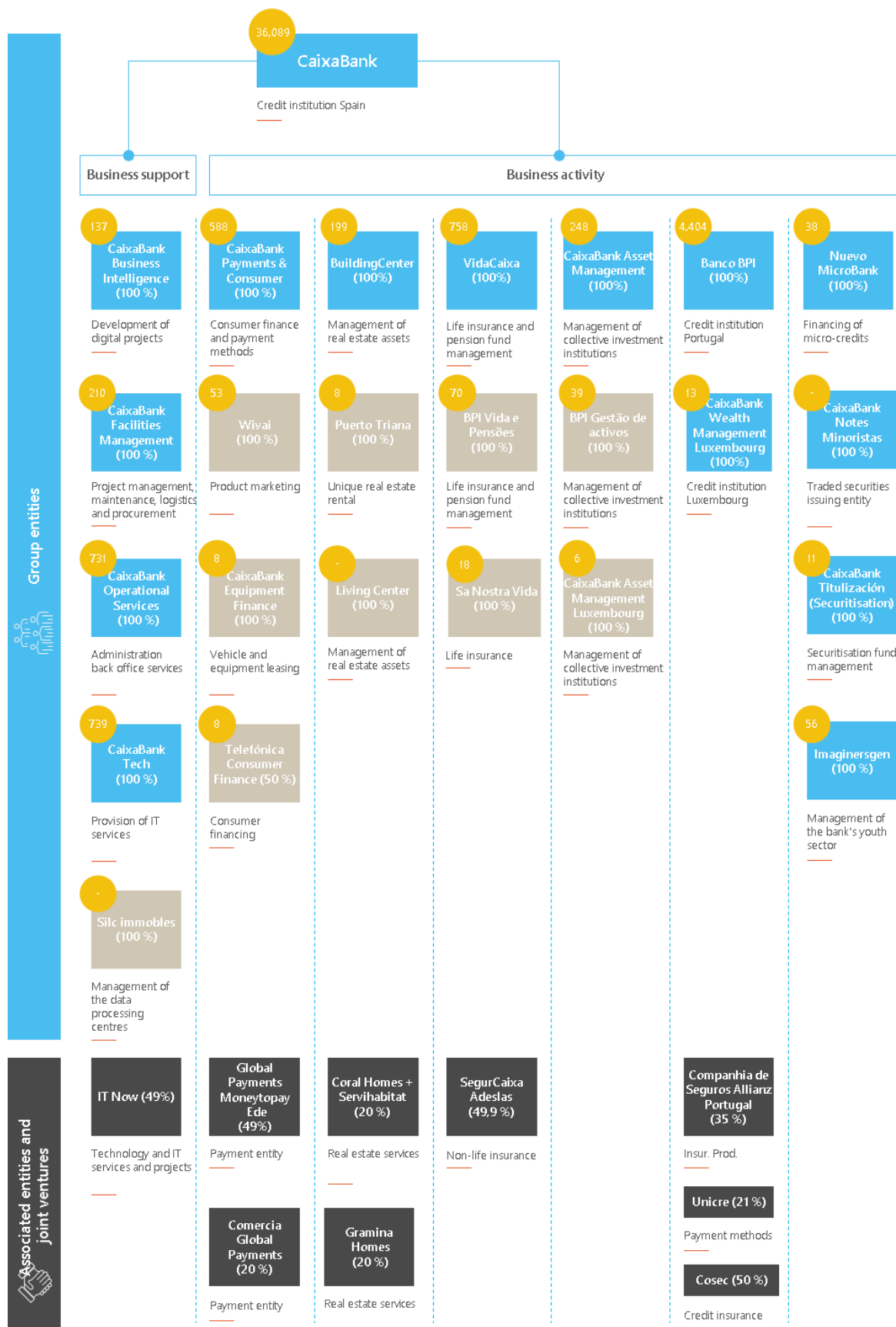
(1) At 31 December 2022, they refer to balances and operations carried out with the "la Caixa" Banking Foundation, CriteriaCaixa, BFA Tenedora de Acciones, SAU, the FROB and its dependent companies. At 31 December 2022, the stake held by CriteriaCaixa and BFA Tenedora de Acciones, SAU in CaixaBank is 30.01% and 16.11% respectively, without considering the effect of the capital reduction (see Note 22) (30.01% and 16.12% respectively at 31 December 2021). The stake held by BFA Tenedora de Acciones, SAU in CaixaBank comes from the merger with Bankia (see Note 7).

(2) Directors and Senior Management of CaixaBank.

(3) Relatives and companies linked to members of the Boards of Directors and the Senior Executive of CaixaBank. There are no significant differences in the perimeter considered under the Board Regulations (adapted to the amendments in 2021 of the Corporate Enterprises Act) and that of Circular 4/2017.

(4) Includes investment funds, insurance contracts, pension funds and post-employment obligations contributed.

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	<p>&gt; CaixaBank provides the FBLC Group (including CriteriaCaixa) certain services, under the Internal Protocol of Relationships subscribed by the parties.</p>
CaixaBank	FBLC + CriteriaCaixa	
CaixaBank	Business activity Business support	
CaixaBank	Business activity Business support	<p>&gt; 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.</p>
CaixaBank	Business activity	<p>&gt; CaixaBank receives fees for the services of its subsidiaries and associates marketed via its network in Spain.</p>
Banco BPI	BPI Vida e Pensões BPI Gestão de Activos Companhia de Seguros Allianz Portugal Unicre Cosec	<p>&gt; 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.</p>
IT Now	CaixaBank Tech	<p>&gt; 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.</p>
CaixaBank Business Intelligence	CaixaBank	<p>&gt; CaixaBank Business Intelligence provides digital project development services.</p>
CaixaBank Operational Services CaixaBank Facilities Management	FBLC + CriteriaCaixa CaixaBank Business activity Business support	<p>&gt; 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.</p>
VidaCaixa	CaixaBank	<p>&gt; CaixaBank has outsourced certain employee commitments to VidaCaixa.</p>
Silc immobles	CaixaBank	<p>&gt; Silc immobles maintains the real estate and carries out maintenance on the data processing centres, which are leased to CaixaBank.</p>
BuildingCenter Living Center	CaixaBank Business activity Business support	<p>&gt; 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.</p>
Coral Homes + Servihabitat Gramina Homes	BuildingCenter	<p>&gt; 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.</p>
	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 the financial years 2022 and 2021 with the significant shareholder in addition to those mentioned in the previous notes to these financial statements, are as follows:

- In November 2022, CaixaBank sold the property it owns (see [Note 19](#)) 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.
- At 31 December 2022 and 2021, CriteriaCaixa holds derivatives with CaixaBank to cover the interest rates of bilateral banking loans, for a nominal value of EUR 50 and 250 million, respectively. At 31 December 2022 and 2021, the fair value of said derivative amounts to EUR -3 and 3 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% of the share capital and voting rights of CaixaBank, or in the event there is a shareholder with a larger stake in CaixaBank. The Company pays FBLC a fee for this licence that can be reviewed annually.

FBLC assigned to CaixaBank and companies of the Entity, 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 Entity's activities are not dependent on or significantly influenced by patents or licences, industrial contracts, new manufacturing processes or special commercial or financial contracts.

## 41. OTHER DISCLOSURE REQUIREMENTS

### 41.1. THE ENVIRONMENT

There is no significant environmental risk due to the activity of the Entity, and therefore, it is not necessary to include any specific breakdown on environmental information in the document (Order of the Ministry of Justice JUS/616/2022 of 30 June). Furthermore, no significant tangible asset items at the Entity are affected by environmental issues of any type.

The Entity is committed to carrying out its business, projects, products and services in the most environmentally-friendly way possible, and its activities do not have a direct impact on the environment (see the corresponding section in the accompanying Management Report).

The Entity did not receive any relevant fines or sanctions related to compliance with environmental regulations in 2022.

No significant tangible asset items at the Entity are affected by environmental issues of any type.

### 41.2. CUSTOMER SERVICE

CaixaBank has a Customer Service Office charged with handling and resolving customer complaints and claims. This office has no connections with commercial services and performs its duties with independent judgment and according to the protection rules for financial services customers.

The average resolution time in 2022 is 11 calendar days, compared to 21 calendar days in 2021.

#### Complaints received

(Number of complaints)

	2022	2021
<b>HANDLED BY THE CUSTOMER SERVICE OFFICE (CSO)</b>	<b>239,869</b>	<b>193,755</b>
Customer Care Office (CSO)	239,869	193,755
<b>FILED WITH THE SUPERVISORS' CLAIMS SERVICES</b>	<b>4,653</b>	<b>3,358</b>
Bank of Spain	4,364	3,151
Comisión Nacional del Mercado de Valores (Spanish securities market regulator)	265	183
Directorate-General of Insurance and Pension Plans	24	24

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

Type of resolution	CSO		Bank of Spain		CNMV		DGS (Directorate General of Insurance and Pension Plans)	
	2022	2021	2022	2021	2022	2021	2022	2021
Resolved in favour of the	118,265	90,606	738	480	64	65	5	4
Resolved in favour of the	86,987	76,653	461	442	64	65	4	4
Acceptance			984	1,032	91	37	1	
Other (rejected/unresolved)	41,444	28,222	2,018	534	1		3	1
<b>TOTAL</b>	<b>246,696</b>	<b>195,481</b>	<b>4,201</b>	<b>2,488</b>	<b>220</b>	<b>167</b>	<b>13</b>	<b>9</b>

## 42. STATEMENT OF CASH FLOWS

The main cash flow variations corresponding to the financial year are set out below by type:

- Operating activities (EUR 76.679 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 60,712 million) and the increase in financial assets at amortised cost (EUR 19,921 million).
- Investment activities (EUR 650 million): cash flows from the sale of Bankia Vida to VidaCaixa (EUR 578 million).
- Financing activities (EUR 3,977 million): from cash flows from debt issuance and maturities (EUR 996 million) and the share buyback programme (EUR 1,817 million), together with dividends paid (EUR 1,178 million) in the year.

## APPENDIX 1 - CAIXABANK'S INVESTMENTS IN SUBSIDIARIES

(Thousands of euros)

Corporate name	Business activity	Registered address	% shareholding		Share capital	Reserves	Profit/(loss)	Cost of direct holding (net)
			Direct	Total				
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, SGIC, 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 Representação 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 procurement	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 Titulización 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
Corporación Hipotecaria Mutua, E.F.C., S.A.	Mortgage lending	Madrid-Spain	100.00	100.00	5,000	70,123	(10,396)	63,987

## APPENDIX 1 - CAIXABANK'S INVESTMENTS IN SUBSIDIARIES

(Thousands of euros)

Corporate name	Business activity	Registered address	% shareholding		Share capital	Reserves	Profit/(loss)	Cost of direct holding (net)
			Direct	Total				
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 Teguisse 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 Compañía de Seguros de Vida, S.A.	Life insurance	Balearic Islands-Spain	-	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 Inmobles, 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
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

## APPENDIX 1 – CAIXABANK'S INVESTMENTS IN SUBSIDIARIES

(Thousands of euros)

Corporate name	Business activity	Registered address	% shareholding		Share capital	Reserves	Profit/(loss)	Cost of direct holding (net)
			Direct	Total				
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 (net)	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 GROUP ASSOCIATES***(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 (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 GROUP ASSOCIATES

(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 (net)	Dividends accrued on total ownership interest
			Direct	Total									
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 implementation 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
Telefónica 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
Telefónica 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 INTEREST IN SUBSIDIARIES 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 - LIST OF AGENTS

Information required under Article 21 of Royal Decree 84/2015, of 13 February

Name
ASESORIA SUAREZ S.L.
ASESORIA Y GESTION MARTINEZ LERIDA S.L.
INVERSIONES CONFIDENCE CAPITAL, S.L.
SERFIS ASESORIA E XESTION, S.L.
GESTIMAR ASESORES S.COOPERATIVA
SALEK BACHIR, ABDULAH
LUZ MARIA GARCIA VALERO
JOSE ANDRES CEJAS GALVEZ
ALFONSO AMURRIO MARTINEZ
MARIA JULIANA GOMEZ PAEZ
MARIA GEMA MELGAR NAVARRO
ANTONIO JESUS GOMEZ CHICA
LOURDES CERES OCAÑA
SERGIO LOPEZ RODRIGUEZ
MATIAS JESUS RUIZ LOPEZ
JOSE MANUEL CRUZ MUÑIZ
APOLONIA GOMEZ SANTOS
FRANCISCO JAVIER DOMINGUEZ CORNEJO
JUANA WIC GOMEZ
JONATHAN PEREZ IGLESIA
MARIA CARMEN ULGAR GUTIERREZ
BEATRIZ LOPEZ BELLO
JESUS MIGUEL PRADO CEA
MARIA ISABEL PAÑOS RUEDA
MARIA AURORA JURADO ROMERO
JESUS RAFAEL SERRANO LOPEZ
MARIA ARACELI JANDULA MONTILLA
MARIA REYES RODRIGUEZ NARANJO
MARIA PURIFICACION ROPERO CASTILLO
LORENA TOLEDO GARCIA
MIGUEL ANGEL SANCHEZ PAREJA
FRANCISCA CASTILLA GIGANTE
MARIA BEATRIZ MATAS ALMIRON
INMACULADA ROMERO DIEGO
MIGUEL GARCIA DOMINGUEZ
TEYAME 360 S.L.
DIGITEX INFORMÁTICA S.L.U.
CONFIRMACIÓN DE SOLICITUDES DE CRÉDITO VERIFICA S.A.

## PROPOSED APPROPRIATION OF CAIXABANK PROFIT

The appropriation of profits of CaixaBank, SA from the 2022 financial year, which the Board of Directors agrees to propose to the Annual General Meeting for approval, based on the information available at the date of formulation of these financial statements, is presented below:

### Proposed appropriation of profit of CaixaBank S.A.

(Euros)

2022

#### Basis of appropriation

Profit/(loss) for the year	2,412,512,894.78
----------------------------	------------------

#### Distribution

To dividends (1)	1,729,991,551.34
To reserves (2)	682,521,343.44
To legal reserve (3)	
To voluntary reserve (2) (4)	682,521,343.44

#### NET PROFIT FOR THE YEAR

2,412,512,894.78

(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 1,729,991,551.34 euros will be reduced according to the number of treasury shares held by CaixaBank at the time of payment of the dividend, given that, as required by the Corporate Enterprises Act, treasury shares cannot receive a dividend.

(2) Estimated amount 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 Company's legal reserve totals EUR 1,612,129,406.60, which is equivalent to 20% of the share capital required by article 274 of the Spanish Corporate Enterprises Act, before the capital reduction of EUR 558,515,414 through the redemption of 558,515,414 shares acquired under the Company's share buyback programme in 2022. Following the capital reduction, formalised by public deed executed on 9 January 2023 and entered in the Trade Register on 13 January 2023, the amount of EUR 1,500,426,323.80, equivalent to 20% of the current share capital, will be considered legal reserve. The surplus of 20% of the share capital, i.e., EUR 111,703,082.80, will be considered an available reserve.

(4) Remuneration of AT1 capital instruments corresponding to 2022, totalling EUR 260,828,804.53, will be deemed to have been paid, with this amount charged to voluntary reserves.



2022

# Management Report





## Legal notice

The aim of this document is purely informative, and it does not claim to provide a financial advisory service or the offer of a sale, exchange, acquisition or invitation to acquire any kind of securities, product or financial services of CaixaBank, S.A. (hereinafter, "CaixaBank" or "the Entity"), or of any other companies mentioned within it. The information contained therein is subject to, and should be treated as complementary to, all other publicly available information. The information refers to CaixaBank, S.A.; where the data or information refers to the CaixaBank Group (CaixaBank and its subsidiaries), this will be explicitly stated (CaixaBank Group or Group). Anyone who purchases a security at any time must do so solely on the basis of their own judgment or the suitability of the security for their own purposes, and exclusively on the basis of the public information set out in the public documentation drawn up and registered by the issuer in the context of this specific information, availing themselves of advice if they consider this necessary or appropriate in accordance with the circumstances, and not on the basis of the information set out in this document.

CaixaBank cautions that this document may contain statements on provisions and estimates of future business and profitability, particularly in relation to the financial information relating to the CaixaBank Group, which has been prepared mainly on the basis of estimates made by the Entity. Please note that these estimates represent our expectations regarding the development of our business and that there may be various risks, uncertainties and other relevant factors that could cause developments to differ materially from our expectations. These variables include market conditions, macroeconomic factors, regulatory and government requirements; fluctuations in national or international stock markets or in interest and exchange rates; changes in the financial position or our customers, debtors or counterparties, and so forth. These risk factors, together with any others mentioned in past or future reports, could adversely affect our business and its level of performance. Other variables that are unknown or unpredictable, or for which there is uncertainty about their evolution and/or potential impacts, may cause the results to differ materially from those described in the forecasts and estimates.

Past financial statements and previous growth rates are no guarantee of the future performance, results or price of shares (including earnings per share). Nothing contained in this document should be construed as constituting a forecast of future results or profit.

It should also be noted that this document has been prepared on the basis of the accounting records kept by CaixaBank and, where applicable, by the other CaixaBank Group companies, and includes certain adjustments and reclassifications to bring the principles and criteria followed by the integrated companies in line with those of CaixaBank, and therefore the data contained in this presentation may not coincide in some respects with the financial information published by the Entity.

The statement of profit or loss, the consolidated balance sheet and the various breakdowns thereof shown in this report are presented on a management basis, although they have been prepared in accordance with Bank of Spain Circular 4/2017, of 6 December, which adapts the International Financial Reporting Standards (hereinafter IFRS) adopted by the European Union to the Spanish credit institution sector, and subsequent amendments thereto. While the information referring to the CaixaBank Group has been drawn up in accordance with the IFRS adopted by the European Union through Community Regulations, in accordance with Regulation 1606/2002 of the European Parliament and of the Council, of 19 July 2002, and its subsequent modifications.

This document features data supplied by third parties generally considered to be reliable information sources. However, the accuracy of the data has not been verified. With regard to the data provided by third parties, neither CaixaBank nor any of its administrators, directors or employees, guarantees or vouches, either explicitly or implicitly, that these contents are exact, precise or complete, nor is it obliged to keep them duly updated, or to correct them in the event of detecting any deficiency, error or omission. Likewise, in the reproduction of this content by any means, CaixaBank may introduce the modifications it deems appropriate, may partially or totally omit any of the elements of this presentation, and, in the event of discrepancy with this version, assumes no liability. This statement should be taken into account by all persons or entities that may have to take decisions or prepare or disseminate opinions regarding securities issued by CaixaBank and, in particular, by analysts and investors who handle this presentation. All of them are invited to consult the documentation and public information communicated or registered by CaixaBank with the Spanish National Securities Market Commission (CNMV). Be advised that this document contains unaudited financial information.

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 Entity's financial performance and situation. Please be advised that these APMs have not been audited. These measures constitute additional information and should be treated accordingly. In no event are they intended to replace the financial information drawn up in accordance with International Financial Reporting Standards (IFRS).

Moreover, the way the 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, as well as for the reconciliation of certain management indicators to the indicators presented in the consolidated financial statements prepared under the IFRS.

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## Index

1. Our identity
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  - 1.2 Corporate governance
  - 1.3 Business model
2. Risk management
3. Context and prospects
4. Strategy
5. Financial reporting and results
6. Non-financial information

Glossary – Financial information

This Management Report has been prepared in accordance with the Code of Commerce and Legislative Royal Decree 1/2012, of 2 July, on Capital Companies. The non-financial information corresponding to CaixaBank, S.A. is included in the CaixaBank Group's Consolidated Management Report, which is available together with the CaixaBank Group's Consolidated Annual Accounts for the year ending 31 December 2022 and which will be filed with the Commercial Register of Valencia.

*The CNMV Listed Company Guide to Drawing up the Management Report* was used to create this document.

From 1 January 2023 to the date of preparation of this report, there have been no significant events in the development of the Entity that are not mentioned in this document or in the accompanying financial statements.



# 1. Our identity

***CaixaBank is a financial group with a socially responsible, long-term universal banking model, based on quality, trust, and specialisation.***

Which offers a value proposition of products and services adapted for each sector, adopting innovation as a strategic challenge and a distinguishing feature of its corporate culture, and whose leading position in retail banking in Spain and Portugal makes it a key player in supporting sustainable economic growth.

CaixaBank, S.A. is the Parent company of a group of financial services, whose stock is traded on the stock exchanges of Barcelona, Madrid, Valencia and Bilbao and on the continuous market. It has been part of the IBEX-35 since 2011, as well as the Euro Stoxx Bank Price EUR, the MSCI Europe and the MSCI Pan-Euro.



## 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 come true.

Besides contributing to our customers' financial well-being, our purpose is to **support the progress of the whole of society**. We are a deeply-rooted retail bank in all areas in which we work and, for this reason, we feel a part of the progress of the communities where we engage our business.

### We do this with:

- Specialised advice.
- Personal finance simulation and monitoring tools.
- Comfortable and secure payment methods.
- a broad range of saving, pension and insurance products,
- Responsibly-granted loans.
- 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.
- Through financial inclusion and education; environmental sustainability; support for diversity; with housing aid programmes; and promoting corporate voluntary work.
- And, of course, through our collaboration with the Obra Social (social work) of the "la Caixa" Foundation, whose budget is partly nourished through the dividends that CriteriaCaixa earns from its stake in CaixaBank. A major part of this budget is funnelled into identified local needs through the CaixaBank branch network in Spain and BPI in Portugal.





## 1.1 Share structure

The share structure of the Entity is set out in section 03: Corporate Governance – Property structure, of the Consolidated Management Report of the CaixaBank Group.

The purchase and sale of own shares by CaixaBank shall comply with the provisions of current regulations and the corresponding agreements of the Annual General Meeting.

Information on the acquisition and disposal of shares held in treasury during the period is included in Note 22 'Net Equity' of the attached Financial Statements.

### Performance of the share in 2022

**The CaixaBank share closed trading in 2022 at EUR 3.672 euros/share, representing an annual revaluation of +52.1% in the year, exceeding the performance of the general indices (Ibex 35, -5.6% year on year and Eurostoxx 50, -11.7% year on year) and the selective benchmark banks: Ibex 35 banks, +13.1% year on year and Eurostoxx Banks SX7E, -4.6% year on year.**

In general terms, the **year 2022 has been a very bad year for the stock markets, where high volatility and uncertainty have prevailed in the financial markets** throughout the year. Without a doubt, it has been a year marked by the war in Ukraine, the energy crisis (and of other raw materials), the sharp rise in inflation and the rapid monetary policy tightening on both sides of the Atlantic in an environment of economic slowdown and growing concerns of a recession. Although the fourth quarter started with a slight recovery of the main stock market indices, this was soon cut short again in December, following a hawkish turn by the Fed and the ECB, which anticipated a tighter monetary policy than that priced in by the market, despite the risks on growth. All in all, Spanish banking stocks have weathered the storm relatively 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 share in 2022

CaixaBank	Ibex35	Eurostoxx50	Eurostoxx Eurozone Banks
+52.1%	-5.6%	-11.7%	-4.6%





## 1.2 Corporate Governance

A solid Corporate Governance framework enables companies to **maintain an efficient and methodical decision-making process** as it provides clarity in the allocation of functions and responsibilities, while also promoting appropriate risk management and effective internal controls, which promotes transparency and mitigates potential conflicts of interest. All this promotes excellence in management, which translates into greater added value for the company and its stakeholders.

In accordance with the commitment to our mission and vision, there is a need to integrate the practices of Good Corporate Governance into our activity. This is a strategic priority for having a well-governed and managed company, and for being recognised for this.

**Audit and Control:** Inform the AGM on the result of the audit and supervise the process for the preparation and presentation of financial and non-financial information to the Company and the Group.

The information relating to the Bank's corporate governance is contained in CaixaBank's Annual Corporate Governance Report (ACGR), which is available on CaixaBank's corporate website ([www.caixabank.com](http://www.caixabank.com)) and annexed to this document.

### Corporate Governance Structure

En CaixaBank, la gestión y el control de la Sociedad están distribuidos entre la Junta General de Accionistas, el Consejo y sus comisiones:



**Executive:** Delegated body of the Board that meets as often as it is convened by its Chairman, and its resolutions (adopted by the majority of its members in attendance) are valid and binding with no need for subsequent ratification by the Board.

**Appointments and Sustainability:** Lead the process of appointments of the new independent members of the Board; report on proposals for the appointment of senior executives; evaluate the structure, size, composition and actions of the Board and its committees; and supervise the Company's activities with regard to sustainability.

**Risks:** Advise the Board of Directors on the current and future overall risk appetite of the Company and its strategy in this area, and it controls compliance therewith.

**Remuneration:** Draft resolutions related to remuneration.

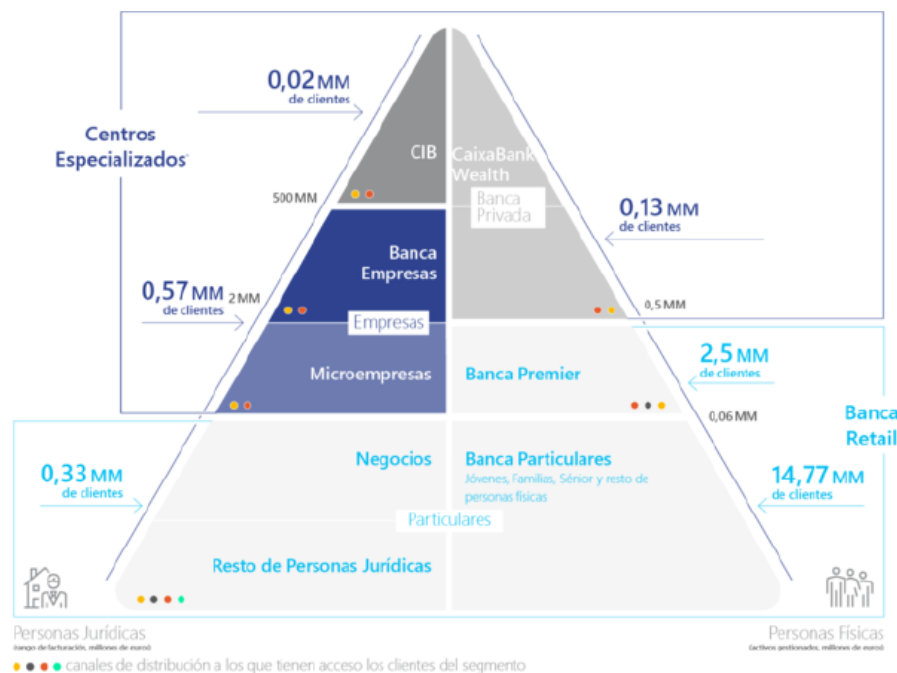
**Innovation, Technology and Digital Transformation:** Advise on the implementation of the strategic plan in aspects relating to digital transformation and technological innovation.



## 1.3 Business model

CaixaBank has a **universal banking model** that seeks the best customer experience and that is adapted to the profile of each customer in accordance with our **segmentation**, to the different ways that customers manage their **mobility**, to their way of **relating** to people and to their way of using **technology**.

Private Banking has specialised teams, more than 1,018 accredited professionals with an average of over 15 years' experience and 881 exclusive centres that ensure customers always receive a personal and friendly service. Different service models are offered to customers, from traditional financial advice to independent advice and broker services.



### Retail Banking

Retail Banking's value proposition is based on a multi-channel, innovative, personalised and unique offer aimed at individual, premier, business and entrepreneurial customers.

In 2022, continued work was conducted on consolidating *The 4 Vital Experiences*, the transformation of the distribution network and the impulse of new digital and remote customer relations models.

### Private Banking

Private Banking offers value propositions specifically aimed at groups that, due to their nature, share the same asset management needs and objectives.

Through the Social Value Project, solutions are provided in the fields of Philanthropy and Socially Responsible Investment (SRI).

### Business Banking

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CaixaBank Business has an exclusive model for attending to companies, consolidating its position as a benchmark Entity for this segment.

CaixaBank Business offers innovative and tailor-made solutions with specialised attention through more than 145 centres distributed throughout Spain, providing advanced advice via videoconference and the Business Wall. Thanks to a team of more than 1,326 experts, we respond to the needs of each company.

The Entity wants to continue increasing its relationship with its customers by boosting lending and financing so that the *NextGeneration EU* Funds reach the entire business fabric with the aim of reactivating the economy, as well as broadening the corporate customer base.

### CIB & International Banking

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CIB & International Banking integrates three business areas, Corporate Banking, Institutional Banking and International Banking, and various specialised product areas, such as Capital Markets, Cash Management, Project Finance, Asset Finance, and M&A.

International Banking offers support to customers of the branch network, CIB and Corporate Banking who operate abroad, as well as large local corporates, through its 27 international points of presence and 215 professionals.

Corporate Banking manages relationships with national and international corporate clients with the main aim of becoming their benchmark financial provider.

Institutional banking provides service to institutions in the public and private sector, through a value proposition that combines high specialisation, proximity with customers and an all-inclusive group of financial services and solutions adapted to their needs, through 13 institutions' centres and more than 110 professionals.

The information related to the evolution of the different business areas of CaixaBank, S.A. is included in point 05: Value creation model - Business model from the CaixaBank Group Consolidated Management Report.

## 2. Risk management

*The Board of Directors, Senior Management and the Group as a whole are firmly committed to risk management.*

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

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



### Governance and organisation

It is implemented through internal policies, standards and procedures that ensure proper oversight by the governing bodies and committees, as well as by specialised staff.

### Strategic risk management processes

1. Identifying and assessing risks (*Risk Assessment*).
2. Risk definition and taxonomy. Corporate Risk Catalogue.
3. Risk Appetite Framework (*RAF*).

### Risk culture

The Risk culture is based, among other things, on general risk management principles, employee training and evaluation of variable remuneration for employee performance.

### Corporate Risk Catalogue

The Corporate Risk Catalogue is the taxonomy of the Group's material risks. It covers the identification and definition of the material risks to which the Entity is exposed, as well as the emerging risks and strategic events. It facilitates the internal and external monitoring and reporting and consistency across the Group and is reviewed periodically (at least once a year). The update process involves evaluating the materiality of the emerging risks identified in the Risk Assessment process.

As a result of the review of the Corporate Risk Catalogue in 2022, the following changes have been made:

- 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 is considered a transversal factor with an impact on 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 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.

Additional information on the Entity's risk management and internal control model is detailed in Note 3 of the non-consolidated financial statements for 2022.





## 3. Context and perspectives

### Economic context

#### Global and eurozone evolution

#### *Geopolitical risks and inflation, the main issues in 2022.*

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, with a rise of benchmark rates in the US and eurozone of 4.25 and 2.5 percentage points, respectively.

For the year as a whole, this all led to declines in international markets, particularly in the technological sector, 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 around 3% in 2022, with some fluctuation throughout the year and with some variation among countries.

The US showed very moderate GDP growth (2.1%), even suffering slight contractions in some quarters, while eurozone GDP grew by above 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.









## *Reorientation of the*

## *ECB's monetary policy*

The eurozone has been one 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 this context, the eurozone economy performed better than expected up to the third quarter thanks to the boost provided by the lifting of COVID-19 restrictions. However, the deterioration of 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%.

Following a new all-time high of 10.6% in October, inflation eased as a result of the moderation 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.



## Spanish economy overview

### *Resilience of the Spanish labour market in 2022*

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 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. For the year as a whole, GDP grew 5.5%, although at year-end it still was 0.9% below pre-pandemic levels (4Q19).

In positive terms, the good performance of the labour market stands out, with an increase of more than 470,000 workers registered with the Social Security system with respect to the previous year. This labour market recovery allowed inequality indicators to fall to levels below pre-pandemic levels, according to CaixaBank Research's inequality monitor

(<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 new historical high of 10.8% in July, inflation decelerated in the final stretch of the year to 5.7% at the end of December 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



ber. Excluding energy and all food, inflation at 4.4%.

**A sharp slowdown of economic growth is expected in 2023**

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 will 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, a GDP growth of 1.3% is expected, after growing above 5.5% in 2022.







## Portuguese economy overview

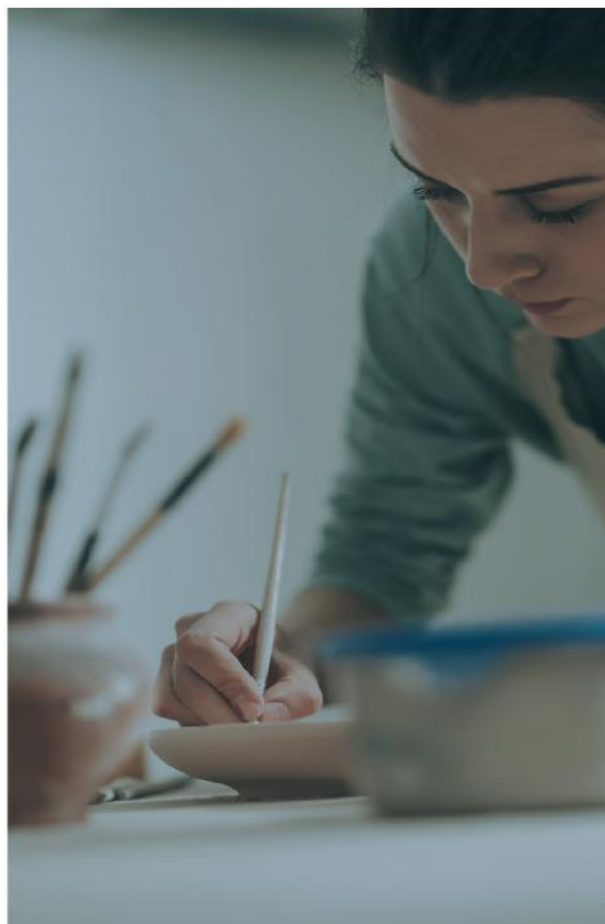
The Portuguese economy posted remarkable growth in 2022, despite the substantial challenges it faced in terms of high energy costs, rising inflation and tightening of monetary policy. GDP growth was around 6.7%, exceeding pre-pandemic levels. The main drivers of growth were domestic demand components, 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; with an annual average of 7.8%. In 2023, we will see a marked slowdown in GDP growth, to 1.0% for the year, while inflation will ease to 5.5%. Despite the drop in inflation expected through 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, caused a slowdown in private consumption and investment.



## Regulatory context

*CaixaBank shares its opinions on regulatory processes with the public authorities, through position papers and impact analysis documents, either at their request or on its own initiative.*



CaixaBank's public policy actions follow a broad approach aimed at promoting the development and economic growth of the territories in which it is present. In particular, we should emphasise the support to regulatory initiatives that strive to strengthen financial stability and support the proper performance of the European banking sector. 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 works to promote the development of a regulatory framework for sustainable finance that enables it to meet the objectives of the 2030 Agenda and the Paris Agreements on climate change. 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 contract services related to direct lobbying or representation of interests to position itself with the authorities. Instead, it generally shares its opinions through different associations to reach a consensus on the industry's position, though in specific cases it does send direct messages to regulators and public authorities.

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 Entity and the financial system. It is supported by internal analyses of regulatory proposals to identify potential unwanted effects or impacts that may be disproportionate to the regulatory goal. Once the proposals are analysed, the Committee decides on the regulatory strategy. This strategy will be channelled through the associations or transmitted directly by the institution itself.

The relationship with political parties and public authorities are subject to the CaixaBank Code of Ethics and Principles of Action, and its Anti-corruption Policy, both serving as essential elements for setting up participation in regulatory processes.

CaixaBank's Code of Ethics and Anti-corruption Policy aim to not only comply with applicable legislation, but also its firm commitment with its ethical principles as a signatory to the United Nations Global Compact. This reflects its strong determination in the fight against corruption.

Section 6 of the CaixaBank Anti-Corruption Policy strictly prohibits donations to political parties and associated foundations. CaixaBank has the necessary controls in place to ensure that donations are not made to political parties.



## Main initiatives monitored by CaixaBank during the year that have an impact on the Group

### Sustainable finance

- EC consultation on the proposed Corporate Sustainability Reporting Directive (CSRD).
- 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 within the Pillar 1 prudential framework.
- Proposed Regulation on a European green bond standard.
- EBA's discussion paper on the role of ESG risks within the prudential framework.
- ITS (Implementing Technical Standards) for ESG risk disclosures under Pillar 3 of the EBA.
- Consultation of the Sustainable Finance Platform on 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.

### 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 processing of crypto-assets.
- European Commission Public Consultation on improvement of 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).
  - Regulation on the information that must accompany the transfer of funds and certain crypto-assets.

- Legislative packages of sanctions against Russia.
- European Banking Authority (EBA) Guidelines on the role of AML/CFT compliance officers and the management body of credit or financial institutions.







### 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 for the promotion of the start-up ecosystem.
- Follow-up to the initiatives of the European Commission on Retail Investor Strategy.
- Bank of Spain consultation on Covered Bonds.
- ESMA consultation 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 appropriateness 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 proposed Regulation on harmonised standards related to the access and the fair use of data.
- EC consultation on an Open Finance Framework.
- EC proposal for a Regulation on Cyber Resilience.
- EC proposed Regulation on instant transfers in euros.
- Regulation (EU) 2022/1925 on Digital Markets.
- Regulation (EU) 2022/2065 on Digital Services.

### 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 transposing European Union Directives on accessibility of certain products and services.
- Code of Good Practice to alleviate the rise in interest rates on mortgage loans for primary residences.



## Social, technological and competitive context

### Business profitability and capital adequacy - banking sector

In 2022, the Spanish banking sector consolidates 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 2021<sup>1</sup> (vs 9% without extraordinary impacts in 2021), representing an increase of 1.1 percentage points.

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 from 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, as a consequence of the rise in interest rates, 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.

<sup>1</sup>. Data from the Bank of Spain's Financial Stability Report Spring 2022 Supervisory Statistics. Consolidated figures. Annualised at 3Q22.



CaixaBank has signed up to a series of **extraordinary best practice measures** aimed at easing the mortgage burden on the most vulnerable households.



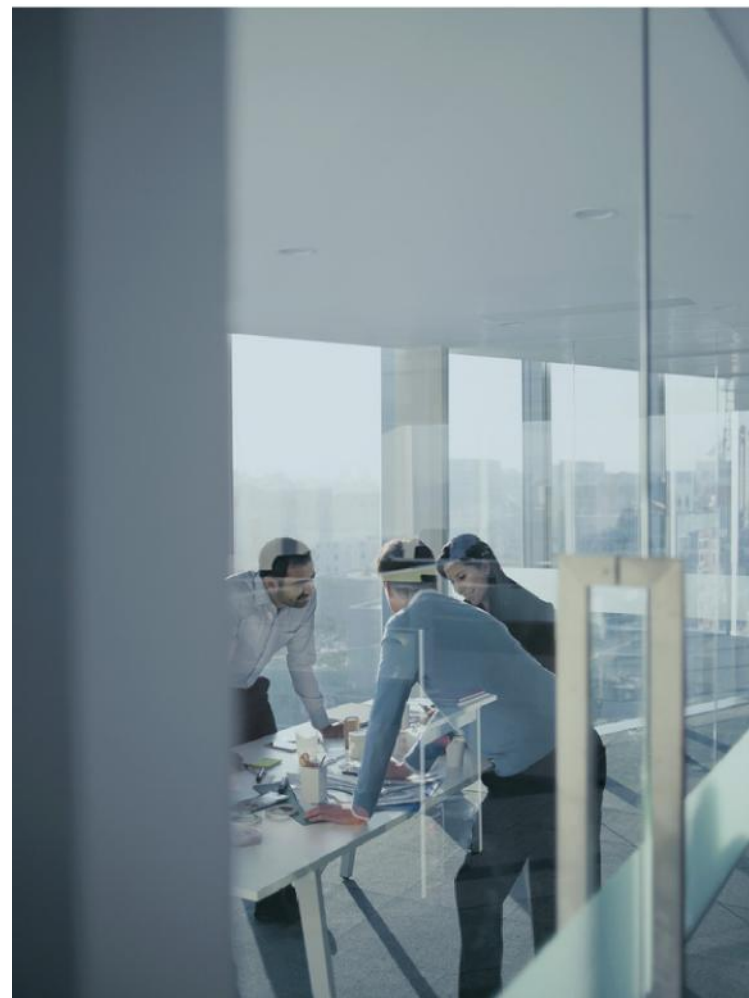


In any case, in 2022, credit quality has continued to improve the NPL rate to 3.68% in November, which represents a reduction of 113 basis points compared to the levels prior to the pandemic (February 2020) and the lowest level since December 2008. However, despite the aggregate reduction in NPLs, there are certain signs of credit quality impairment and heterogeneous behaviour by activity sector. This could be aggravated by the current environment. Specifically, the weight of special watch-list performing loans remains above pre-pandemic levels, although it dropped to 6.6% in June 2022 after reaching a high of 8.1% in September 2021. 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, according to EBA data, the CET1 capital ratio decreasing slightly compared to 2021 to 12.5% in the third quarter 2022. 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 were 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.

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.

<sup>1</sup>Data from the EBA Risk Dashboard.







<sup>1</sup>Source: CB Insights, State of Fintech Report.

## Digital transformation



*CaixaBank faces the challenge of digitalisation with a strategy focused on customer experience.*

The more digital habits and behaviours that have emerged in the wake of the COVID-19 pandemic accelerated the process of digitalisation of the environment in which financial institutions operate.

For the banking industry, digital transformation is leading to a growing focus on the customer and greater demands to keep them satisfied (in terms of convenience, immediacy, customisation and cost). More specifically, customer satisfaction is becoming an increasingly relevant issue; customer loyalty is decreasing as it is easier to switch bank in a digital environment. The digitisation of the banking sector has also facilitated the emergence of new non-traditional competitors, such as fintech companies 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 had 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 Q322, global fintech funding fell by 64% year-on-year)<sup>1</sup>. In consequence, these companies are being 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 source of competitive advantage. In particular, the use, processing and storage of data results allows obtaining information that serves to create products that generate greater value for the customer and are more tailored to their risk profile. In addition, there is an increase in the use cases and development of new technologies (such as Cloud, Artificial Intelligence or blockchain) in the sector, albeit at different levels of maturity. In any case, the use of new technologies 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, through the use of digital technology, institutions can expand their customer base and provide services more efficiently and at a lower cost by being able to reach a larger number of potential customers, without having to expand their branch





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network in the territory. In turn, the digitisation also produces new business opportunities, for example by offering their digital platforms for third parties to market their products, or through new financial products that are better adapted to the needs of each customer.

Meanwhile, payment patterns are changing. The reduction in the use of cash in favour of electronic payments has gained speed with COVID-19. In addition, the digital payments arena is also evolving from a model dominated almost exclusively by card systems (linked to bank accounts) to a more mixed model that involves fintech and bigtech companies (which offer alternative payment solutions) and is starting to introduce alternative types of money and private 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.

In Europe, the ECB has been in 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 faces the challenge of digitalisation with a strategy focused on customer experience. In this regard, the digital transformation offers the Institution new opportunities to understand its customers and offer them a higher-value proposal, using a multi-channel assistance model. In particular, CaixaBank has a distribution platform that combines great physical capillarity with high digital capabilities. Likewise, in response to the change in habits of customers, the Entity is placing special emphasis on initiatives to improve interaction with customers through non-face-to-face channels. Meanwhile, digital transformation is also driving CaixaBank to focus more on the development of skills, such as advanced analytics and the provision of native digital services. Regarding this last point, Imagin features a digital ecosystem and lifestyle platform focused on the younger segment, offering financial and non-financial products and services, it own and of third parties. The Entity is also driving more transversal and collaborative ways of working, and is looking to collaborate more actively with new entrants

that offer services that can be incorporated into the group's value proposition.

## *CaixaBank's participation in the development of the digital euro*

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.

In that regard, the entry into force of the EU's green taxonomy is noteworthy. It establishes a classification system for sustainable activities and the approval of the information requirements on the degree of alignment with the taxonomy for companies subject to the Non-Financial Reporting Directive (NFRD). The credit institutions, which are also subject to this directive, must disclose the proportion of exposures that are within the scope of the taxonomy and report the proportion of exposures aligned with the taxonomy (Green Asset Ratio) as of the end of 2023.

*CaixaBank prioritises making progress in the transition to a low-carbon economy as an essential action to foster sustainable and socially inclusive development uphold excellence in corporate governance.*

Also in the area of banking supervision, it is worth noting the ECB's action plan (with deliverables in 2024) to explicitly incorporate climate change and energy transition into its framework of operations. In line with the plan, the ECB has started to include 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 the first half of 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. Spain, thanks to the *Next Generation EU* (NGEU) Recovery Plan, around EUR 4,600 million<sup>2</sup> have been earmarked in 2022 and an additional EUR 7,800 million<sup>3</sup> 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.





## Cybersecurity

Although digital transformation is **essential for the competitiveness and efficiency of banking**, it also increases technological risks. In this regard, the increased digital operations of customers and employees make it necessary to increase the focus on cybersecurity and information protection. CaixaBank is aware of the 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 Entity 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 Entity develops and distributes extensive cybersecurity awareness content and programmes for all its employees, customers and society at large.



*CaixaBank has a **Strategic Plan for information security** that constantly measures the Group's cybersecurity capabilities.*







## 4. 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 Entity'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 undertake this new Strategic Plan and 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 targets. 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.

On 17 May, CaixaBank presented its **2022–2024 Strategic Plan** under the slogan **“Close to our customers”**.

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 reaching 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.

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.



## 2022–2024 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.

### Creating an efficient customer service model

- And tailored to customer preferences.

### Sustainability

- The benchmark in Europe



### Cross-cutting capacities

- Technology → People



*This new Strategic Plan is aligned with the **Materiality analysis** carried out by the Entity, 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 cross-cutting enablers aim to strengthen CaixaBank's position in these areas to guarantee the best service to our customers.





## 1

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, 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, seniors, health, entertainment, business and seniors. The latter allows us to offer specific protection and savings solutions associated with the highest life expectancy of the population, taking advantage of the Entity'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.



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 digitalising 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 of decarbonisation of the Group's portfolio.



**Leading the positive social impact and driving financial inclusion**, through MicroBank, volunteering and social action, and the 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.





*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 Entity 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**.





*As a consequence of deploying and executing this new Strategic Plan, **CaixaBank seeks to achieve the financial targets set for 2024.***



The Group seeks to keep profitability above the cost of capital and, to this end, targets of a ROTE above 12%, an efficiency ratio of under 48% and revenue of 7% (as regards the compound annual growth rate, or CAGR). Furthermore, it seeks to offering attractive shareholder remuneration with a pay-out ratio of over 50%. The plan seeks to generate capital of approximately EUR 9,000 million capital to be distributed to shareholders (accumulated in the 2022-2024 period)<sup>1</sup>. The foregoing comes while maintaining on a solid balance sheet position with an NPL ratio of under 3%, a reduction of the cost of risk below 0.35% (2022–2025 average) and keeping a strong capital position, with a CET1 target without temporary adjustments of IFRS9 of 11% and 12%.

**The plan seeks to generate capital of approximately 9,000 million by the end of 2024 to distribute to shareholders.**

<sup>1</sup> Includes the share buyback program (SBB) for 2022 in addition to the excess capital generated in 2022-24 above the 12% CET1 ratio (without IFRS9 TA).



## 5. Income statement and financial information

### Main financial metrics of the CaixaBank Group

When managing the business and making decisions, the directors and management team at CaixaBank essentially rely on the CaixaBank Group or consolidated financial management information, the main financial figures of which are as follows:

(€ millions / %)	2022	2021	Year-on-Year
<b>PROFIT/(LOSS)</b>			
Net interest income	6,916	5,975	15.7%
Net fee and commission income	4,009	3,705	8.2%
Core income	11,997	10,597	13.2%
Gross income	11,594	10,274	12.8%
Recurring administrative expenses, depreciation and amortization	(6,020)	(5,930)	1.5%
Pre-impairment income	5,524	2,225	148.3%
Pre-impairment income stripping out extraordinary expenses	5,574	4,344	28.3%
Profit/(loss) attributable to the Group	3,145	5,226	(39.8)%
Profit/(loss) attributable to the Group ex M&A impacts in 2021	3,145	2,359	33.3%
<b>MAIN RATIOS (last 12 months)</b>			
Cost-to-income ratio	52.4%	78.3%	(26.0)
Cost-to-income ratio stripping out extraordinary expenses	51.9%	57.7%	(5.8)
Cost of risk <sup>1</sup> (last 12 months)	0.25%	0.23%	0.02
ROE <sup>1</sup>	8.3%	6.4%	1.8
ROTE <sup>1</sup>	9.8%	7.6%	2.2
ROA <sup>1</sup>	0.4%	0.3%	0.1
RORWA <sup>1</sup>	1.3%	1.1%	0.3

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

(€ millions / %)	2022	2021	Year-on-Year
<b>BALANCE SHEET</b>			
Total assets	592,234	680,036	(12.9)%
Equity	34,263	35,425	(3.3)%
<b>BUSINESS ACTIVITY</b>			
Customer funds	609,133	619,971	(1.7)%
Loans and advances to customers, gross	361,323	352,951	2.4%
<b>RISK MANAGEMENT</b>			
Non-performing loans (NPL)	10,690	13,634	(2,943)
NPL ratio	2.7%	3.6%	(0.9)
Provisions for insolvency risk	7,867	8,625	(757)
NPL coverage ratio	74%	63%	11
Net foreclosed available for sale real estate assets	1,893	2,279	(386)
<b>LIQUIDITY</b>			
Total Liquid Assets	139,010	168,349	(29,338)
Liquidity Coverage Ratio	194%	336%	(142)
Net Stable Funding Ratio (NSFR)	142%	154%	(12)
Loan to deposits	91%	89%	2
<b>CAPITAL ADEQUACY</b>			
Common Equity Tier 1 (CET1)	12.8%	13.1%	(0.3)
Tier 1	14.8%	15.5%	(0.7)
Total capital	17.4%	17.9%	(0.5)
MREL	26.0%	25.7%	0.3
Risk-Weighted Assets (RWAs)	214,43	215,651	1,220
Leverage Ratio	5.6%	5.3%	0.3
<b>SHARE INFORMATION</b>			
Share price (€/share)	3.672	2.414	1.258
Market capitalisation	25,870	19,441	6,429

The following section "Results" shows the business performance of CaixaBank, S.A., unless otherwise indicated.

## Management Report

### CaixaBank 2022

#### Income

The statement of profit or loss of CaixaBank, S.A. for 2022 is shown below, together with a comparison with the previous year.

(€ millions)	2022	2021
<b>Net interest income</b>	<b>5,122</b>	<b>4,432</b>
Dividend income	1,259	716
Net fee and commission income	3,245	3,030
Gains/losses due to financial assets and liabilities and others	279	118
Other operating income and expense	(852)	(850)
<b>Gross income</b>	<b>9,053</b>	<b>7,446</b>
Recurring administrative expenses, depreciation and amortisation	(5,009)	(5,141)
Extraordinary expenses	(44)	(2,118)
<b>Operating income/loss</b>	<b>4,000</b>	<b>187</b>
Allowances for insolvency risk	(754)	(609)
Other charges to provisions	(6)	(344)
Gains/(losses) on disposal of assets and others	(188)	333
Negative goodwill recognised in profit or loss	0	4,300
<b>Profit/(loss) before tax</b>	<b>3,052</b>	<b>3,867</b>
Income tax	(639)	348
<b>Profit/(loss) after tax</b>	<b>2,413</b>	<b>4,215</b>

**Profit/(loss) after tax** is EUR 2,413 million versus EUR 4,215 million in 2021 (-42.8%). The result includes extraordinary merger-related aspects: negative goodwill of EUR 4,300 million, extraordinary expenses of EUR -2,118 million, provisions of EUR -93 million, income from the sale of businesses of EUR 440 million and write-downs and others of EUR -91 million.

**Gross income** amounted to EUR 9,053 million. The Core income<sup>1</sup> stood at EUR 8,367 million in 2022 (+12.1%). The development of the gross margin (+21.6%) was mainly influenced by a significant increase of dividend income (+75.8%), mostly from Group companies and the increase of gains from financial derivatives.

**Recurring administrative expenses, depreciation and amortisation** (-2.6%) reflect the synergies associated with Bankia's integration.

**Extraordinary expenses** for 2022 amount to EUR 44 million and include EUR 29 million related to the penalty for early termination of the alliance and acquisition of the stake in Sa Nostra Vida in the second quarter.

The evolution of the heading **Allowances for insolvency risk** (+24.0%) is impacted by the reinforcement of provisions due to maintaining a Post Model Adjustment (PMA) in provisions to compensate the uncertainty in estimating the possible macroeconomic scenarios.

**Other charges to provisions** (-98.3%), in addition to the coverage of contingencies and impairment of other assets, include previously established provisions to cover write-downs arising from the planned restructuring plan of the commercial network.

The heading **Gains/losses on disposals of assets and others** includes, among others aspects, the recognition of the income from the sale of the property located at Paseo Castellana 51 in Madrid (EUR 101 million) and the asset write-downs within the framework of the aforementioned plan to restructure the commercial network.

#### Net interest income

Net interest income amounted to EUR 5,122 million (+15.6%) when compared to 2021. This increase is due to; **(i)** higher income from loans mainly due to an increase in the average rate, as a result of the positive impact of market interest rates; **(ii)** higher contribution of the fixed-income portfolio due to higher volumes and the increase of the average rate.

These effects have been partially compensated by: **(iii)** lower contribution to net interest income by financial intermediaries mainly due to higher cost of foreign currency funding; **(iv)** 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; **(v)** higher costs of customer deposits due to the rise of rates, among other factors.

<sup>1</sup>. Includes net fee and commission income and net interest income.





## Dividend income

**Dividend income amounted to EUR 1,259 million**, up 75.8% on the previous year, and included dividends paid out by Group companies, mainly VidaCaixa, CaixaBank Payments&Consumer, Banco BPI and CaixaBank Asset Management. It also includes the Telefónica dividend for EUR 69 million. The increase in dividend income is also the result of a slight improvement in the current economic context when compared to the last two years.

## Fee and commission income

**Fee and commission income amounted to EUR 3,245 million** (+7.1% over the previous period).

**Banking services, securities and other fees** include income on securities transactions, transactions, risk activities, deposit management, payment methods and wholesale banking. In their evolution, it is worth noting that there was a slight growth in recurring fees and a rise in fees from wholesale banking, due to an increase in activity during the year.

**Fees from the sale of insurance products** increased compared to 2021, due to greater activity and achievement of commercial objectives.

**Fee and commission income from investment funds, portfolios and SICAVs** amount to EUR 476 million.

**Fee and commission income from pension plans** stand at EUR 135 million.

(€ millions)	2022	2021
Banking services, securities and other fees	1,891	1,809
Insurance sales	743	605
Investment funds, portfolios and SICAVs	476	470
Pension plans	135	146
<b>Net fee and commission income</b>	<b>3,245</b>	<b>3,030</b>

## Gains/losses due to financial assets and liabilities and others

**Gains/(losses) on financial assets and liabilities and others** amounted to EUR 279 million (+136.4%). The development is explained by the increase of gains from financial derivatives.

## Other operating income and expense

**Other operating income and expenses** amount to EUR 852 million (+0.2%) and include, inter alia, contributions to the Single Resolution Fund (SRF) and the Deposit Guarantee Fund (DGF) as well as income from rentals and contributions, fees and taxes (such as real estate tax (IBI)).

(€ millions)	2022	2021
Contribution to the Single Resolution Fund / Deposit Guarantee Fund	(542)	(558)
Other	(310)	(292)
<b>Other operating income and expense</b>	<b>(852)</b>	<b>(850)</b>

## Administration expenses, depreciation and amortisation

The decline in **Recurring administrative expenses, depreciation and amortisation** of (-2.6%) is supported by the synergies associated with Bankia's integration. Personnel expenses (-2.2%) mainly shows the savings following the departure of employees within the framework of the labour agreement. General expenses (-0.6%) include the capture of synergies. Depreciation and amortisation drop 7.9% with respect to the previous year.

Extraordinary expenses in the year amount to EUR -44 million and include EUR -29 million related to the penalty for early termination of the alliance and acquisition of the stake in Sa Nostra Vida in the second quarter of 2022.

(€ millions)	2022	2021
<b>Gross income</b>	<b>9,053</b>	<b>7,446</b>
Staff expenses	(3,150)	(3,222)
General expenses	(1,237)	(1,244)
Depreciation and amortisation	(622)	(675)
<b>Recurring administrative expenses, depreciation and amortisation</b>	<b>(5,009)</b>	<b>(5,141)</b>
<b>Extraordinary expenses</b>	<b>(44)</b>	<b>(2,118)</b>



### Allowances for insolvency risk and other charges to provisions

**Allowances for insolvency risk** amounted to EUR -754 million (EUR -609 million in 2021).

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 established a collective provision fund for EUR 994 million at 31 December 2022. This PMA fund, of a collective and 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.

**Other charges to provisions** mainly includes coverage for contingencies and the impairment of other assets. The year 2022 includes the use of provisions for liabilities established in 2021 for EUR 63 million to cover asset write-downs from the plan to restructure the commercial network. When the expense materialises, it is recognised mostly in Gains/(losses) on disposal of assets and others.

Provisions were recognised for legal contingencies in the last quarter of 2021, employing conservative criteria.

### Gains/(losses) on disposal of assets and others

**Gains/(losses) on disposal of assets and others** includes, essentially, the results of one-off transactions and results from the sale and write-off of assets. Its evolution is essentially influenced by extraordinary events in 2022 and 2021:

- The heading in 2022 mainly includes the gains generated from the sale of the property located at Paseo Castellana 51 in Madrid (EUR 101 million) and the materialisation of the asset write-downs within the framework of the aforementioned plan to restructure the commercial network
- In 2021, this heading mainly includes the results generated by the sale of certain businesses that Bankia had been developing to investees (EUR 440 million) as well as the capital gain generated by the sale of the stake in Erste Group Bank (EUR 318 million). In addition, EUR -91 million of asset write-downs related to the restructuring of the commercial network were recorded





### Balance sheet

When managing the business and making decisions, the directors and management team at CaixaBank rely on the Group or consolidated management information. Accordingly, the figures that appear in this section refer to information of the CaixaBank Group, unless otherwise indicated.

**Other accounts** includes primarily temporary resources associated with transfers and collection. It includes a reduction of funds towards Liabilities under insurance contracts after acquiring 100% of the stake in Sa Nostra in the last quarter of the year (-16.9%).

Total assets	592,234	680,036	497,718	570,913
Total liabilities	557,972	644,611	468,983	540,333
Equity	34,263	35,425	28,735	30,580

### Customer funds

Customer funds amounted to EUR 609,133 million on 31 December 2022 (-1.7% in the year), impacted by the market volatility on long-term savings products (+1.1% in the year excluding this effect).

On-balance sheet funds amounted to EUR 456,115 million (+0.3% in the year):

- Growth in **demand deposits** to EUR 359,896 million (+2.7%).
- **Term deposits** amounted to EUR 26,122 million (-22.8%).
- Increase in **insurance contract liabilities**<sup>2</sup> (+0.1%). The formalization and takeover of Sa Nostra on 31 December had a positive impact of EUR 924 million on Liabilities for contracts of insurance (on-balance sheet), funds that were mostly included in Other accounts since the integration of Bankia.
- Negative performance of Unit Link in the year (-5.5%) due to the negative performance of the market, albeit with positive net subscriptions in the year

**Assets under management** amounted to EUR 144,832 million. Its performance in the year (-8.3%) is mainly due to the negative market effect, albeit with positive net subscriptions. Assets under management in **mutual funds, portfolios and SICAVs** amounted to EUR 101,519 million (-7.8% in the year). **Pension plans** stand at EUR 43,312 million (-9.6% over the year).

Customer deposits	386,017	384,270
<i>Demand deposits</i>	<i>359,896</i>	<i>350,449</i>
<i>Time deposits</i> <sup>1</sup>	<i>26,122</i>	<i>33,821</i>
Insurance contract liabilities <sup>2</sup>	67,467	67,376
<i>of which: Unit Link and other</i> <sup>3</sup>	<i>18,310</i>	<i>19,366</i>
Reverse repurchase agreements and other	2,631	3,322
<b>On-balance sheet funds</b>	<b>456,115</b>	<b>454,968</b>
Mutual funds, managed accounts and SICAVs	101,519	110,089
Pension plans	43,312	47,930
<b>Assets under management</b>	<b>144,832</b>	<b>158,020</b>
<b>Other accounts</b>	<b>8,186</b>	<b>6,983</b>
<b>Total customer funds</b> <sup>4</sup>	<b>609,133</b>	<b>619,971</b>

1. Includes retail borrowings of EUR 1,309 million on 31 December 2022.

2. Excluding the impact of the change in value of the associated financial assets, with the exception of Unit Link and Flexible Investment Life Annuity products (the part managed).

3. Includes technical provisions corresponding to Unit Link and Flexible Investment Life Annuity products (the part managed).

4. See "Reconciliation of activity indicators with management criteria" in the "Glossary - Financial information".







### Loans and advances to customers

Loans and advances to customers, gross stands at EUR 361,323 million (+2.4% in the year), driven by the solid growth of loans to business. The main highlight is the loans to business.

**Loans for home purchases** dropped -0.5% in the year, albeit the performance of the new production indicators has been very positive throughout the year, although it does not compensate the impact of recurring depreciation and portfolio sales.

**Loans to individuals – other purposes** declined by -2.7% in the year.

Consumer lending grows 3.2% with respect to December 2021, thanks to the recovery of production levels.

Good performance of **Loans to business**, which is the main contributor to the loan book growth, up 7.0 % in the year.

**Lending to the public sector** declined by -0.1% in the year, impacted by one-off operations.

(€ millions)	CaixaBank Group	
	31-12-2022	31-12-2021
<b>Loans to individuals</b>	<b>182,783</b>	<b>184,752</b>
Home purchases	139,045	139,792
Other	43,738	44,959
<i>of which: Consumer lending</i>	<i>19,312</i>	<i>18,716</i>
<b>Loans to business</b>	<b>157,780</b>	<b>147,419</b>
<b>Public sector</b>	<b>20,760</b>	<b>20,780</b>
<b>Loans and advances to customers, gross<sup>1</sup></b>	<b>361,323</b>	<b>352,951</b>
<i>Of which:</i>		
<i>Performing loans</i>	<i>351,225</i>	<i>339,971</i>
Provisions for insolvency risk	(7,408)	(8,265)
<b>Loans and advances to customers, net</b>	<b>353,915</b>	<b>344,686</b>
Contingent liabilities	29,876	27,209

<sup>1</sup>. See "Reconciliation of activity indicators with management criteria" in the "Glossary - Financial information".



## Asset quality

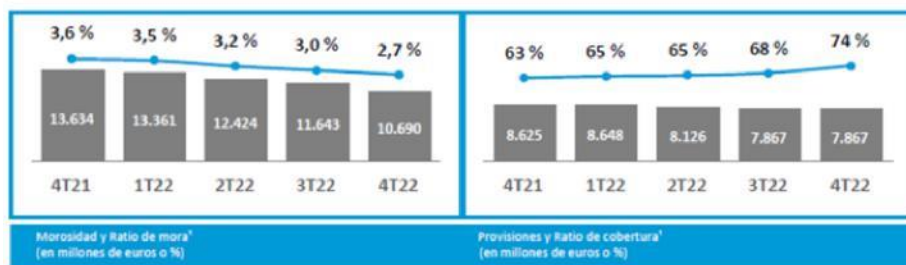
The non-performing loan ratio dropped in the year to 2.7% (3.6% at the end of 2021), falling in all segments.

Non-performing loans dropped to EUR 10,690 million following the good performance of asset quality indicators and active management of non-performing assets supported by portfolio sales. The change would be EUR -2,943 million in the year.

Provisions for insolvency risk stood at EUR 7,867 million on 31 December 2022 (EUR 8,625 million at the end of 2021).

The coverage ratio stands at 74% (compared to 63% in December 2021).

CaixaBank Group (%)	31-12-2022		31-12-2021	
Loans to individuals	3.0	%	4.2	%
<i>Home purchases</i>	2.4	%	3.6	%
<i>Other</i>	4.9	%	6.4	%
Loans to business	2.9	%	3.5	%
Public sector	0.1	%	0.3	%
<b>NPL Ratio (loans and contingent liabilities)</b>	<b>2.7</b>	<b>%</b>	<b>3.6</b>	<b>%</b>
<b>NPL coverage ratio</b>	<b>74</b>	<b>%</b>	<b>63</b>	<b>%</b>



Note: \*Calculations considering loans and contingent liabilities.



## Management Report

### CaixaBank 2022

#### Liquidity

CaixaBank manages the liquidity risk to maintain sufficient liquidity levels so that it can comfortably meet all its payment obligations and to prevent its investment activities from being affected by a lack of lendable funds, at all times within the risk appetite framework.

Note 3.4.4. "Liquidity risk and financing" of the report of these individual financial statements describes the Bank's strategic principles, risk appetite and risk strategy and liquidity and financing strategy.

	CaixaBank, S.A.	
(€ millions)	31-12-2022	31-12-2021

The main figures related to CaixaBank's liquidity and financing structure are as follows:

Total liquid assets <sup>1</sup>	126,258	155,616
of which: HQLA	87,613	155,616
of which: available balance in non-HQLA facility	38,645	
Institutional Financing	52,432	53,350

<sup>1</sup>. Data corresponding to the reporting perimeter and regulatory compliance of a 'Single liquidity subgroup' (CaixaBank consolidated without BPI or CaixaBank Wealth Management Luxembourg, S.A.).

The Entity's total liquid assets stood at EUR 126,258 million at 31 December 2022, down EUR - 29,358 million in the year, mainly due to valuation adjustments of collateral and assets from fluctuations in interest rates and the change in the loan-deposit gap.

The drawn balance of the ECB's policy as at 31 December 2022 stands at EUR -15,178 million under TLTRO III. The Entity repaid a TLTRO III balance of EUR 60,712 million in 2022, of which EUR 12,615 million corresponded to ordinary repayments and EUR 48,097 million to early repayments.

Institutional financing amounts to EUR 52,432 million with the Entity successfully accessing the markets during 2022 through the issuance of various debt instruments.

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 Entity's unused issuance capacity for mortgage and territorial covered bonds in the year has increased by EUR 28,454 million (EUR 54,659 million at the end of 2022) and a liquid asset buffer has been segregated for EUR 790 million (non-existing requirement at the end 2021).

Information on the issues made by CaixaBank, S.A. in 2022 can be found below:

(€ millions)		CaixaBank, S.A.				
Issue	Amount	Issuance date	Maturity	Cost <sup>1</sup>	Demand	Category
Senior preferred debt <sup>2</sup>	1,000	21 Jan. 2022	6 years	0.673% (mid-swap + 0.62%)	1,500	Social bond
Senior preferred debt	75	20 Jul. 2022	12 years	3.668%	Private	-
Senior preferred debt	1,000	7 Sep. 2022	7 years	3.86% (mid-swap + 1.55%)	1,700	Green bond
Senior non-preferred debt GBP <sup>2,3</sup>	£500	6 Apr. 2022	6 years	3.5% (UKT + 2.10%)	£1,250	-
Senior non-preferred debt <sup>2</sup>	1,000	13 Apr. 2022	4 years	1.664% (mid-swap + 0.80%)	1,750	-
Senior non-preferred debt JPY <sup>2,4</sup>	JPY4,000	15 Jun. 2022	4 years and 4 months	0.83%	Private	-
Senior non-preferred debt AUD <sup>5</sup>	AUD45	20 Jul. 2022	15 years	6.86%	Private	-
Senior non-preferred debt JPY <sup>2,6</sup>	JPY7,000	20 Jul. 2022	4 years	1.20%	Private	-
Senior non-preferred debt <sup>2</sup>	1,000	14 Nov. 2022	8 years	5.476% (mid-swap + 2.40%)	2,100	Green bond
Senior non-preferred debt JPY <sup>2,7</sup>	JPY5,000	2 Dec. 2022	4 years and 6 months	1.60%	Private	-
Subordinated debt <sup>2</sup>	750	23 Nov. 2022	10 years and 3 months	6.290% (mid-swap + 3.55%)	3,200	-

Subsequent to the end of 2022, CaixaBank issued EUR 1,250 million of Senior non-preferred debt with a 6-year maturity (callable on the fifth year) and a yield of 6.208%, as well as £500 million of Subordinated debt maturing in 10 years and 9 months (callable five years and nine months later) and with a yield of 6.97%.

There are regulatory liquidity requirements, which, for the case of the reporting perimeter and regulatory compliance of a 'Single liquidity subgroup' (CaixaBank consolidated without BPI or CaixaBank Wealth Management Luxembourg, S.A.), are as follows:

The Liquidity Coverage Ratio (LCR) at 31 December 2022 is 199%, showing a comfortable liquidity position (296% average LCR in the last 12 months), well above the regulatory minimum requirement of 100%.

The Net Stable Funding Ratio (NSFR) stands at 141% at 31 December 2022, above the regulatory minimum requirement of 100%.

1. Meaning the yield on the issuance.
2. The issues are callable, meaning that the option to redeem them early can be executed before the maturity date.
3. Equivalent amount on the day of issuance, in euros: €592 million.
4. Equivalent amount on the day of issuance, in euros: €28 million.
5. Equivalent amount on the day of issuance, in euros: €30 million.
6. Equivalent amount on the day of issuance, in euros: €51 million.

7. Equivalent amount on the day of issuance, in euros: €35 million.

## Capital management

When managing the business and making decisions, the directors and management team at CaixaBank rely on the Group or consolidated management information. Accordingly, the figures that appear in this section refer to information of the CaixaBank Group, unless otherwise indicated.

(€ millions and %)	<b>CaixaBank Group</b>	
	<b>31-12-2022</b>	<b>31-12-2021</b>
Common Equity Tier 1 (CET1)	12.8%	13.1%
Tier 1	14.8%	15.5%
Total capital	17.3%	17.9%
Risk-Weighted Assets (RWAs)	215,103	215,651

In this respect, the Group's Common Equity Tier 1 (CET1) ratio reached 12.8% at 31 December 2022 (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).

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 phased impact of IFRS 9 was +30 basis points at 31 December.

The internal CET1 capital adequacy ratio is set between 11% and 12% (without applying the IFRS 9 transitional adjustments), which implies a margin of between 250 and 350 basis points in relation to the SREP requirements.

The Tier 1 ratio was 14.8% (14.4% without applying the IFRS 9 transitional adjustments).

The Total Capital ratio stood at 17.3% (17.0% without applying the IFRS 9 transitional adjustments). A Tier 2 issue for £500 million was completed in January 2023 (+26 additional basis points in Total Capital, raising the ratio to 17.6%). The leverage ratio was 5.6%.

In relation to the MREL requirement, in February 2022 the Bank of Spain communicated to the CaixaBank Group that it must meet as of 1 January 2024 a minimum volume of own funds and eligible liabilities<sup>1</sup>, Total MREL of 23.95% of RWAs (18.72% at the level of subordinated MREL) and an interim requirement of 22.24% as of 1 January 2022 (16.41% at the level of subordinated MREL).

Also, CaixaBank must comply with a Total MREL requirement of 6.09% of the leverage ratio exposure (LRE) for 2022 (6.19% for 2024).

In December, CaixaBank's RWA ratio was 25.9% and its LRE ratio 9.9%, meeting the requirements. At a subordinated level, the MREL ratio reached 22.5% of RWAs.

Similarly, CaixaBank is subject to minimum capital requirements on a non-consolidated basis. The CET 1 ratio in this perimeter was 12.9%.

The CaixaBank Group's capital requirements at December 2022 are set at 8.34% for CET1, 10.15% for Tier 1 and 12.56% for Total Capital.

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.

The information on the CaixaBank Group's capital adequacy and capital ratios required by the regulations in force in 2022 is detailed in Note 4 to the accompanying Financial Statements.

<sup>1</sup> Eligible liabilities include senior preferred and non-preferred debt and other pari-passu liabilities, at the criteria of the Single Resolution Board.



## Shareholder remuneration



With regard to the dividend policy, on 27 January 2022, the Board of Directors approved the Dividend Policy for 2022, consisting of a cash distribution of 50 - 60% of the consolidated net profit, payable in a single payment in April 2023.

Furthermore, the Board of Directors on 16 May 2022 agreed to approve and commence an open-market share buy-back programme for a maximum amount of EUR 1,800 million, in order to bring the CET1 ratio closer to our target level. As a result, on 22 December, following the completion of the share buy-back programme, CaixaBank's Board of Directors agreed to reduce the Bank'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.

The Board of Directors proposed at the Annual General Meeting held on 2 February 2023 to pay a dividend of EUR cents 23.06 per share charged to 2022 profits. 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 Meeting.



## 6. Non-financial information

The non-financial information related to CaixaBank, S.A. is detailed in point 03: Statement of non-financial information, from the Consolidated Management Report of the CaixaBank Group.

The most significant events of 2022 at CaixaBank, S.A. in the following areas, including research and development activities, are set out below and expanded upon in point 11: Statement of non-financial information, from the Consolidated Management Report of the CaixaBank Group.

### Customer experience

- CaixaBank **named Best Bank in Spain 2022 and Best Bank in Western Europe 2022** by Global Finance magazine.
- CaixaBank voted **Best Bank in Spain 2022** by Euromoney.
- CaixaBank **recognised for its leadership in international financing solutions** by the IFC (World Bank Group) for the second consecutive year.
- CaixaBank awarded as **Private Bank with Best Evolution in Europe 2022** by The Banker/PWM (FT Group)
- CaixaBank presents its commitment towards **a personalised service for Senior Citizens**.
- Approved the **adhesion to Codes of Good Practice** integrating support measures for mortgage borrowers in difficulty.

### Innovation and digitisation

- CaixaBank, the only Spanish bank selected by the ECB to **collaborate in the prototype of the digital euro**.
- CaixaBank, **Best Private Bank in Big Data Analytics and Artificial Intelligence in Europe and Best Private Bank in Digital Marketing and Communication in Europe** by PWM magazine (FT Group).

### People management

- **Western Europe's Best Bank for Corporate Responsibility 2022** by Euromoney.
- CaixaBank is among the world's top five companies in the **Bloomberg Gender Equality Index**.

### Sustainability

- CaixaBank, **Best Bank for Sustainable Finance in Spain 2022** by Global Finance magazine.
- CaixaBank, the first Spanish bank to adhere to the **Poseidon Principles**.
- CaixaBank, leading bank in **sustainable financing in Europe** in the first half of 2022, according to the Refinitiv ranking.
- CaixaBank issues **its fourth social bond and its fifth and sixth green bond** for EUR 1,000 million each.
- CDP (Carbon Disclosure Project) recognises CaixaBank as a **leading company in sustainability** for its action against climate change.



## Glossary – 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 the use of another unit is stated explicitly.

### Profitability and cost-to-income

**Customer spread:** this is the difference between: (i) average rate of return on loans (income from loans and advances to customers divided by the net average balance of loans and advances to customers for the quarter); and (ii) average rate for retail customer funds (annualised quarterly cost of retail customer funds divided by the average balance of those same retail customer funds, excluding subordinated liabilities that can be classified as retail). Allows the Group to track the spread between interest income and costs for customers.

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

**Balance sheet spread:** this is the difference between: (i) average rate of return on assets (interest income divided by total average assets for the quarter); and (ii) average cost of funds (annualised interest expenses for the quarter divided by total average funds for the quarter). Allows the Group to track the spread between interest income and cost for its on-balance sheet assets and liabilities.

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

**ROE:** ratio of profit/(loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon, recorded in shareholder equity) to shareholder equity plus average valuation adjustments over the last 12 months (calculated as the average value of average monthly balances). Allows the Group to monitor the return on its shareholder equity.

**ROTE:** quotient between: (i) profit/(loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity); and (ii) twelve-month average shareholder equity plus valuation adjustments (calculated as the average value of the monthly average balances) deducting intangible assets using management criteria (calculated as the value of intangible assets in the public balance sheet, plus the intangible assets and goodwill associated with investees, net of provisions, recognised in Investments in joint ventures and associates in the public balance sheet). Metric used to measure the return on a company's tangible equity.

**ROA:** ratio of net income (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity) to average total assets for the last 12 months (calculated as the average value of the daily balances of the analysed period). Measures the level of return relative to assets.

**RORWA:** net profit (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity) divided by average total risk-weighted assets for the last 12 months (calculated as the average value of the quarterly average balances). Measures the return based on risk weighted assets.

**Cost-to-income ratio:** ratio of operating expenses (administrative expenses and depreciation and amortisation) to gross income (or core income for the core cost-to-income ratio), for the last 12 months. Metric widely used in the banking sector to compare the cost to income generated.

### Risk management

**Cost of risk (CoR):** ratio of total loan-loss provisions (12 months) to the average gross balance of loans and advances to customers and contingent liabilities, with management criteria (calculated as the average value of the closing balances for each month of the period). Metric used to monitor allowances for insolvency risk on the lending portfolio.

**Non-performing loan ratio:** quotient between (i) the non-performing loans and advances to customers and contingent liabilities, using management criteria; and (ii) the total gross loans to customers and contingent liabilities, using management criteria. Metric used to monitor and track the change in the quality of the loan portfolio.

**Coverage ratio:** quotient between (i) the total credit loss provisions for loans to customers and contingent liabilities, using management criteria; and (ii) non-performing loans and advances to customers and contingent liabilities, using management criteria. Metric used to monitor NPL coverage via provisions.

## Management Report

### CaixaBank 2022

**Real estate available for sale coverage ratio:** quotient between (i) the gross debt cancelled at the foreclosure or surrender of the real estate asset minus the present net book value of the real estate asset; and (ii) the gross debt cancelled at the foreclosure or surrender of the real estate asset. Reflects the coverage level via write-downs and accounting provisions on foreclosed real estate assets available for sale.

**Real estate available for sale coverage ratio with accounting provisions:** quotient between (i) accounting coverage (charges to provisions of foreclosed assets); and (ii) the gross book value of the foreclosed asset (sum of net carrying amount and the accounting provision). Ratio used as an indicator of accounting provisions covering foreclosed real estate assets available for sale.

### Liquidity

**Total liquid assets:** sum of HQLAs (High Quality Liquid Assets within the meaning of Commission Delegated Regulation of 10 October 2014) plus the available balance under the facility with the European Central Bank (non-HQLA).

**Total liquid assets:** sum of HQLAs (High Quality Liquid Assets within the meaning of Commission Delegated Regulation of 10 October 2014) plus the available balance under the facility with the European Central Bank (non-HQLA). Indicator that shows the Entity's liquidity position.

**Loan-to-deposits:** quotient between (i) net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions); and (ii) customer deposits. Metric showing the retail funding structure (allows us to value the proportion of retail lending being funded by customer funds).

### Other relevant indicators

**Market capitalisation:** share price multiplied by the number of outstanding shares minus the number of treasury shares held at the end of the period.

## Adaptation of the structure of the public statement of profit or loss to the management format

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

- Fee and commission income.
- Fee and commission 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 at fair value through profit or loss (net).
- Gains/(losses) on financial assets and liabilities held for trading, net.
- Gains/(losses) from hedge accounting, net.
- Exchange differences (net).

**Administrative expenses, depreciation and amortisation.** Includes the following line items:

- Administrative expenses.
- Depreciation and amortisation.

### Pre-impairment income.

- (+) Gross income.
- (-) Operating expenses.

**Impairment losses on financial assets and other provisions.** Includes the following line items:

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss 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).

#### 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 and sureties provided in cash	(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

##### Customer funds

December 2022	
€ million	
Financial liabilities at amortised cost - Customer 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 other	(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, using management criteria	67,467
Total on-balance sheet customer funds	456,115
Assets under management	144,832
Other accounts <sup>1</sup>	8,186
Total customer funds	609,133

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

# Annual Corporate Governance Report

2022







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,

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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](http://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](http://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) <sup>7</sup>

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 notwithstanding 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

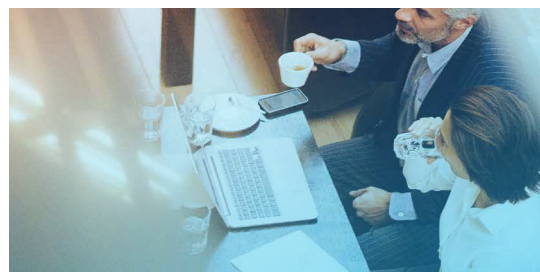
Because the proxies for voting at the headquarters of the Board, when applicable, in cases when attendance is not possible, may be carried out with or without specific instructions at the discretion of each Director. The freedom to appoint proxies with or without specific instructions is considered a 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 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.



Recommendation 2 is not deemed to be applicable as CaixaBank is not a company controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code.

## **\_Changes in the composition of the Board and its committees in the 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 organi-

sation 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 succes-





sion 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 at-

tention 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 <sup>1</sup>	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 <sup>2</sup>	632	7,017,022,724	87.05
<b>Total</b>	<b>617,806</b>	<b>8,060,647,033</b>	<b>100</b>

<sup>1</sup>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.

<sup>2</sup>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:

Name or company name of the holder	% of voting rights attributed to the shares		% of voting rights attributed through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
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

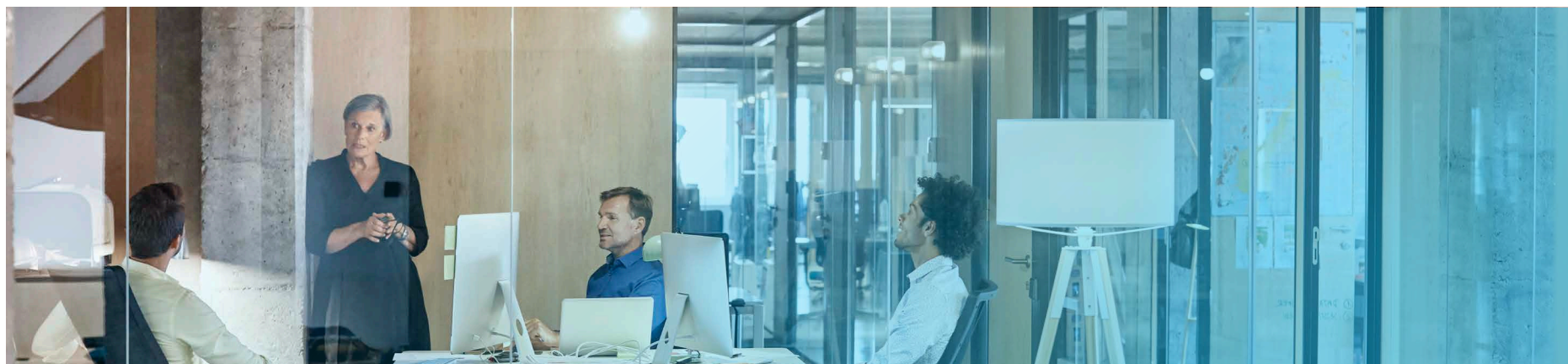
## \_Details of indirect holding

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:

Date	Shareholder name	Status of significant shareholding	
		% 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, nor 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
<b>Total</b>	<b>389,509</b>

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

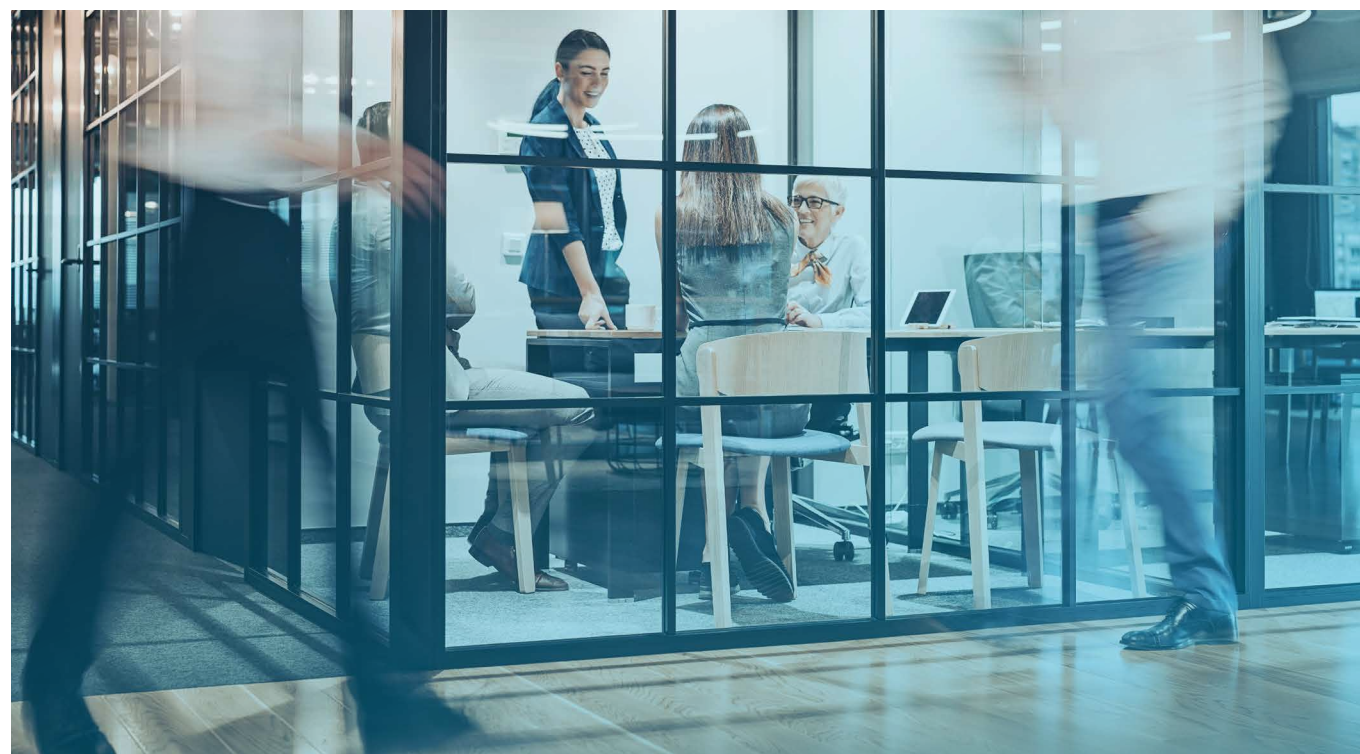
Notwithstanding the foregoing and during the financial year 2022, CaixaBank approved and implemented a treasury share buyback programme (the "Buyback Programme" or the "Programme") in accordance with the milestones set out below:

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.

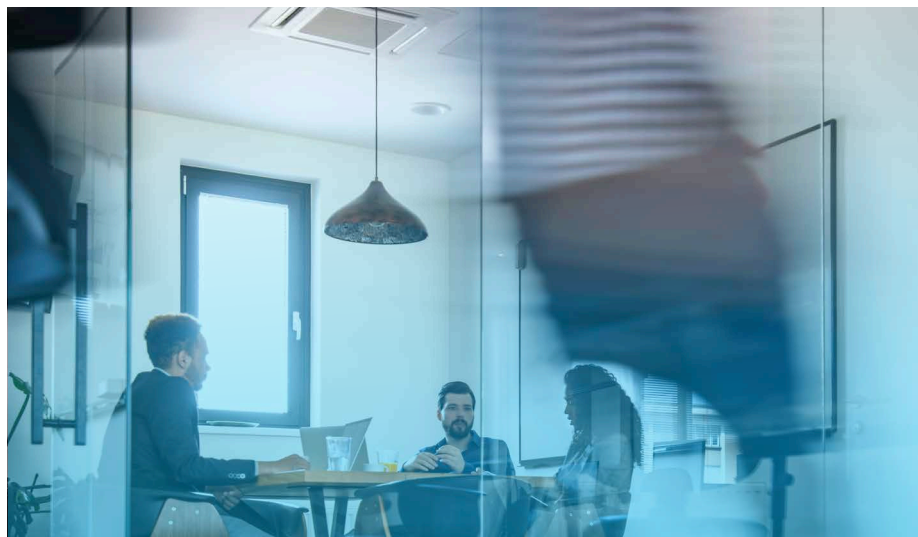
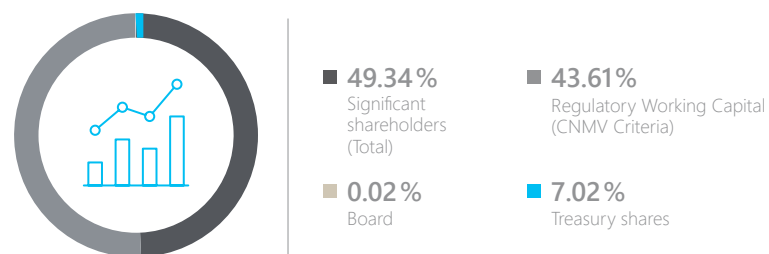
On 22 December 2022, CaixaBank made public that its Board of Directors agreed to engage a reduction in the Company's share capital via amortisation of all its treasury shares acquired under the Buyback Programme. In view of the above, CaixaBank's share capital is reduced by the amount of 558,515,414 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.

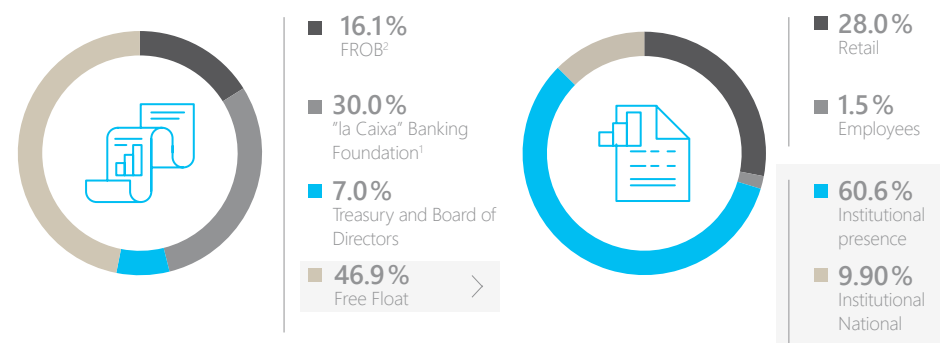
### \_Regulatory working capital (A.11)

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.



### \_Available working capital

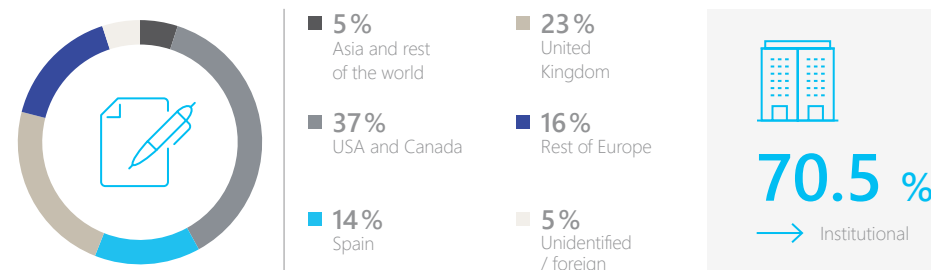
In order to specify the number of shares available for the public, a definition of "available working capital" is used and takes into account the issued shares minus the shares held in the treasury, shares owned by members of the Board of Directors and shares held by "la Caixa" Bankia Foundation and the FROB, and it differs from the regulatory calculation.



<sup>1</sup> 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 Criterio Caixa, S.A.U.

<sup>2</sup> 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



## 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<sup>1</sup> (MILLIONS OF EUROS)

Issue date	Maturities	Nominal amount	Type of nominal interest	Amount pending redemption	
				31-12-2022	31-12-2021
June 2017	Perpetual	1,000	6.750%	1,000	1,000
July 2017 <sup>2</sup>	Perpetual	750	6.000%		750
March 2018	Perpetual	1,250	5.250%	1,250	1,250
September 2018 <sup>2</sup>	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

<sup>1</sup> The preference shares that may be convertible into shares are admitted to trading on the AIAF (Spanish Association of Financial Intermediaries).

<sup>2</sup> 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 %)



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<sup>1</sup> 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)

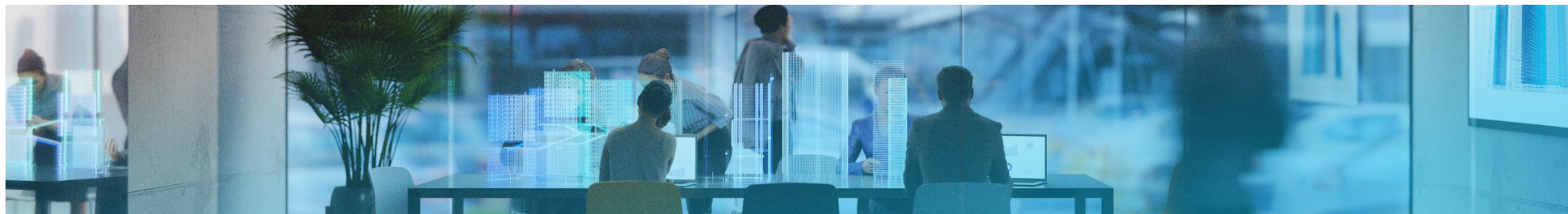
The Company's By-laws do not contain the provision of shares with double loyalty voting. In addition, there are no statutory restrictions on the transfer of shares, other than those established by law. (A.1 and A.12)

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<sup>2</sup> 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.

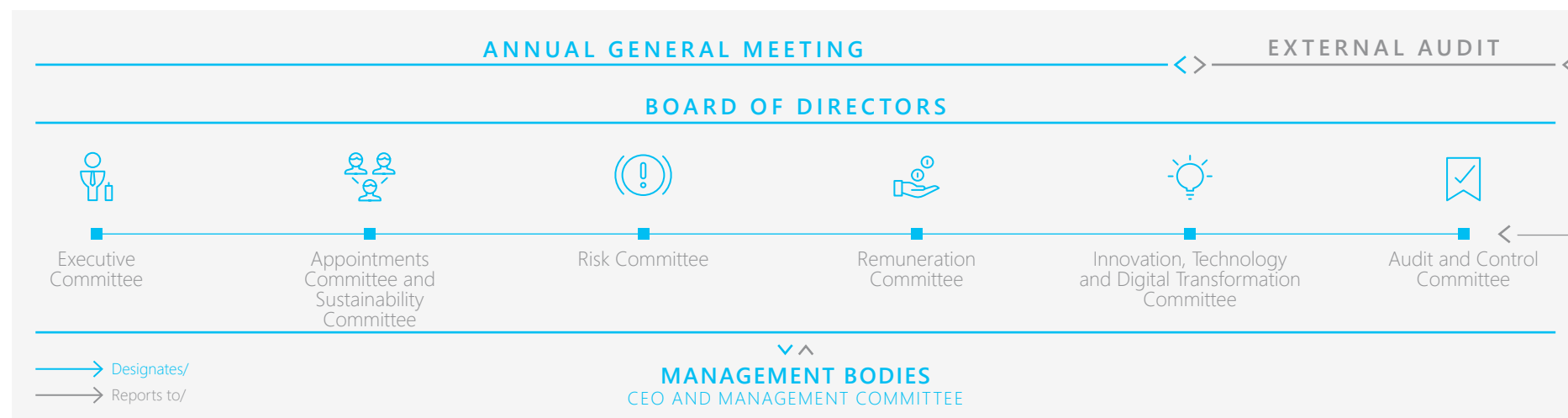


<sup>1</sup>Registration of ownership of shares in the relevant book-entry ledger, at least 5 days in advance of the date on which the General Meeting is to be held and ownership of at least 1,000 shares, individually or in a group with other shareholders.

<sup>2</sup>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) ↗

Date of general meeting	Physically present	Present by proxy	Distance voting		Total
			Electronic means	Other	
<b>22/05/2020<sup>2</sup></b>	<b>40.94%</b>	<b>24.92%</b>	<b>0.11%</b>	<b>0.30%</b>	<b>66.27%</b>
Of which: Working capital <sup>1</sup>	0.28%	16.90%	0.11%	0.30%	17.59%
<b>03/12/2020<sup>3</sup></b>	<b>43.05%</b>	<b>25.85%</b>	<b>1.17%</b>	<b>0.27%</b>	<b>70.34%</b>
Of which: Working capital <sup>1</sup>	2.36%	15.90%	1.17%	0.27%	19.70%
<b>14/05/2021<sup>4</sup></b>	<b>46.18%</b>	<b>26.94%</b>	<b>1.24%</b>	<b>1.07%</b>	<b>75.43%</b>
Of which: Free float <sup>1</sup>	0.01%	23.96%	1.24%	1.07%	26.28%
<b>08/04/2022<sup>5</sup></b>	<b>46.87%</b>	<b>28.62%</b>	<b>0.25%</b>	<b>0.40%</b>	<b>76.14%</b>
Of which: Free float <sup>1</sup>	0.70%	22.51%	0.25%	0.40%	23.86%

<sup>1</sup>Approximate information given that significant foreign shareholders hold their stakes through nominees.

<sup>2</sup>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.

<sup>3</sup>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.

<sup>4</sup>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.

<sup>5</sup>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

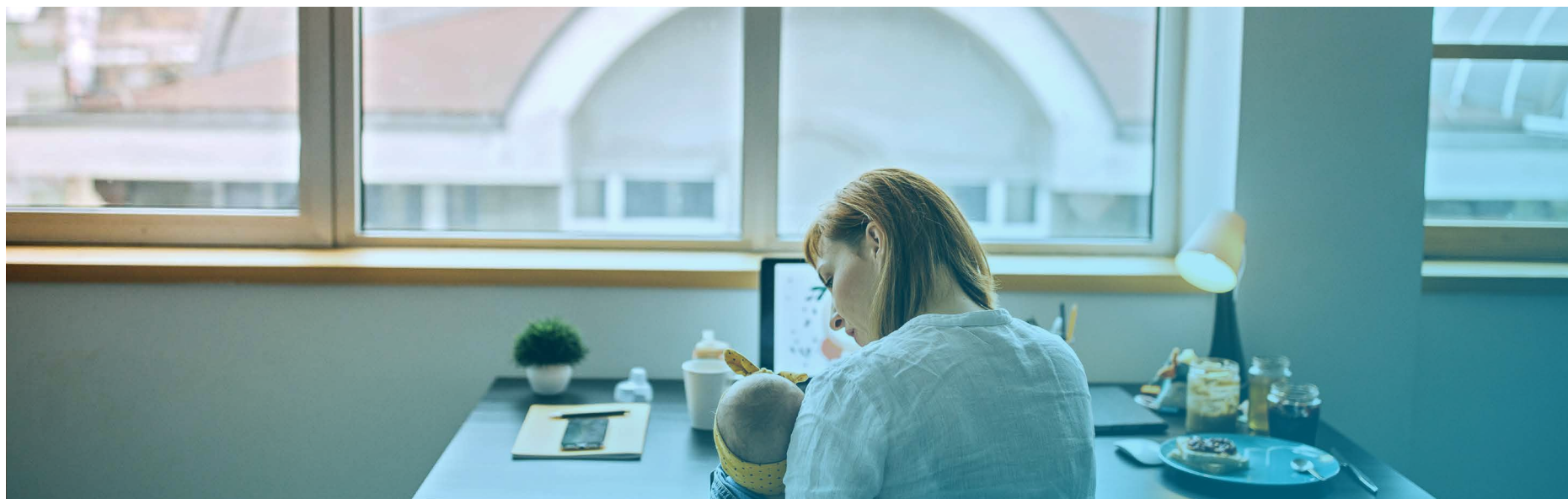
94.78%

→ 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 %	



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](http://www.caixabank.com)) under "Shareholders and Investors – Corporate governance and remuneration policy"<sup>1</sup>, including specific information on the general shareholders' meetings<sup>2</sup>. 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).

<sup>1</sup><https://www.caixabank.com/es/accionistas-inversores/gobierno-corporativo/consejo-administracion.html>

<sup>2</sup><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).

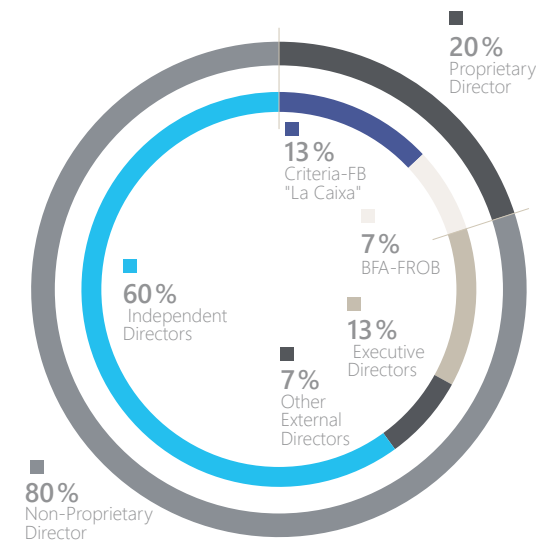
In terms of independent directors, these make up 60% of the CaixaBank Board of Directors, which is well in line with the current provisions of Recommendation 17 of the Code of Good Governance for Listed Companies in companies that have one shareholder who controls more than 30% of the share capital.

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% <sup>↑</sup>

→ Independent Directors (C.1.3)

20% <sup>↑</sup>

→ Proprietary Directors (C.1.3)

13% <sup>↑</sup>

→ Executive Directors (C.1.3)

7% <sup>↑</sup>

→ Other External Director (C.1.3)

5 years <sup>↑</sup>

→ 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

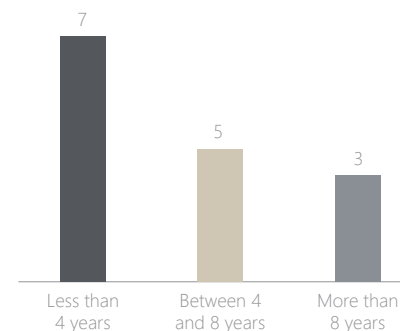
### > TIME IN ROLE AS AT 31 DECEMBER



■ 47% Less than 4 years

■ 33% Between 4 and 8 years

■ 20% More than 8 years



02



Executive

09



Independent

03



Proprietary

01



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 Goirizolzarri	Tomás Muniesa	Gonzalo Gortazar <sup>1</sup>	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 <sup>2</sup>	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

<sup>1</sup> 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)

<sup>2</sup> Fernando María 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%<sup>↗</sup>

→ total voting rights held by the Board.

46.12%<sup>↗</sup>

→ 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%<sup>↗</sup>

→ 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 CIFIH (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<sup>1</sup> 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 of 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.



<sup>1</sup> 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 AEEOC.

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 (AEEOC), 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

She 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

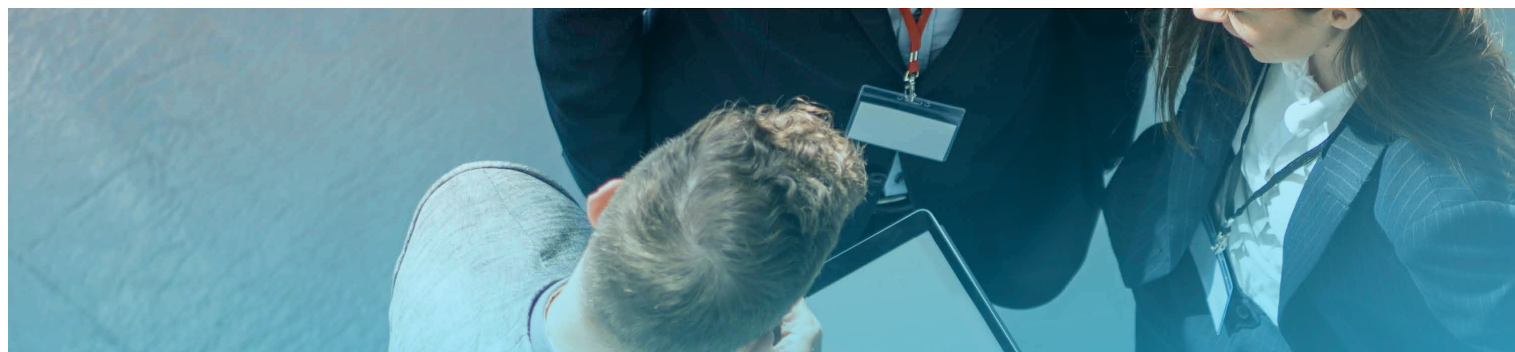
She worked at Arthur Andersen for 20 years, and she was appointed partner of the Audit Division in 1993.

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 <sup>1</sup>	No

<sup>1</sup> 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
	Compañía de Distribución Integral Logista Holdings, S.A.	Director	Yes
Cristina Garmendia	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
	2005 KP Inversiones, S.L.	Solidarity Administrator	No
Koro Usarraga	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
	AT Kearney S.A.	Member of the Advisory Board
Francisco Javier Campo	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.

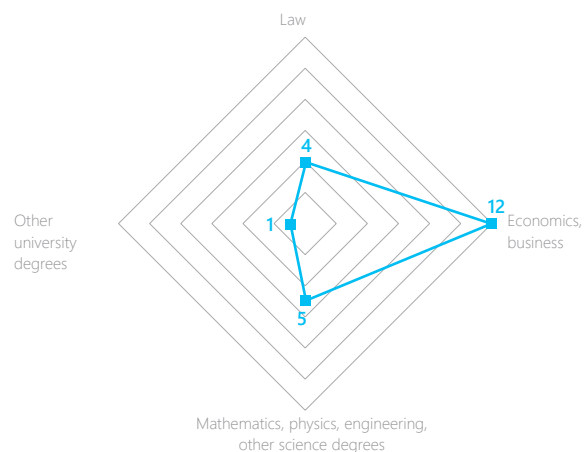
Within the framework of the Policy, and with a view to diversity, the following measures are established:

- > 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.

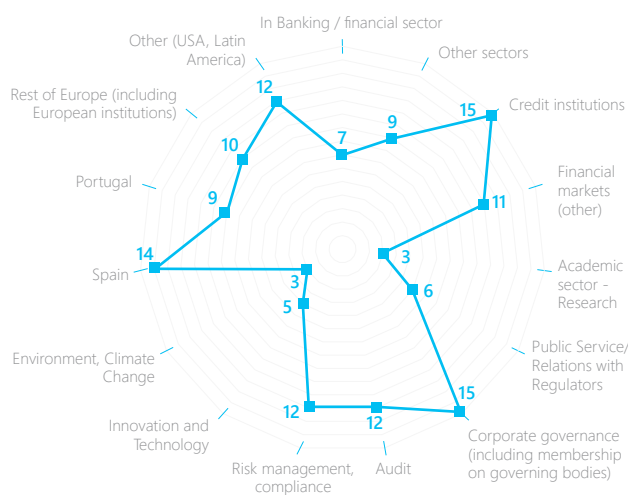
The CaixaBank Selection Policy and, in particular, section 6.1 of the policy regarding the fundamental elements of the diversity policy in the Board of Directors and the Protocol on Procedures for assessing suitability and appointing directors and senior management, along with other key positions in 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, con-

duct 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.

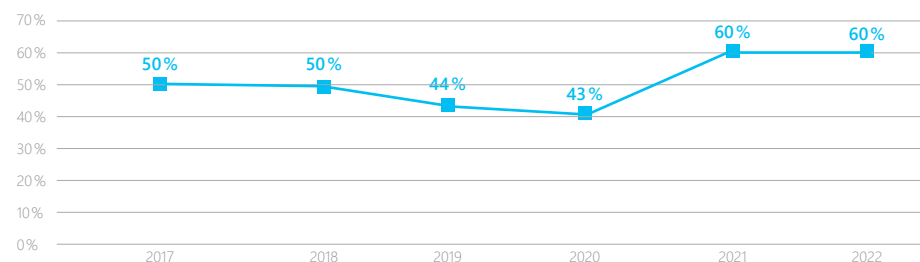
The Audit and Control Committee also included a total of 6 single-topic presentations in the agenda of its meetings, covering matters relating to audit, internal control and cybersecurity. Similarly, 2 training sessions were held for Committee members on the audit approach with regard to remuneration 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	M <sup>a</sup> 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				% of total Directors of each category			
	Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2019	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
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>40.00</b>	<b>40.00</b>	<b>42.86</b>	<b>37.50</b>

## 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%)<sup>1</sup>.



<sup>1</sup> 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 reputation, 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 assess-



The Selection Policy is supplemented by a **Protocol of Suitability Assessment Procedures**.



ment of members of the Board of Directors, general managers and other senior executives, the heads of the internal control function and other key posts in CaixaBank, as defined under applicable legislation. Under the "Protocol", the Board of Directors, in plenary session, assesses the suitability of proposed candidates, based on a report from the Appointments and Sustainability Committee.

This entire process is subject to the provisions of the internal regulations on the appointment of directors and the applicable regulations of corporate enterprises and credit institutions, which is subject to the suitability assessment of the European Central Bank and culminates in the acceptance of the position after the approval by the banking authority of the proposed appointment, which will be approved by the General Shareholders' Meeting.

#### **Re-election and duration of the post (C.1.16 + C.1.23) 71**

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;<sup>1</sup>
- > 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)



<sup>1</sup> 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.

**9** number of meetings

→ of the Remuneration Committee.

**0** number of meetings

→ of the Board without the Chairman's attendance.

**13** number of meetings

→ of the Risk Committee.

**2** number of meetings

→ of the coordinating director without the attendance of executive directors.

**22** number of meetings

→ of the Executive Committee.

**13** number of meetings

→ of the Audit and Control Committee.

**14** number of meetings

→ attended in person by at least 80% of directors.

**5** number of meetings

→ of the Innovation, Technology and Digital Transformation Committee

**97.62%**

→ % of in-person attendance in terms of the total votes during the year.

**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

→ 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 <sup>1</sup>	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

<sup>1</sup> 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 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.**

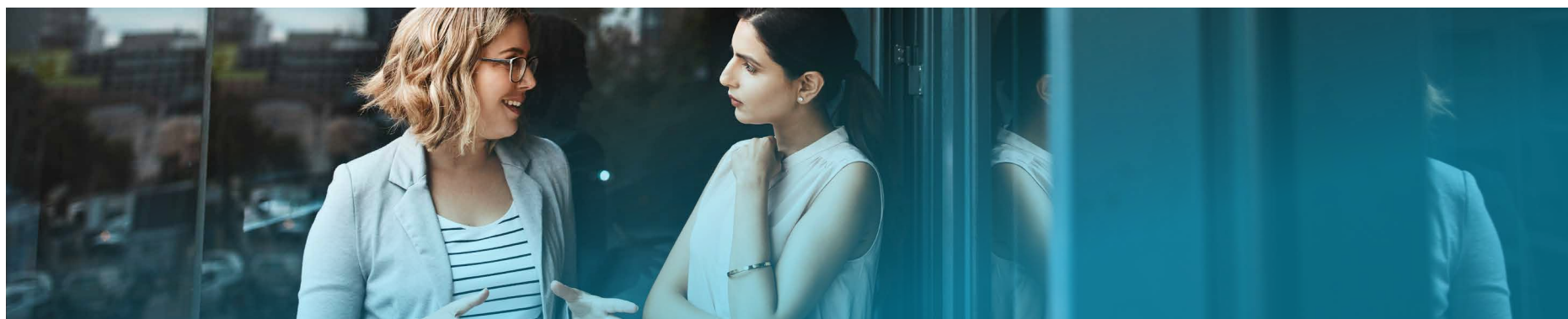
Credit and guarantee activity.

### **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.

### \_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.

### \_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.

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

### \_Distribution of committee members by category (% of total committee members)

% of independent Directors	80.00
% of other external Directors	20.00



### 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 <sup>1</sup>	11
John S. Reed	11/11
Francisco Javier Campo	10/11
Fernando María Ulrich	11/11
María Amparo Moraleda <sup>2</sup>	9/11
Eduardo Javier Sanchiz	10/11

<sup>1</sup> The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2022.

<sup>2</sup> 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 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, Joaquín 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 <sup>1</sup>	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

<sup>1</sup> 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

ing 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 <sup>1</sup>	9
María Amparo Moraleda	9/9
Joaquín Ayuso	9/9
Cristina Garmendia	9/9
José Serna	8/9

<sup>1</sup> 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:**

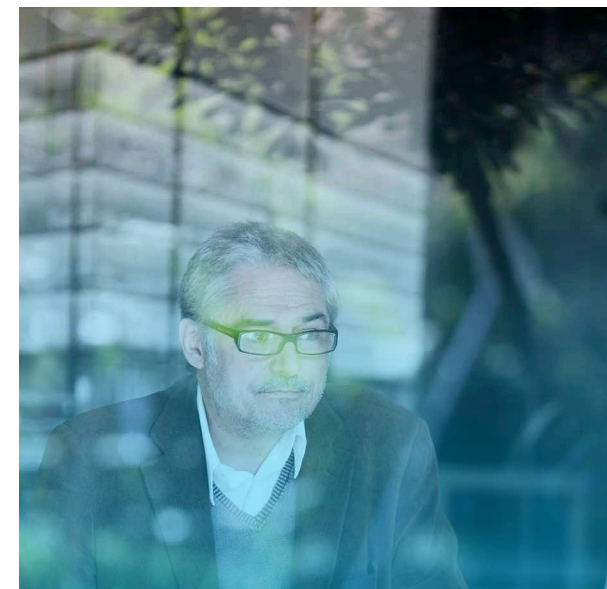
- > Drafting the resolutions related to remuneration and, particularly, reporting and proposing to the Board the remuneration policy for the directors and senior management, the system and amount of annual remuneration for directors and Senior Managers, as well as the individual remuneration of the Executive 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 <sup>1</sup>	5
José Ignacio Goirigolzarri	5/5
Gonzalo Gortazar	5/5
Eva Castillo	5/5
Cristina Garmendia	5/5
María Amparo Moraleda	5/5

<sup>1</sup> 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

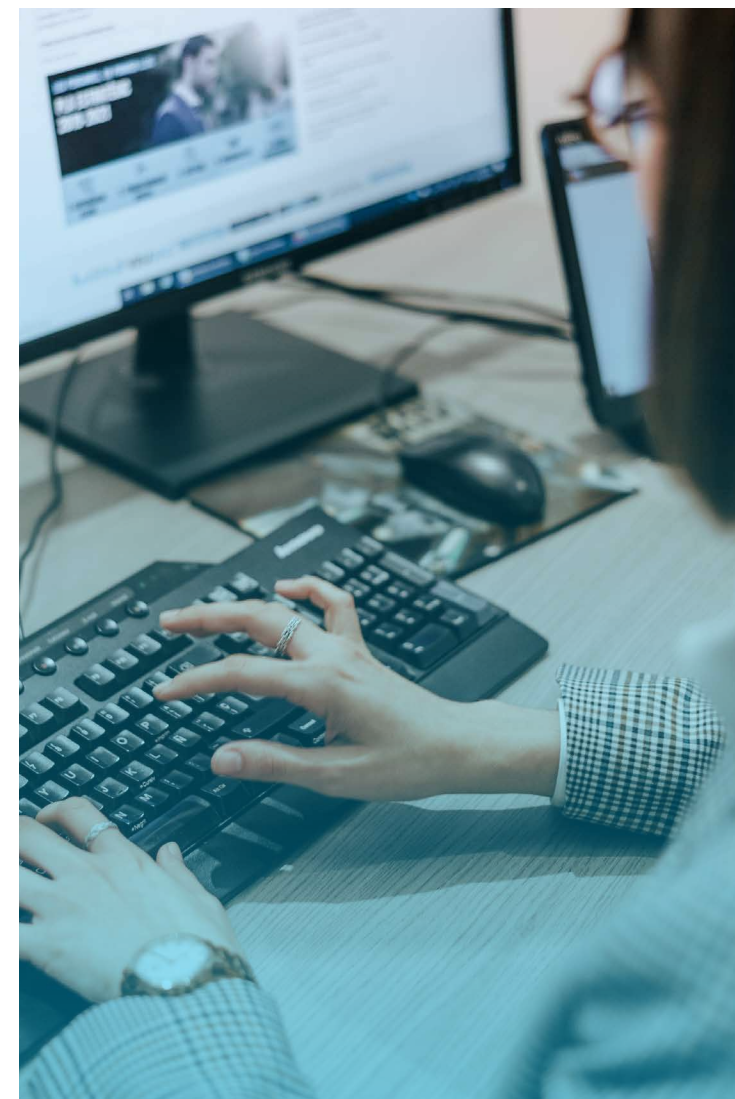
disruption of new technologies, the possible regulatory implications of their development, the impact in terms of cybersecurity and matters relating to the protection of privacy and data usage.

- > 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 <sup>1</sup>	Chairwoman	Independent
Francisco Javier Campo	Member	Independent
Cristina Garmendia	Member	Independent
Eduardo Javier Sanchiz	Member	Independent
Teresa Santero	Member	Proprietary
José Serna	Member	Proprietary

<sup>1</sup> 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)

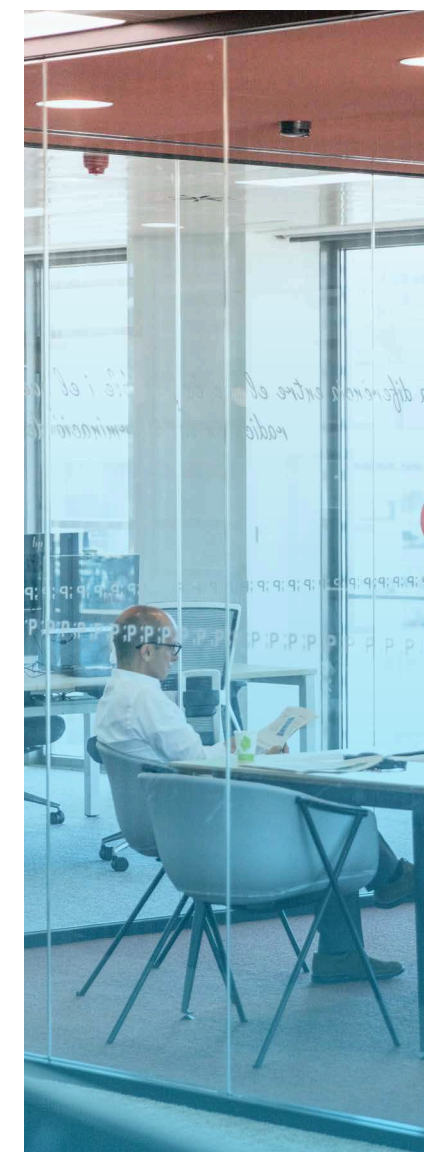
In 2022, the Committee held a total of 13 sessions. During the said year, no sessions were held exclusively by telematic means.

### \_Average attendance at sessions

Member attendance in 2022 was as follows:

No. of meetings in 2022 <sup>1</sup>	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

<sup>1</sup> 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 opera-

tions 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<sup>1</sup>. (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).

<sup>1</sup> [https://www.caixabank.com/StaticFiles/pdfs/220729\\_OIR\\_Venta\\_edificio\\_es.pdf](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)**

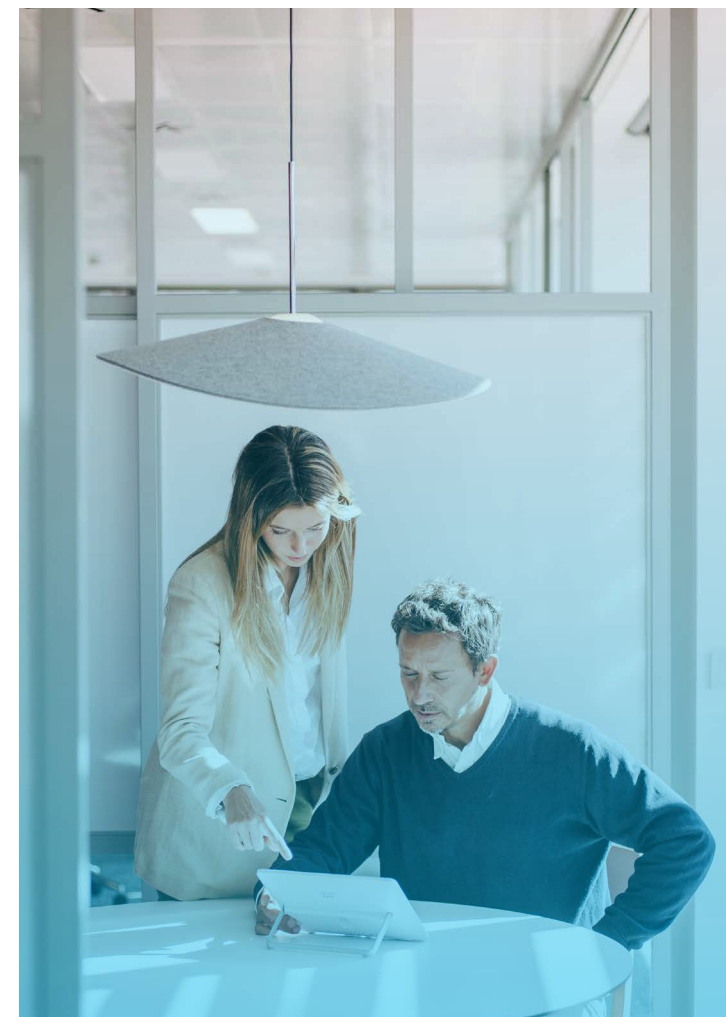
→ Representation of women in senior management at 31/12/22. (former CEO).

**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 Cune (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 Tèrvalis, 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; Maria Vicens Cuyds, 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 SGIC 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 Caixa-Bank 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 Caixa-Bank 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	<ul style="list-style-type: none"> <li>&gt; Business Returns</li> <li>&gt; Liquidity and financing</li> <li>&gt; Market</li> <li>&gt; Structure of interest rates</li> </ul>

### 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	<ul style="list-style-type: none"> <li>&gt; Legal and Regulatory</li> <li>&gt; Conduct and Compliance</li> </ul>

### 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 Caixa-Bank 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

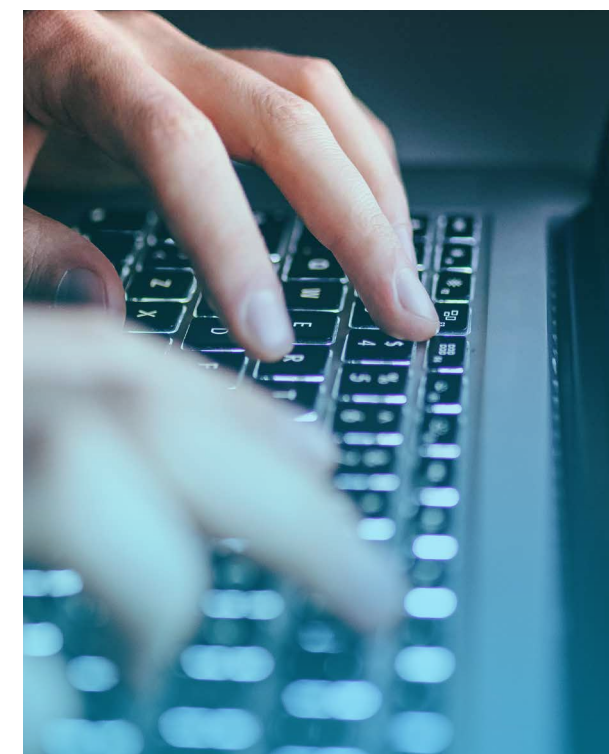
It reviews and formally approves, as well as manages, controls and monitors the models and parameters of regulated and non-regulated credit risk, (including acceptance, monitoring and recovery), market risk (including counterparty – credit risk in the Treasury activity), operational risk, liquidity risk, 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<sup>1</sup> (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 €)



<sup>1</sup> 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).

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.

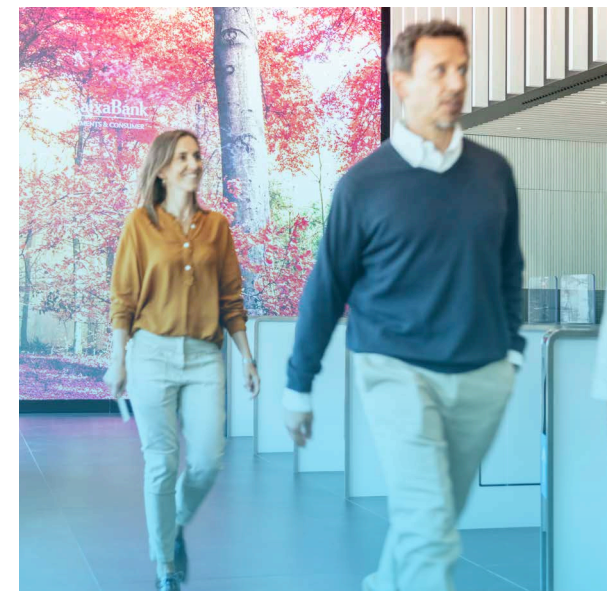
## Variable component

### 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<sup>1</sup>  
(thousands of €) (C.1.14)

<sup>1</sup> 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.139

**Recipient number:** 37 **Type of beneficiary:** Chairman, CEO and 3 members of the Management Committee, 5 Executives // 27 Middle Managers

**Description of the agreement:**

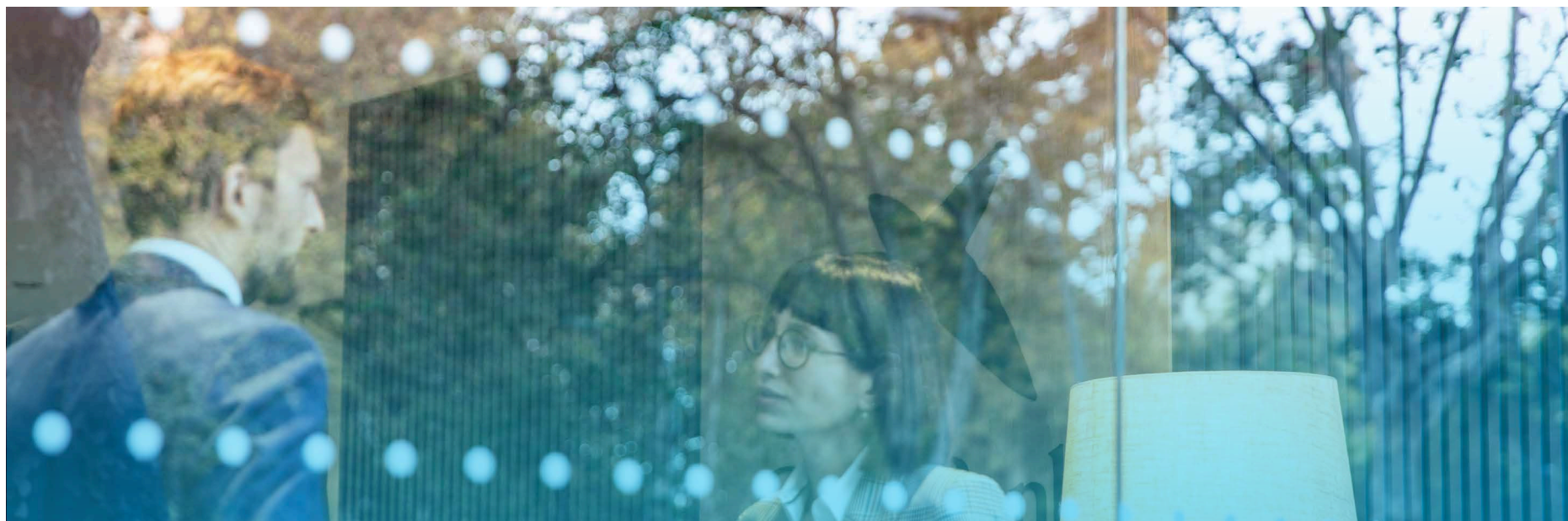
Chairman and CEO: 1 year of the fixed components of his remuneration.

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.



# Internal Control over Financial Reporting (ICFR) and Risk Management Systems

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- > Governance and responsible bodies
- > Organisational structure and Functions
- > Code of Ethics and Principles of Action and Other Internal Policies
- > Whistleblowing channel
- > Training

### 02 Risk assessment in financial reporting (F.2)

### 03 Procedures and activities for control over financial reporting (F.3)

- > Procedures for reviewing and authorising financial reporting
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### 04 Reporting and communication (F.4)

- > Accounting policies
- > Mechanisms for financial reporting

### 05 System operation supervision of Internal Control over Financial Reporting (F.5)

### 06 External auditor's report

## \_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 Ethics'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, sub-contractors 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<sup>1</sup>.

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

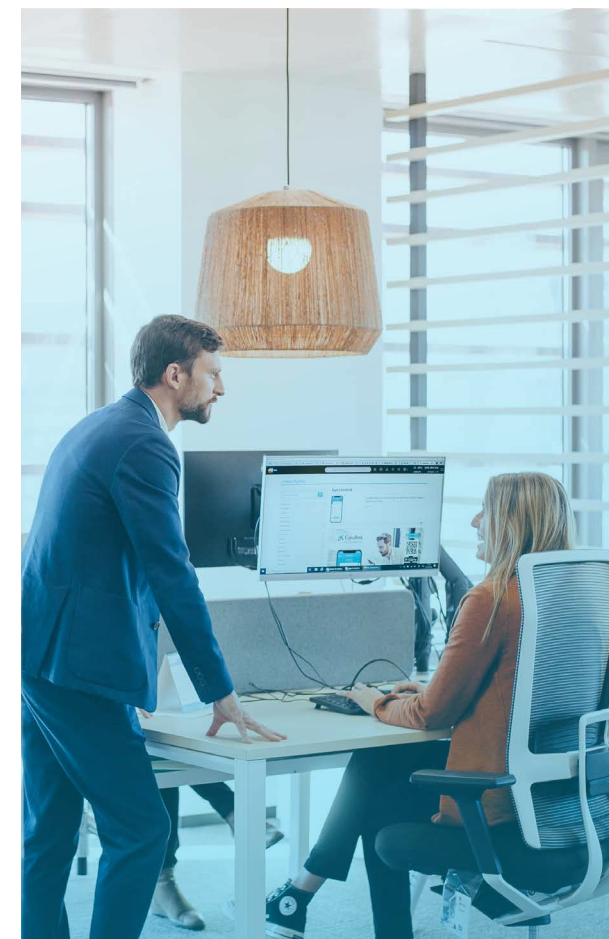
In terms of dissemination of/training on these regulations, it is an essential tool used to raise awareness of the commitment made by CaixaBank and its stakeholders. In this context, the existing training map is detailed below:

- > **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<sup>2</sup> 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.



<sup>1</sup> 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.

<sup>2</sup> 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 (notwithstan-

ding 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 Intelligence, S.A.U.

12.

CaixaBank Facilities Management, S.A.

13.

Nuevo Micro Bank, S.A.U.

14.

CaixaBank Titulización 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:

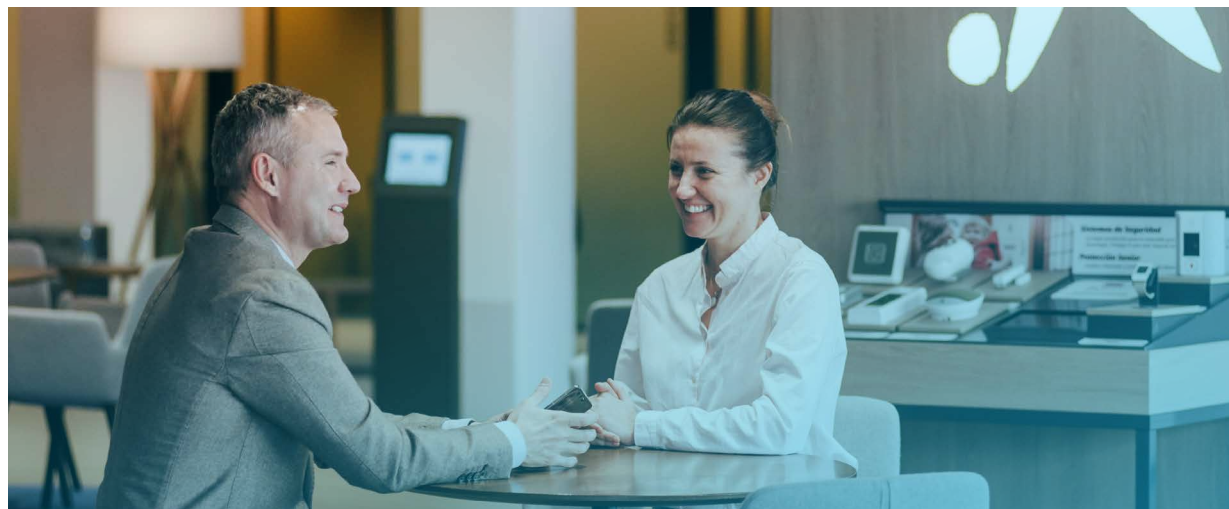
- > **Access** 24 hours a day, 365 days a year, through the following routes:
  - > **Directors, Employees (includes any type of employment contract and interns), Temporary Staff, Agents and similar:**
    - Internet.
    - Corporate intranet or similar platform for each Group company with access to 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.

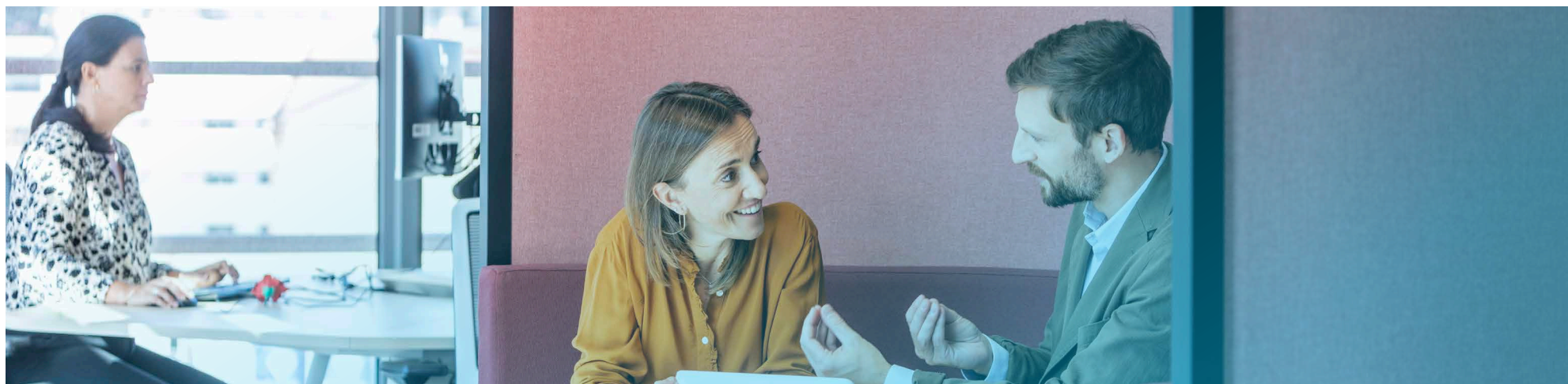
The concerned party may send the query at any time, through any type of device (corporate or personal) or medium. Considering CaixaBank Group's international presence, the Channel's platform allows parties to submit queries and complaints in Spanish, Catalan, English and Portuguese.

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 Crimi-

nal 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.

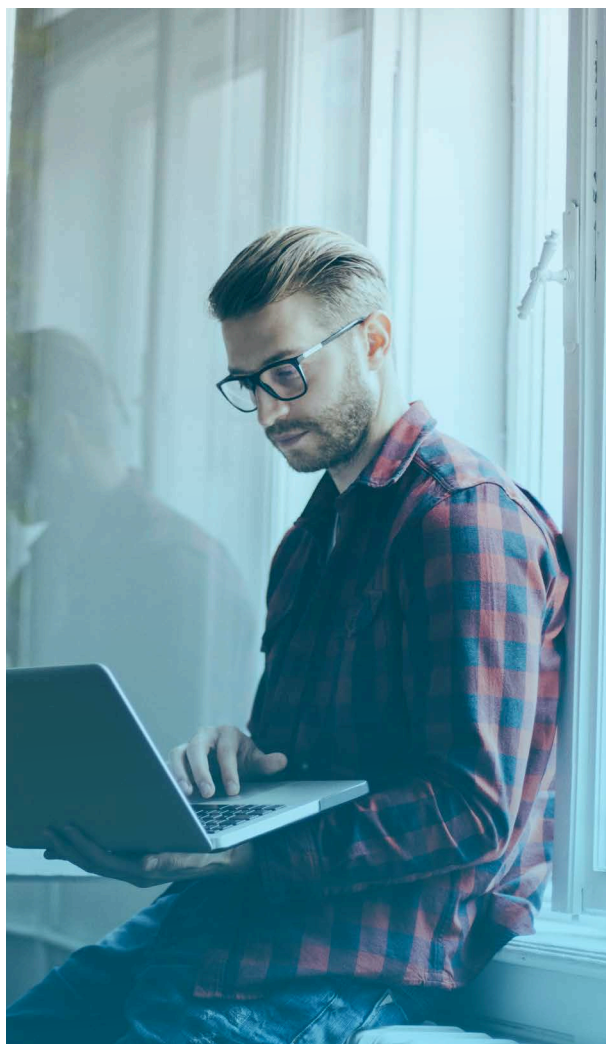
- > CaixaBank's Regulatory Compliance provides Group subsidiaries with a general advisory and management service that covers aspects such as implementation, training, support and handling of queries and whistleblowing.
- > Regulatory Compliance continuously oversees the Channels and, at least every six 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 provi-

sion of a specific section for such Channel on the corporate website ([www.caixabank.com](http://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.

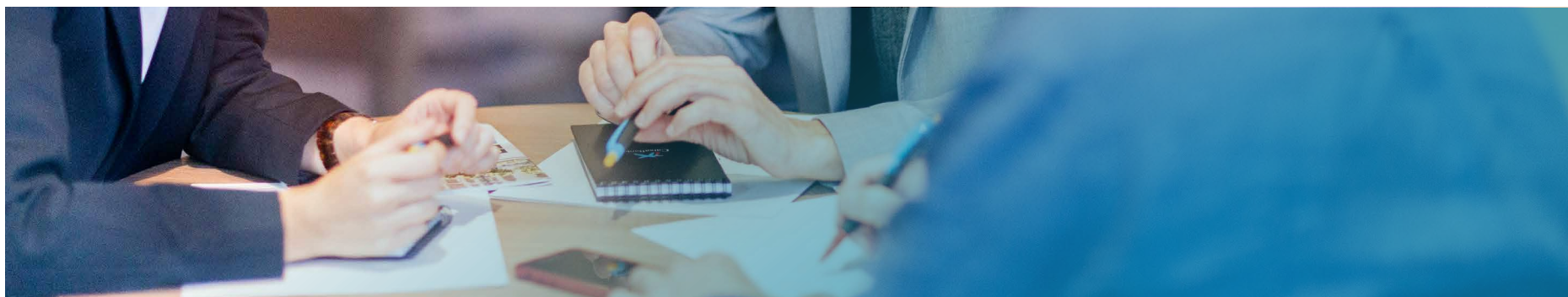
#### Continuous evaluation of the effectiveness

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.

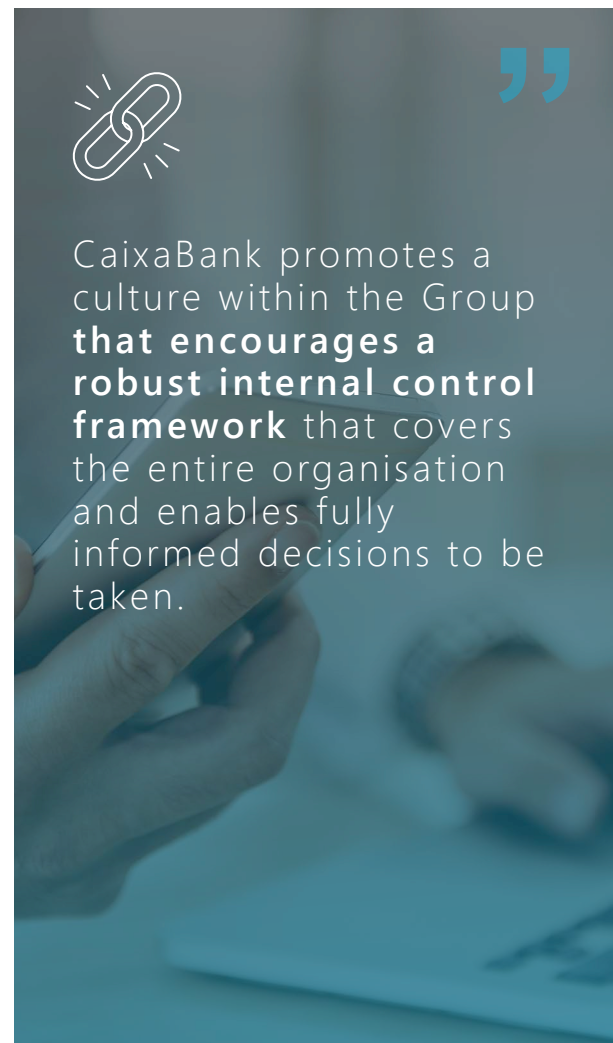
Finally, the Audit and Control Committee is tasked with overseeing the process for preparing the regulated financial reporting process of the Group and ICFR, supported by the work of the Internal Audit function and the conclusions of the external auditor.



**The Audit and Control Committee is** responsible for overseeing the process of preparing the Group's regulated financial information, and for ICFR.



## \_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 Commit-

tee, 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.

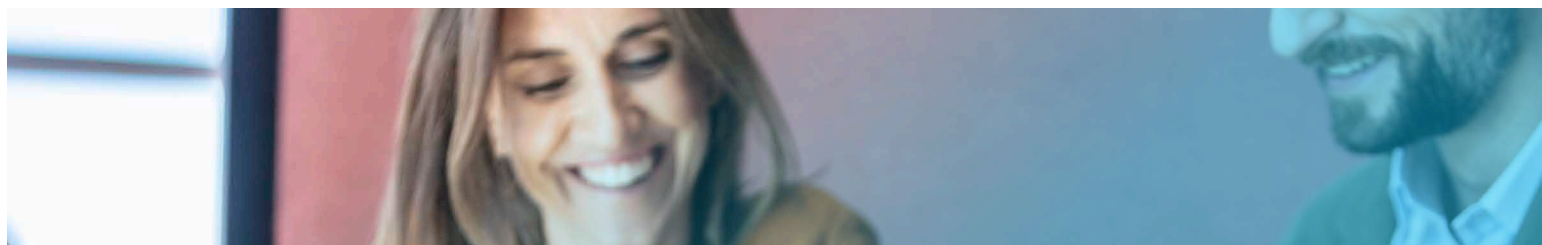
#### Control Activities

- > Importance (key/  
standard) Automation Evidence System  
(linked computer applications) Purpose  
(preventive, detective, corrective) Fre-  
quency Certification  
Component  
COSO
- > Executor
- > Validator

### 04.

#### Reporting to senior management and governing bodies

- > Certification of the effective-  
ness 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 surrounding 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, princi-

ples 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.

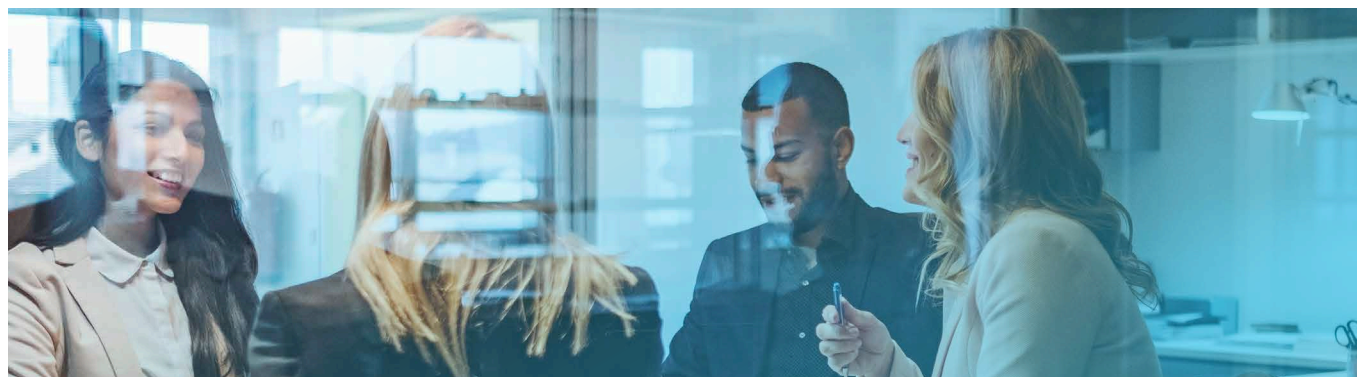
Additionally, the Policies and Regulation Department is responsible for developing **training activities** in the organisation's relevant business departments, on accounting updates and regulatory amendments.

### **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: <ul style="list-style-type: none"> <li>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.</li> <li>b. The mechanisms established to resolve any conflicts of interest that may arise.</li> </ul>	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: <ul style="list-style-type: none"> <li>a. Changes taking place since the previous annual general meeting.</li> <li>b. The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.</li> </ul>	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. <p>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.</p>
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

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.



Description

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 or 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.



	Description	Compliant	Comments
	<p><b>RECOMMENDATION 6</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>a. Report on auditor independence.</li> <li>b. Reviews of the operation of the audit committee and the nomination and remuneration committee.</li> <li>c. Audit committee report on third-party transactions.</li> </ul>		
	<p><b>RECOMMENDATION 7</b></p> <p>The company should broadcast its general meetings live on the corporate website.</p> <p>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.</p>		
	<p><b>RECOMMENDATION 8</b></p> <p>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.</p> <p>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.</p>		
	<p><b>RECOMMENDATION 9</b></p> <p>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.</p> <p>Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.</p>		
	Yes	Yes	

	RECOMMENDATION 10	RECOMMENDATION 11	RECOMMENDATION 12
Description	<p>When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:</p> <ul style="list-style-type: none"> <li>a. Immediately circulate the supplementary items and new proposals.</li> <li>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.</li> <li>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.</li> <li>d. After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.</li> </ul>	<p>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.</p>	<p>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.</p> <p>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.</p>
Compliant	Partial compliance	Yes	Yes
Comments	<p>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).</p> <p>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.</p>		

	RECOMMENDATION 13	RECOMMENDATION 14	RECOMMENDATION 15	RECOMMENDATION 16	RECOMMENDATION 17
Description	<p>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.</p>	<p>The Board of Directors should approve a policy aimed at promoting an appropriate composition of the board that:</p> <ul style="list-style-type: none"> <li>a. Is concrete and verifiable.</li> <li>b. It ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board;</li> <li>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.</li> </ul> <p>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.</p> <p>The Appointments Committee should run an annual check on compliance with this policy and set out its findings in the Annual Corporate Governance Report.</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>This criterion can be mitigated/attenuated:</p> <ul style="list-style-type: none"> <li>a. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.</li> <li>b. In companies with a plurality of shareholders represented on the board but not otherwise related.</li> </ul>	<p>Independent Directors should be at least half of all Board members.</p> <p>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.</p>
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					

	Description	Compliant	Comments	RECOMMENDATION 18	RECOMMENDATION 19	RECOMMENDATION 20	RECOMMENDATION 21	RECOMMENDATION 22
				<p>Companies should post the following Director particulars on their websites, and keep them permanently updated:</p> <p><b>a.</b> Professional experience and background.</p> <p><b>b.</b> Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.</p> <p><b>c.</b> Statement of the Director class to which they belong, in the case of proprietary Directors indicating the shareholder they represent or have links with.</p> <p><b>d.</b> Dates of their first appointment as a board member and subsequent re-elections.</p> <p><b>e.</b> Shares held in the company, and any options on the same.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
		Yes			Yes	Yes	Yes	Yes

	Description	Compliant	Comments
	<p><b>RECOMMENDATION 23</b></p> <p>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.</p> <p>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.</p>		
	<p><b>RECOMMENDATION 24</b></p> <p>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.</p> <p>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.</p>		
	<p><b>RECOMMENDATION 25</b></p> <p>The Appointments Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively.</p> <p>The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.</p>		
	<p><b>RECOMMENDATION 26</b></p> <p>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.</p>		

	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	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>			

	RECOMMENDATION 31	RECOMMENDATION 32	RECOMMENDATION 33	RECOMMENDATION 34	RECOMMENDATION 35
Description	<p>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.</p> <p>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.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					



	RECOMMENDATION 36	RECOMMENDATION 37	RECOMMENDATION 38	RECOMMENDATION 39	RECOMMENDATION 40
Description	<p>The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:</p> <ul style="list-style-type: none"> <li>a. The quality and efficiency of the Board's operation.</li> <li>b. The performance and membership of its committees.</li> <li>c. The diversity of Board membership and competences.</li> <li>d. The performance of the Chairman of the Board of Directors and the company's Chief Executive.</li> <li>e. The performance and contribution of individual directors, with particular attention to the chairs of Board committees.</li> </ul> <p>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.</p> <p>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.</p> <p>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.</p> <p>The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					

	Description	RECOMMENDATION 41	RECOMMENDATION 42	RECOMMENDATION 43	RECOMMENDATION 44
		<p>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.</p>	<p>The Audit Committee should have the following functions over and above those legally assigned:</p> <p>1. With respect to internal control and reporting systems:</p> <p><b>a.</b> 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.</p> <p><b>b.</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.</p> <p><b>c.</b> 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.</p> <p><b>d.</b> In general, ensure that the internal control policies and systems established are applied effectively in practice.</p> <p>2. With respect to the external auditor:</p> <p><b>a.</b> Investigate the issues giving rise to the resignation of the external auditor, should this come about.</p> <p><b>b.</b> Ensure that the remuneration of the external auditor does not compromise its quality or independence.</p> <p><b>c.</b> 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.</p> <p><b>d.</b> 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.</p> <p><b>e.</b> 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.</p>	<p>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.</p>	<p>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.</p>
Comments	Compliant	Yes	Yes	Yes	Yes

	RECOMMENDATION 45	RECOMMENDATION 46	RECOMMENDATION 47	RECOMMENDATION 48	RECOMMENDATION 49	RECOMMENDATION 50
Description	<p>The risk control and management policy should identify or establish at least:</p> <ul style="list-style-type: none"> <li><b>a.</b> 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.</li> <li><b>b.</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.</li> <li><b>c.</b> The level of risk that the company considers acceptable.</li> <li><b>d.</b> Measures in place to mitigate the impact of risk events should they occur.</li> <li><b>e.</b> The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.</li> </ul>	<p>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:</p> <ul style="list-style-type: none"> <li><b>a.</b> 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.</li> <li><b>b.</b> Participate actively in the preparation of risk strategies and in key decisions about their management.</li> <li><b>c.</b> Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.</li> </ul>	<p>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.</p>	<p>Large cap companies should operate separately constituted Appointments and Remuneration Committees.</p>	<p>The Appointments Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.</p> <p>When there are vacancies on the Board, any Director may approach the Appointments Committee to propose candidates that it might consider suitable.</p>	<p>The Remuneration Committee should operate independently and have the following functions in addition to those assigned by law:</p> <ul style="list-style-type: none"> <li><b>a.</b> Propose to the Board the standard conditions for senior officer contracts.</li> <li><b>b.</b> Monitor compliance with the remuneration policy set by the company.</li> <li><b>c.</b> 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.</li> <li><b>d.</b> Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.</li> <li><b>e.</b> Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.</li> </ul>
Compliant	Yes	Yes	Yes	Yes	Yes	Yes
Comments						

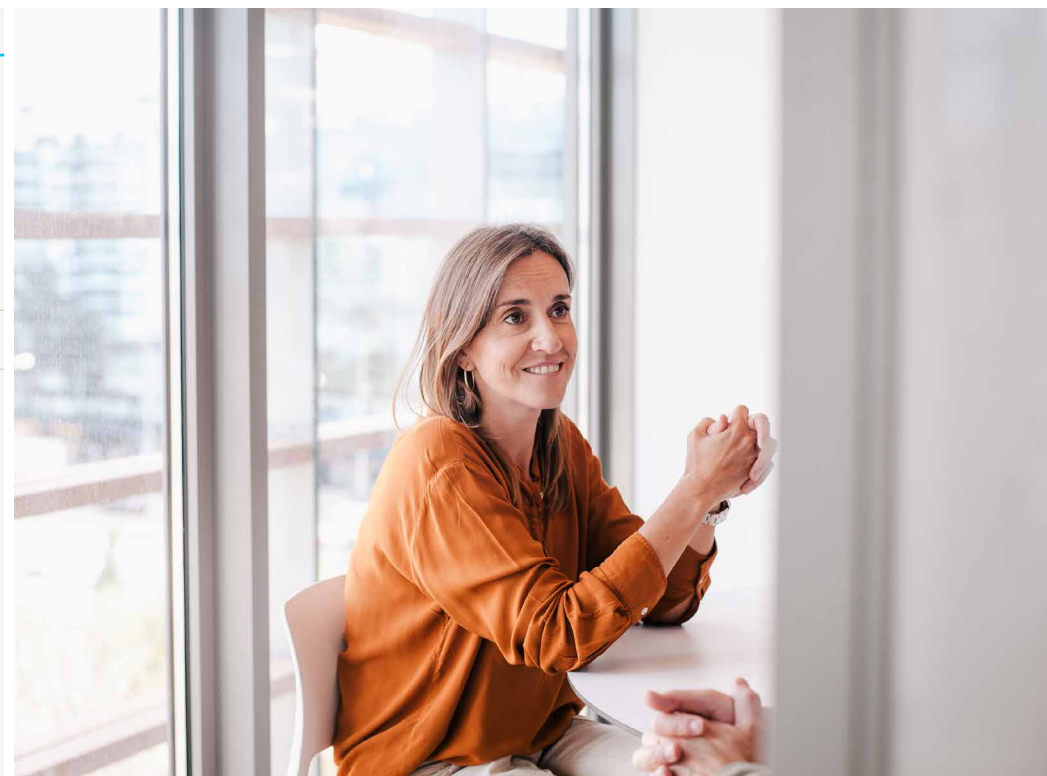
	RECOMMENDATION 51	RECOMMENDATION 52	RECOMMENDATION 53	RECOMMENDATION 54	RECOMMENDATION 55
Description	<p>The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive Directors and senior officers.</p>	<p>The rules of performance and membership 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:</p> <ul style="list-style-type: none"> <li><b>a.</b> Committees should be formed exclusively by non-executive Directors, with a majority of independents.</li> <li><b>b.</b> Committees should be chaired by an independent Director.</li> <li><b>c.</b> 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 and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.</li> <li><b>d.</b> They may engage external advice, when they feel it necessary for the discharge of their functions.</li> <li><b>e.</b> Meeting proceedings should be minuted and a copy made available to all Board members.</li> </ul>	<p>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.</p>	<p>The minimum functions referred to in the previous recommendation are as follows:</p> <ul style="list-style-type: none"> <li><b>a.</b> 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.</li> <li><b>b.</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.</li> <li><b>c.</b> 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.</li> <li><b>d.</b> Ensure the company's environmental and social practices are in accordance with the established strategy and policy.</li> <li><b>e.</b> Monitor and evaluate the company's interaction with its stakeholder groups.</li> </ul>	<p>Environmental and social sustainability policies should identify and include at least:</p> <ul style="list-style-type: none"> <li><b>a.</b> 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.</li> <li><b>b.</b> The methods or systems for monitoring compliance with policies, associated risks and their management.</li> <li><b>c.</b> The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.</li> <li><b>d.</b> Channels for stakeholder communication, participation and dialogue.</li> <li><b>e.</b> Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.</li> </ul>
Compliant	Yes	Yes	Yes	Yes	Yes
Comments					

	Description	Compliant	Comments	RECOMMENDATION 56	RECOMMENDATION 57	RECOMMENDATION 58	RECOMMENDATION 59	RECOMMENDATION 60
				Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.	<p>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.</p> <p>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.</p>	<p>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.</p> <p>In particular, variable remuneration items should meet the following conditions:</p> <p><b>a.</b> Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.</p> <p><b>b.</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.</p> <p><b>c.</b> 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.</p>	<p>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.</p> <p>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.</p>	In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.
		Yes			Yes	Yes	Yes	Yes

	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.	<p>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.</p> <p>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.</p> <p>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.</p>	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			

#### 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"
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### 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 (SCIF) – Procedures and control activities of financial information" CMR Section "Internal Control System for Financial Information (SCIF) – 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

# \_Annual corporate governance report for listed companies

## > ISSUER'S PARTICULARS



**Financial year-end:**

→ 31/12/2022



**Corporate name:**

→ CAIXABANK, S.A.



**Tax code:**

→ A-08663619



**Registered office:**

→ Cl. Pintor Sorolla  
N. 2-4 (Valencia)

## > A. OWNERSHIP STRUCTURE

A.1. Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Specify if the Company's By-laws contain the provision of shares with double loyalty voting:

☐ YES ☒ NO

Date of last amendment	Share capital (€)	Number of shares	Number of voting rights
26/03/2021	8,060,647,033.00	8,060,647,033	8,060,647,033

State whether different types of shares exist with different associated rights:

☐ YES ☒ NO

A.2. Details of direct and indirect owners of significant holdings at the end of the financial year, excluding directors with a significant shareholding:

Name or corporate name of the shareholder	% of voting rights attributed to the shares		% of voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
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
FUND FOR ORDERLY BANK RESTRUCTURING	0.00	16.11	0.00	0.00	16.11

Details of indirect holding:

Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total voting rights
LA CAIXA BANKING FOUNDATION	CRITERIA CAIXA, SAU	30.01	0.00	30.01
FUND FOR ORDERLY BANK RESTRUCTURING	BFA TENEDORA DE ACCIONES, S.A.	16.11	0.00	16.11
BLACKROCK, INC	OTHER CONTROLLED ENTITIES BELONGING TO BLACKROCK GROUP, INC	3.00	0.21	3.21

A.3. Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A.2 above:

Name or corporate name of the director	% of voting rights attributed to the shares		% of voting rights through financial instruments		% total voting rights	% of voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
José Ignacio Goirigolzarri Tellaeché	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tomás Muniesa Arantegui	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gonzalo Gortázar Rotaeché	0.01	0.00	0.00	0.00	0.01	0.00	0.00
John S. Reed	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Joaquín Ayuso García	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Francisco Javier Campo García	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Eva Castillo Sanz	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fernando María Costa Duarte Ulrich	0.00	0.00	0.00	0.00	0.00	0.00	0.00
María Verónica Fisas Vergés	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cristina Garmendia Mendizábal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
María Amparo Moraleda Martínez	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Eduardo Javier Sanchiz Irazu	0.00	0.00	0.00	0.00	0.00	0.00	0.00
María Teresa Santero Quintillá	0.00	0.00	0.00	0.00	0.00	0.00	0.00
José Serna Masiá	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Koro Usarraga Unsain	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of total voting rights held by members of the Board of Directors							0.02



Details of indirect holding:

Name or corporate name of Director	Name or corporate name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total voting rights	Of the total number of voting rights attributed to the shares, specify, where applicable, the % of additional votes corresponding to the shares with a loyalty vote
José Serna Masiá	María Soledad García Conde Angoso	0.00	0.00	0.00	0.00

Detail the percentage of total voting rights represented on the Board:

% of total voting rights represented on the Board of Directors	46.14
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A.7. State whether the company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Corporate Enterprises Act ("CEA"). Provide a brief description and list the shareholders bound by the agreement, as applicable:

☐ YES ☒ NO

State whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable:

☐ YES ☒ NO

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Spanish Securities Market Act. If so, identify them:

☐ YES ☒ NO

A.9. Complete the following tables on the company's treasury stock:

At year end:

Number of shares held directly	Number of shares held indirectly(*)	% of total share capital
565,809,696	389,509	7.02

(\*) Through:

Name or corporate name of direct shareholder	Number of shares held directly
BANCO BPI, S.A.	337,191
CAIXABANK PAYMENT & CONSUMER	3,565
VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	8,221
MICROBANK	13,381
CAIXABANK WEALTH MANAGEMENT, S.A.	27,151
Total	389,509

A.11. Estimated floating capital:

%
Estimated floating capital
43.61

A.14. State if the company has issued shares that are not traded on a regulated EU market.

☒ YES ☐ NO

## > B. GENERAL SHAREHOLDERS' MEETING

B.4. Give details of attendance at General Shareholders' Meetings held during the year of this report and the two previous years:

Date of general meeting	Attendance data				
	% attending in person	% by proxy	% remote voting		Total
			Electronic means	Other	
22/05/2020	40.94	24.92	0.11	0.30	66.27
Of which, free float	0.28	16.90	0.11	0.30	17.59
03/12/2020	43.05	25.85	1.17	0.27	70.34
Of which, free float	2.36	15.90	1.17	0.27	19.70
14/05/2021	46.18	26.94	1.24	1.07	75.43
Of which, free float	0.01	23.96	1.24	1.07	26.28
08/04/2022	46.87	28.62	0.25	0.40	76.14
Of which, free float	0.70	22.51	0.25	0.40	23.86

B.5. State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason:

☐ YES ☒ NO

B.6. State whether the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

☒ YES ☐ NO

Number of shares required to attend the General Meetings	1,000
Number of shares required for distance voting	1



## > C. COMPANY ADMINISTRATIVE STRUCTURE

### C.1. Board of Directors

#### C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of Directors	22
Minimum number of Directors	12
Number of directors set by the general meeting	15

#### C.1.2 Complete the following table with board members' details.

Name or corporate name of Director	Representative	Director category	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
Eva Castillo Sanz		Independent	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
Joaquín Ayuso García		Independent	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
José Serna Masiá		Proprietary	DIRECTOR	30/06/2016	14/05/2021	AGM RESOLUTION
<b>José Ignacio Goirigolzarri Tellaeche</b>		Executive	CHAIRMAN	03/12/2020	03/12/2020	AGM RESOLUTION
Koro Usarraga Unsain		Independent	DIRECTOR	30/06/2016	14/05/2021	AGM RESOLUTION
Cristina Garmendia Mendizábal		Independent	DIRECTOR	05/04/2019	05/04/2019	AGM RESOLUTION
Eduardo Javier Sanchiz Irazu		Independent	DIRECTOR	21/09/2017	08/04/2022	AGM RESOLUTION
María Teresa Santero Quintillá		Proprietary	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
María Verónica Fisas Vergés		Independent	DIRECTOR	25/02/2016	22/05/2020	AGM RESOLUTION
Tomás Muniesa Arantegui		Proprietary	VICE-CHAIRMAN	01/01/2018	08/04/2022	AGM RESOLUTION
Francisco Javier Campo García		Independent	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
María Amparo Moraleda Martínez		Independent	DIRECTOR	24/04/2014	05/04/2019	AGM RESOLUTION
Gonzalo Gortázar Rotaeché		Executive	CEO	30/06/2014	05/04/2019	AGM RESOLUTION
John S. Reed		Independent	INDEPENDENT COORDINATING DIRECTOR	03/11/2011	05/04/2019	AGM RESOLUTION
Fernando María Costa Duarte Ulrich		Other Foreign	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
Total number of Directors						15

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or corporate name of Director	Category of the Director at the time of termination	Date of last appointment	Date director left	Specialised committees of which he/she was a member	State whether the director left before the end of the term
No data					

### C.1.3 Complete the following tables on board members and their respective categories.

#### EXECUTIVE DIRECTORS

Name or corporate name of Director	Position held in the company	Profile
José Ignacio Goirigolzarri Tellaache	Executive Chairman	José Ignacio Goirigolzarri, was born in Bilbao in 1954. He has been the Executive Chairman of CaixaBank since 2021. He holds a degree in Economics and Business Science from the University of Deusto (Bilbao). He holds a diploma in Finance and Strategic Planning from the University of Leeds (UK). He is also currently the Vice-Chairman of the Spanish Confederation of Savings Banks (CECA). Furthermore, he is a Trustee of CEDE, Fundación Pro Real Academia Española, Honorary Board Member of the Fundación Consejo España-Estados Unidos, Chairman of Deusto Business School, Chairman <sup>1</sup> of the Advisory Board of the Benjamin Franklin American Institute of Research, and Chairman of the Garum Foundation. He is also Chairman of the CaixaBank Dualiza Foundation. Before assuming CaixaBank's Chairmanship and since 9 May 2012, he has been Executive Chairman of the Board of Directors of Bankia, Chairman of its Committee on Technology and Innovation and Chairman of the Board of Directors of BFA, Tenedora de Acciones, S.A.U. He began his professional career at Banco de Bilbao, where he was Director General of BBV and member of the bank's Management Committee, with responsibilities for Commercial Banking in Spain and operations in Latin America. He was responsible for BBVA's Retail Banking and CEO of the bank until 2009. During this period he was also a member of the Board of Directors of BBVA-Bancomer (Mexico), Citic Bank (China) and CIFIH (Hong Kong). He was also the Deputy Chairman of Telefónica and Repsol and the Spanish President of the Spain-USA Foundation. <sup>1</sup> On 24 January 2023, he left the post of Chairman and remains a Member.
Gonzalo Gortázar Rotaache	CEO	Born in Madrid in 1965, he has been the CEO of CaixaBank since June 2014. Gonzalo Gortazar holds a degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA with distinction from the INSEAD Business School. He is currently also Director of Banco BPI. He was the Chief Financial Officer of CaixaBank until his appointment of CEO in June 2014. He was formerly the Director-General Manager of Critería CaixaCorp from 2009 to June 2011. From 1993 to 2009, he worked at Morgan Stanley in London and Madrid, where he held various positions in the investment banking division, heading up the European Financial Institutions Group until mid 2009 when he joined Critería. Previously, he held various corporate banking and investment banking positions at Bank of America. He was the VidaCaixa Chairman, First Vice-Chairman of Repsol, and Director of the Ibursa Financial Group, Erste Bank, SegurCaixa Adeslas, Abertis, Port Aventura and Saba.
Total number of executive Directors		2
Total number of executive directors % of the total number of board members		13.33

# EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of the director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
Tomás Muniesa Arantegui	LA CAIXA BANKING FOUNDATION	Tomás Muniesa, born in Barcelona in 1952; he has been the Vice-Chairman of CaixaBank since April 2018. He holds a degree in Business Studies and a Master of Business Administration from the ESADE Business School. He joined 'La Caixa' in 1976, and was appointed Assistant Managing Director in 1992. In 2011, he was appointed Managing Director of CaixaBank's Insurance and Asset Management Group, where he remained until November 2018. He was the Executive Vice-Chairman and CEO of VidaCaixa from 1997 to November 2018. He currently holds the positions of Vice-chairman of CaixaBank, VidaCaixa and SegurCaixa Adeslas. He is also a member of the Trust of the ESADE Foundation and Director of Allianz Portugal. Prior to this, he was Chairman of MEFF (Sociedad Rectora de Productos Derivados), Vice-chairman of BME (Bolsas y Mercados Españoles), 2nd Vice-chairman of UNESPA, Director and Chairman of the Audit Committee of the Insurance Compensation Consortium, Director of Vithas Sanidad SL and Alternate Director of the Inbursa Financial Group in Mexico.
María Teresa Santero Quintillá	FROB Y BFA TENEDORA DE ACCIONES, S.A.U.	Teresa Santero was born in Camporrells (Huesca) in 1959. He has been a member of the CaixaBank Board of Directors since 2021. She holds a degree in Business Administration from the University of Zaragoza and a doctorate in Economics from the University of Illinois Chicago (USA). She has been a lecturer at the UIE Business School in Madrid since 2012. Previously, she held management positions both in the Central Administration (Secretary General of Industry in the Ministry of Industry, Trade and Tourism from 2008 to 2011) and in Provincial Administration, in the Government of the Autonomous Community of Aragón (Director of Economic Policy in the Department of Economy and the Treasury, from 2003 to 2007, and General Secretary for the Department of Social Services from 2007 to 2008). She previously worked for 10 years as an economist at the Economics Department of the OECD in Paris. She has been a visiting lecturer at the Economics Department of the Complutense University in Madrid and associate professor and research aide at the University of Illinois Chicago (USA). She has been on various Boards of Directors, was an independent member of the General Board of the Spanish Official Credit Institute, ICO (2018-2020), a director of the Spanish Industrial Holding Company, SEPI (2008-2011) and Navantia (2010-2011), Member of the Executive Committee and the Board of the Zona Franca Consortium of Barcelona (2008-2011), and Director of the Instituto Tecnológico de Aragón (2004-2007). She has also been a Trust member of various foundations: the Zaragoza Logistics Center, ZLC Foundation (2005-2007), the Foundation for the Development of Hydrogen Technologies (2005-2007), and the Observatory of Prospective Industrial Technology Foresight Foundation (2008-2011).
José Serna Masiá	LA CAIXA BANKING FOUNDATION	José Serna Masiá (Albacete, 1942) has been a member of CaixaBank's Board of Directors since July 2016. He graduated in Law at the Complutense University of Madrid in 1964, and began his career in legal counselling with Butano, S.A. (1969/70). In 1971, he became a State Attorney, providing services at the State Attorney's Office for Salamanca and at the Ministries for Education and Science and Finance. He then joined the Adversary Proceedings Department of the State at the Audiencia Territorial de Madrid (now the Tribunal Superior de Justicia - High Court of Justice), before taking leave of absence in 1983. From 1983 to 1987 he was legal counsel to the Madrid Stock Exchange. In 1987, he became a stockbroker at Barcelona Stock Exchange and was appointed secretary of its Governing Body. He took part in the stock market reform of 1988 as Chairman of the company that developed the new Barcelona Stock Exchange and also as a member of the Advisory Committee to the recently created Comisión Nacional del Mercado de Valores, the Spanish securities market regulator. In 1989, he was elected Chairman of the Barcelona Stock Exchange, a role that he held for two consecutive terms until 1993. From 1991 to 1992, he was Chairman of the Spanish Sociedad de Bolsas (Stock Exchange Company), which groups the four Spanish stock exchanges together, and Deputy Chairman of the Spanish Financial Futures Market, in Barcelona. He was also Deputy Chairman of Fundación Barcelona Centro Financiero and of Sociedad de Valores y Bolsa Interdealers, S.A. In 1994, he became a stockbroker and member of the Association of Chartered Trade Brokers of Barcelona. He was on the Board of Directors of ENDESA from 2000 to 2007. He was also a member of the Control and Auditing Committee, chairing it from 2006 to 2007. He was also a director of the companies ENDESA Diversificación and ENDESA Europa. He worked as a notary in Barcelona from 2002 through to 2013.
Total number of proprietary Directors		3
% of the Board		20.00

## INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of the director	Profile
Cristina Garmendia Mendizábal	Cristina Garmendia Mendizábal, born in San Sebastián in 1962. She has been a member of the CaixaBank Board of Directors since June 2019. She holds a degree in Biological Sciences, specialising in Genetics, a PhD in Molecular Biology from the Severo Ochoa Molecular Biology Centre of the Autonomous University of Madrid. MBA from the IESE Business School at the University of Navarre. She is currently 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. She has been Executive Deputy Chair and Financial Director of the Amasua Group. Member of the governing bodies of, among others, 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).
John S. Reed	John Reed, born in Chicago in 1939, has been a member of CaixaBank's Board of Directors since 2011 and Coordinating Director since 2020. He was raised in Argentina and Brazil. He completed his university studies in the United States. In 1961, he earned a degree in Philosophy and Arts and Sciences from Washington and Jefferson College and the Massachusetts Institute of Technology under a double degree programme. He was a lieutenant in the US Army Corps of Engineers from 1962 to 1964 and again enrolled at MIT to study a Master in Science. John Reed worked in Citibank/Citicorp and Citigroup for 35 years, the last 16 of which as Chairman, retiring in April 2000. From September 2003 to April 2005, he began working again as Chairman of the New York Stock Exchange, and was Chairman of the MIT Corporation from 2010 to 2014. He was appointed Chairman of the Board of American Cash Exchange in February 2016. He is a member of the Board of the Boston Athenaeum and a trustee of the NBER. He is a Fellow of the American Academy of Arts and Sciences and of the American Philosophical Society.
Joaquín Ayuso García	Joaquín Ayuso was born in Madrid in 1955. He has been a member of the CaixaBank Board of Directors since 2021. He is a graduate in Civil Engineering from the Polytechnic University of Madrid. He is currently the Chairman of Adriano Care Socimi, S.A. and a member of the Advisory Board of the Benjamin Franklin Institute of the University of Alcalá de Henares and the Advisory Board of Kearney. He is also Chairman of the Board of Directors of the Real Sociedad Hípica Española Club de Campo. He was previously on the Board of Directors of Bankia, where he held the roles of Independent Director and Coordinator, a member of the Audit and Compliance Committee and the Remuneration Committee, Chairman and member of the Appointments and Responsible Management Committee, and Chairman and member of the Bankia Risk Advisory Committee. He has pursued his professional career in Ferrovial, S.A., where he was CEO and Vice-Chairman of its Board of Directors. He has been a Director of National Express Group, PLC. and of Hispania Activos Inmobiliarios and Chairman of Autopista del Sol Concesionaria Española. He was awarded the Medal of Honour by the Spanish Association of Civil Engineers in 2006.
Francisco Javier Campo García	Francisco Javier Campo was born in Madrid in 1955. He has been a member of the CaixaBank Board of Directors since 2021. He has a degree in Industrial Engineering from the Polytechnic University of Madrid. He is currently a member of the Board of Directors of Meliá Hotels International, S.A., Chairman of its Audit and Compliance Committee and member of its Appointments, Remuneration and Corporate Social Responsibility Committee. He is Vice-Chairman of the Spanish Commercial Coding Association (AECOC), a member of the Advisory Board (senior advisor) 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 previously a member of Bankia's Board of Directors, Chairman of the Audit and Compliance Committee and of the Risk Advisory Committee, and a member of the Appointments and Responsible Management Committee, the Technology and Innovation Committee and the Delegate Risk Committee. 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 awarded the National Order of Merit of the French Republic in 2007.

## INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of the director	Profile
Eva Castillo Sanz	Eva Castillo was born in Madrid in 1962. He has been a member of the CaixaBank Board of Directors since 2021. She holds a degree in Law and Business from Comillas Pontifical University (E-3) in Madrid. She is currently an independent director of International Consolidated Airlines Group, S.A. (IAG), and a member of the Audit and Compliance Committee and of the Remuneration Committee. She is also a member of the Board of Trustees of the Comillas-ICAI Foundation and the Board of Trustees of the Entreculturas Foundation. Recently, she has become a member of the Council for the Economy of the Holy See and a member of the A.I.E. Advantere School of Management. Formerly, she was a member of the Board of Directors of Bankia, S.A., having previously served as Lead Independent Director, Chair of the Appointments and Responsible Management Committee and the Remuneration Committee, and a member of the Technology and Innovation Committee, the Risk Delegate Committee, and the Risk Advisory Committee. She 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 Board of Trustees of the Telefónica Foundation. Previously, she was an Independent Director of Visa Europe Limited and Director of old Mutual, PLC. She was the 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.
María Verónica Fisas Vergés	Born in Barcelona in 1964, Verónica Fisas has served on the Board of Directors of CaixaBank since February 2016. She holds a degree in Law and a Master in Business Administration. She joined Natura Bissé very early in her career, thus acquiring extensive knowledge of the company and of all its departments. She has been the Executive Officer of the Board of Directors of Natura Bissé and General Director of the Natura Bissé Group since 2007. Since 2008, she is also a Patron of the Fundación Ricardo Fisas Natura Bissé. In 2001, as the CEO of the United States subsidiary of Natura Bissé, she was responsible for the expansion and consolidation of the business, and obtained outstanding results in product distribution and brand positioning. In 2009, she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética, becoming Chair of Stanpa in 2019 and, also Chair of Fundación Stanpa. She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWEC Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014. In November 2017, Emprendedores magazine named Verónica Fisas as 'Executive of the Year'.
María Amparo Moraleda Martínez	María Amparo Moraleda (Madrid, 1964) has been a member of CaixaBank's Board of Directors since 2014. She graduated in Industrial Engineering from the ICAI and holds an MBA from the IESE Business School. She is an independent director at several companies: Airbus Group, S.E. (since 2015) Vodafone 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 was on the Board of Spain's High Council for Scientific Research (CSIC) (from 2011 to 2022). Between 2012 and 2017, she was a member of the board of directors of Faurecia, S.A. and member of the Advisory Board of KPMG España (since 2012). Between 2013 and 2021, she was a member of the Board of Directors of Solvay, S.A., and was Director of Operations for the International area of Iberdrola, with responsibility for the United Kingdom and the United States between January 2009 and February 2012. She also headed Iberdrola Engineering and Construction from January 2009 to January 2011, and was Executive President of IBM for Spain and Portugal from July 2001 to January 2009, extending the area under her responsibility to 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. 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. In December 2015, she was named full academic member of Real Academia de Ciencias Económicas y Financieras. In 2005, she was inducted into the Women in Technology International (WITI) Hall of Fame, which recognises the people in the world of business and technology who have made the greatest impact on the inclusion and contribution of women in technology development worldwide. She has also received numerous accolades, such as: the Values Leadership Award (FIGEVA Foundation – 2008), the Javier Benjumea Prize (Engineering Association of the ICAI – 2003) and the Award for Excellence (Spanish Federation of Female Directors, Executives, Professionals and Entrepreneurs – Fedepe – 2002).



## INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of the director	Profile
Eduardo Javier Sanchiz Irazu	Eduardo Javier Sanchiz Irazu was born in Vitoria in 1956. He has been a member of the CaixaBank Board of Directors since 2017. He holds a degree in economics and business from the University of Deusto, San Sebastián campus, and a Master's Degree in Business Administration from the Instituto Empresa in Madrid. He was CEO of Almirall from July 2011 until 30 September 2017. During this period, the company underwent a significant strategic transformation with the aim of becoming a global leader in skin treatment. Previously, after joining Almirall in May 2004, he was executive director of Corporate Development and Finance and Chief Financial Officer. In both positions, Eduardo led the company's international expansion through a number of alliances with other companies, and through licensing of external products, in addition to five acquisitions of companies and product portfolios. He also coordinated the IPO process in 2007. He was a member of the Almirall Board of Directors from January 2005 and member of the Dermatology Committee from its creation in 2015. Prior to joining Almirall, he worked for 22 years (17 outside Spain) at Eli Lilly & Co, an American pharmaceutical company, in finance, marketing, sales and general management positions. He was able to live in six different countries and some of his significant positions include General Manager in Belgium, General Manager in Mexico and, in his last position in the company, Executive Officer for the business area that encompasses countries in the centre, north, east and south of Europe. 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. 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.
Koro Usarraga Unsain	Koro Usarraga Unsain (San Sebastián, 1957) has been a member of CaixaBank's Board of Directors since 2016. She has a degree in Business Administration and a Master's in Business Management from ESADE, took the PADE (Senior Management Programme) at IESE and is a qualified chartered accountant. She was an independent Director of NH Hotel Group from 2015 to October 2017. She worked at Arthur Andersen for 20 years and in 1993 was appointed partner of the audit division. In 2001, she assumed responsibility for the General Corporate Management of Occidental Hotels & Resorts, a group with significant international presence and specialising in the holiday sector. She was responsible for the finance, administration and management control departments, as well as IT and human resources. She was General Manager of Renta Corporación, a real estate group specialising in the purchase, refurbishment and sale of properties. She has been a Director at Vocento, S.A. since 2019, and is currently a shareholder and administrator of the company 2005 KP Inversiones, S.L., which is dedicated to investing in companies and management consultancy. She is also an Administrator of Vehicle Testing Equipment, S.L.
<b>Total number of independent Directors</b>	9
<b>% of the Board</b>	60.00

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.

If applicable, include a statement from the Board detailing the reasons why the said Director may carry out their duties as an independent Director.

## OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name or corporate name of Director	Reason	Company, executive or shareholder with whom the relationship is maintained	Profile
Fernando María Costa Duarte Ulrich	Fernando Maria Ulrich was classified as another external director, neither proprietary nor independent, in accordance with the provisions of section 2 of article 529 duodecies of the Corporate Enterprises Act and article 19.5 of the Regulations of the Board of Directors. He has been the Non-Executive Chairman of Banco BPI, S.A. since 2017.	BANCO BPI, S.A.	Fernando Maria Costa Duarte Ulrich, born in Lisbon in 1952. He has been a member of the CaixaBank Board of Directors since 2021. He studied Economics and Business at the School of Economics and Management of the University of Lisbon. He has been Non-executive Chairman of Banco BPI, S.A., a CaixaBank Group subsidiary, since 2017, having previously held various high-ranking positions at Banco BPI, S.A. and within its group, various positions of responsibility and was CEO of the company from 2004 to 2017. He has also been the Non-Executive Chairman of BFA (Angola) (2005-2017); a Member of the APB (Portuguese Association of Banks) Board of Directors (2004-2019); Chairman of the General and Supervisory Board of the University of Algarve, Faro (Portugal) (2009-2013); Non-Executive Director of SEMAPA, (2006-2008); Non-Executive Director of Portugal Telecom (1998-2005); Non-Executive Director of Allianz Portugal (1999-2004); 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).
Total number of other external Directors			1
% of the Board			6.67

Indicate the changes, if any, that have occurred during the period in the category of each director:

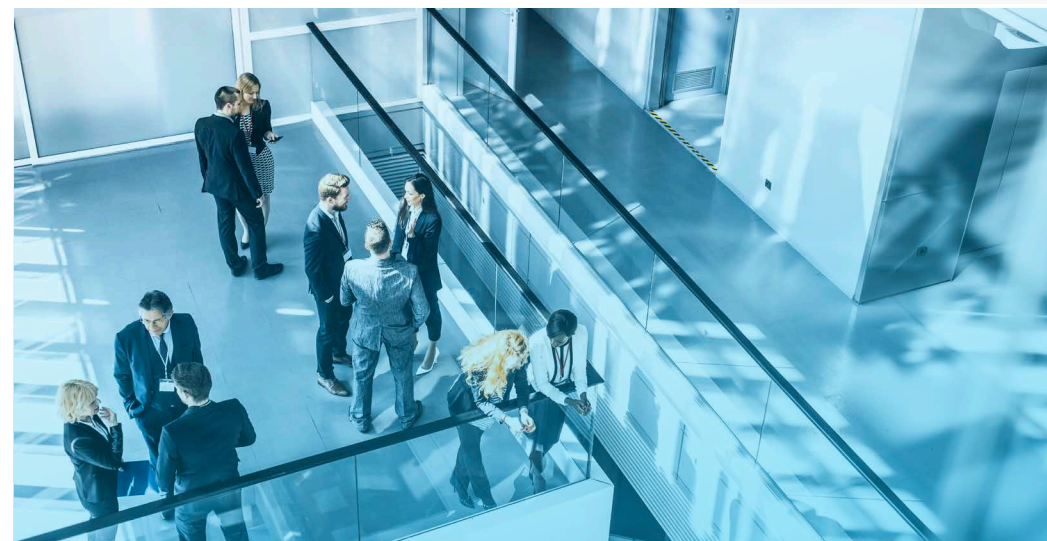
Name or corporate name of Director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of total Directors in each category			
	Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2019	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

c.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the entity, whether listed or unlisted	Position
Tomás Muniesa Arantegui	COMPANHIA DE SEGUROS ALLIANZ PORTUGAL S.A.	DIRECTOR
Tomás Muniesa Arantegui	FUNDACIÓN ESADE	DIRECTOR
Tomás Muniesa Arantegui	SEGURCAIXA ADESLAS, S.A. DE SEGUROS Y REASEGUROS	VICE-CHAIRMAN
Gonzalo Gortázar Rotaèche	CÍRCULO DE EMPRESARIOS	DIRECTOR
Gonzalo Gortázar Rotaèche	EUROFI	DIRECTOR
Gonzalo Gortázar Rotaèche	FUNDACIÓN CONSEJO ESPAÑA-CHINA	DIRECTOR
Gonzalo Gortázar Rotaèche	INSTITUTE OF INTERNATIONAL FINANCE	DIRECTOR



Identity of the director or representative	Company name of the entity, whether listed or unlisted	Position
Francisco Javier Campo García	ASOCIACIÓN ESPAÑOLA DE CODIFICACIÓN COMERCIAL (AECOC)	VICE-CHAIRMAN
Francisco Javier Campo García	ASOCIACIÓN PARA EL PROGRESO DE LA DIRECCIÓN (APD)	DIRECTOR
Francisco Javier Campo García	FUNDACIÓN CAIXABANK DUALIZA	DIRECTOR
Francisco Javier Campo García	FUNDACIÓN F. CAMPO	DIRECTOR
Francisco Javier Campo García	FUNDACIÓN ITER	DIRECTOR
Francisco Javier Campo García	MELIÁ HOTELS INTERNATIONALS S.A.	DIRECTOR
Eva Castillo Sanz	A.I.E. ADVANTERE SCHOOL OF MANAGEMENT	DIRECTOR
Eva Castillo Sanz	ECONOMIC COUNCIL OF THE HOLY SEE	DIRECTOR
Eva Castillo Sanz	FUNDACIÓN ENTRECULTURAS FÉ Y ALEGRÍA	DIRECTOR
Eva Castillo Sanz	FUNDACIÓN UNIVERSITARIA COMILLAS-ICAI	DIRECTOR
Eva Castillo Sanz	INTERNATIONAL CONSOLIDATED AIRLINES GROUP S.A. (IAG)	DIRECTOR
María Verónica Fisas Vergés	ASOCIACIÓN NACIONAL DE PERFUMERIA Y COSMÉTICA (STANPA)	CHAIRMAN
María Verónica Fisas Vergés	FUNDACIÓN RICARDO FISAS NATURA BISSÉ	DIRECTOR
María Verónica Fisas Vergés	FUNDACIÓN STANPA	DIRECTOR
María Verónica Fisas Vergés	NATURA BISSÉ INT. DALLAS (USA)	CHAIRMAN
María Verónica Fisas Vergés	NATURA BISSÉ INT. LTD (UK)	DIRECTOR
María Verónica Fisas Vergés	NATURA BISSÉ INT. SA de C.V. (MEXICO)	CHAIRMAN
María Verónica Fisas Vergés	NATURA BISSÉ INTERNATIONAL, S.A.	CEO
María Verónica Fisas Vergés	NB SELECTIVE DISTRIBUTION, S.L.	JOINT ADMINISTRATOR
María Verónica Fisas Vergés	NATURA BISSÉ INTERNATIONAL TRADING (SHANGAI), CO., LTD	JOINT ADMINISTRATOR
John S. Reed	AMERICAN CASH EXCHANGE, INC. (ACE)	CHAIRMAN

Identity of the director or representative	Company name of the entity, whether listed or unlisted	Position
John S. Reed	BOSTON ATHENEUM	DIRECTOR
John S. Reed	NATIONAL BUREAU OF ECONOMIC RESEARCH	DIRECTOR
John S. Reed	ACADEMIA AMERICANA DE ARTES Y CIENCIAS	DIRECTOR
John S. Reed	SOCIEDAD FILOSÓFICA AMERICANA	DIRECTOR
Eduardo Javier Sanchiz Irazu	PIERRE FABRE, S.A.	DIRECTOR
Eduardo Javier Sanchiz Irazu	SABADELL - ASABYS HEALTH INNOVATION INVESTMENTS 2B, S.C.R, S.A.	DIRECTOR
José Serna Masía	ASOCIACIÓN ESPAÑOLA DE SENIORS DE GOLF.	VICE-CHAIRMAN
Koro Usarraga Unsain	2005 KP INVERSIONES, S.L.	JOINT ADMINISTRATOR
Koro Usarraga Unsain	VEHICLE TESTING EQUIPMENT, S.L. (100% SUBSIDIARY OF 2005 KP INVERSIONES, S.L.)	JOINT ADMINISTRATOR
Koro Usarraga Unsain	VOCENTO, S.A.	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	A.I.E. ADVANTERE SCHOOL OF MANAGEMENT	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	ASOCIACIÓN MADRID FUTURO	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	ASOCIACIÓN VALENCIANA DE EMPRESARIOS	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	SPANISH CHAMBER OF COMMERCE	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	CÍRCULO DE EMPRESARIOS	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	BASQUE BUSINESS ASSOCIATION	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	CONFEDERACIÓN ESPAÑOLA DE CAJAS DE AHORROS (CECA)	VICE-CHAIRMAN
José Ignacio Goirigolzarri Tellaeche	CONFEDERACIÓN ESPAÑOLA DE DIRECTIVOS Y EJECUTIVOS (CEDE)	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	CONFEDERACIÓN ESPAÑOLA DE ORGANIZACIONES EMPRESARIALES (CEOE)	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	CONSEJO EMPRESARIAL ESPAÑOL PARA EL DESARROLLO SOSTENIBLE	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	DEUSTO BUSINESS SCHOOL	CHAIRMAN
José Ignacio Goirigolzarri Tellaeche	FOMENT DEL TREBALL NACIONAL	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN ASPEN INSTITUTE	DIRECTOR

Identity of the director or representative	Company name of the entity, whether listed or unlisted	Position
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN CAIXABANK DUALIZA	CHAIRMAN
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN CONSEJO ESPAÑA - EE.UU.	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN COTEC PARA LA INNOVACIÓN	VICE-CHAIRMAN
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN DE AYUDA CONTRA LA DROGADICCIÓN (FAD)	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN DE ESTUDIOS DE ECONOMÍA APLICADA (FEDEA)	CHAIRMAN
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN INSTITUTO HERMES	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN LAB MEDITERRÁNEO	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN MOBILE WORLD CAPITAL BARCELONA	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN PRO REAL ACADEMIA ESPAÑOLA	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	FUNDACIÓN REAL INSTITUTO ELCANO	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	GARUM FUNDATIO FUNDAZIOA	CHAIRMAN
José Ignacio Goirigolzarri Tellaeche	INSTITUTE OF INTERNATIONAL FINANCE	DIRECTOR
José Ignacio Goirigolzarri Tellaeche	INSTITUTO BENJAMIN FRANKLIN - UAH	CHAIRMAN
Cristina Garmendia Mendizábal	COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.	DIRECTOR
Cristina Garmendia Mendizábal	FUNDACIÓN COTEC PARA LA INNOVACIÓN	CHAIRMAN
Cristina Garmendia Mendizábal	FUNDACIÓN ESPAÑA CONSTITUCIONAL	DIRECTOR
Cristina Garmendia Mendizábal	FUNDACIÓN PELAYO	DIRECTOR
Cristina Garmendia Mendizábal	FUNDACIÓN SEPI FSP	DIRECTOR
Cristina Garmendia Mendizábal	JAIZKIBEL 2007, S.L. (HOLDING COMPANY)	SOLE ADMINISTRATOR
Cristina Garmendia Mendizábal	MEDIASET ESPAÑA COMUNICACIÓN, S.A.	DIRECTOR
Cristina Garmendia Mendizábal	YSIOS ASSET MANAGEMENT, S.L.	DIRECTOR
Cristina Garmendia Mendizábal	YSIOS CAPITAL PARTNERS CIV I, S.L.	DIRECTOR
Cristina Garmendia Mendizábal	YSIOS CAPITAL PARTNERS CIV II, S.L.	DIRECTOR

Identity of the director or representative	Company name of the entity, whether listed or unlisted	Position
Cristina Garmendia Mendizábal	YSIOS CAPITAL PARTNERS CIV III, S.L.	DIRECTOR
Cristina Garmendia Mendizábal	YSIOS CAPITAL PARTNERS SGEIC, S.A.	DIRECTOR
Cristina Garmendia Mendizábal	ASOCIACIÓN ESPAÑOLA CONTRA EL CANCER (AECC)	DIRECTOR
Cristina Garmendia Mendizábal	FUNDACIÓN MUJERES POR ÁFRICA	DIRECTOR
Cristina Garmendia Mendizábal	UNICEF, COMITÉ ESPAÑOL	DIRECTOR
María Amparo Moraleda Martínez	AIRBUS GROUP, S.E.	DIRECTOR
María Amparo Moraleda Martínez	AIRBUS FOUNDATION	DIRECTOR
María Amparo Moraleda Martínez	FUNDACIÓN CURARTE	DIRECTOR
María Amparo Moraleda Martínez	FUNDACIÓN MD ANDERSON INTERNATIONAL ESPAÑA	DIRECTOR
María Amparo Moraleda Martínez	IESE	DIRECTOR
María Amparo Moraleda Martínez	A.P. MOLLER-MÆRKS A/S A.P.	DIRECTOR
María Amparo Moraleda Martínez	VODAFONE FOUNDATION	DIRECTOR
María Amparo Moraleda Martínez	VODAFONE GROUP PLC	DIRECTOR
Joaquín Ayuso García	ADRIANO CARE SOCIMI, S.A.	CHAIRMAN
Joaquín Ayuso García	CLUB DE CAMPO VILLA DE MADRID, S.A.	DIRECTOR
Joaquín Ayuso García	INSTITUTO BENJAMIN FRANKLIN - UHA	DIRECTOR
Joaquín Ayuso García	REAL SOCIEDAD HÍPICA ESPAÑOLA CLUB DE CAMPO	CHAIRMAN

For information regarding whether they are paid positions or not, see section C.1.11 of the document in free format.

In some cases, the positions do not correspond to their real name due to the limitations of the electronic form. For the exact titles, see the document in free format.



Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
Joaquín Ayuso García	Member of the Advisory Board of AT KEARNEY, S.A.
Francisco Javier Campo García	Member of the Advisory Board of AT KEARNEY, S.A. Partner and Member of the Advisory Board of GRUPO EMPRESARIAL PALACIOS ALIMENTACIÓN, S.A. Partner and Member of the Advisory Board of IPA CAPITAL, S.L. (Pastas Gallo).
Cristina Garmendia Mendizábal	Member of the Advisory Board of INTEGRATED SERVICE SOLUTIONS, S.L. Member of the Advisory Board of MCKINSEY & COMPANY. Member of the Advisory Board of S2 GRUPO DE INNOVACIÓN EN PROCESOS ORGANIZATIVOS, S.L.U. Member of the Advisory Board of UNIVERSIDAD EUROPEA DE MADRID, S.A.
María Amparo Moraleda Martínez	Member of the Advisory Board of KEARNEY, S.A. Member of the Advisory Board of ISS ESPAÑA. Member of the Advisory Board of SAP IBÉRICA. Member of the Advisory Board of SPENCER STUART.
María Teresa Santero Quintillá	Lecturer at the INSTITUTO DE EMPRESA MADRID.

All activities in this section are paid.

**C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:**

☒ YES ☐ NO

**C.1.13 State total remuneration received by the Board of Directors:**

Remuneration accrued during the financial year to the Board of Directors (thousands of euros)	9,160
Cumulative amount of funds of current directors in long-term savings schemes with vested economic rights (thousands of €)	3,838
Cumulative amount of funds of current directors in long-term savings schemes with non-vested economic rights (thousands of €)	3,213
Cumulative amount of funds of former Directors in long-terms savings pension scheme (thousands of €)	0

**C.1.14 List any members of senior management who are not executive Directors and indicate total remuneration paid to them during the year:**

Name or corporate name	Position(s)
Luis Javier Blas Agüeros	MEDIA DIRECTOR
Ignacio Badiola Gómez	HEAD OF CIB AND INTERNATIONAL BANKING
Manuel Galarza Pont	COMPLIANCE AND CONTROL DIRECTOR
Jorge Mondéjar López	CHIEF RISKS OFFICER
Javier Pano Riera	FINANCIAL DIRECTOR
Maria Luisa Martínez Gistau	DIRECTOR FOR COMMUNICATION AND INSTITUTIONAL RELATIONS
Eugenio Solla Tomé	SUSTAINABILITY MANAGER
Francisco Javier Valle T-Figueras	HEAD OF INSURANCE
Óscar Calderón de Oya	GENERAL AND BOARD SECRETARY
María Luisa Retamosa Fernández	HEAD OF INTERNAL AUDIT
Juan Antonio Alcaráz García	CHIEF BUSINESS OFFICER
Matthias Bulach	HEAD OF ACCOUNTING, MGMT CONTROL AND CAPITAL
David López Puig	PERSONNEL DIRECTOR

Number of women in senior management 2

Percentage of total members of senior management 15.38

Total remuneration received by senior management (thousands of euros) 13,204

**C.1.15 Indicate whether any changes have been made to the Board Regulations during the year:**

☒ YES ☐ NO

C.1.21 Indicate whether there are any specific requirements other than those relating to the Directors, to be appointed chairperson of the board of directors:

☐ YES ☒ NO

C.1.23 State whether the Articles of Association or the Board regulations establish any stricter term limits or other requirements for independent directors other than those required by law:

☐ YES ☒ NO

C.1.25 Indicate the number of board meetings held during the year, and, if applicable, how many times the board has met without the Chairman's attendance. Attendance will also include proxies appointed with specific instructions.

Number of Board meetings	14
Number of Board meetings held without the Chairman's attendance	0

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	2
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State the number of meetings of the various Board committees held during the year:

Number of meetings of the AUDIT AND CONTROL COMMITTEE	13
Number of meetings of the INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE	5
Number of meetings of the APPOINTMENTS AND SUSTAINABILITY COMMITTEE	11
Number of meetings of the REMUNERATION COMMITTEE	9
Number of meetings of the RISK COMMITTEE	13
Number of meetings of the EXECUTIVE COMMITTEE	22

C.1.26 State the number of meetings held by the Board of Directors during the year and the information on member attendance:

Number of meetings attended in person by at least 80% of directors	14
% attended in person out of the total votes during the year	97.62
Number of meetings in situ or representations made with specific instructions of all directors	9
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	97.62

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

☐ YES ☒ NO

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior for their authorisation for issue by the Board.

C.1.29 Is the Secretary of the Board also a Director?

☐ YES ☒ NO

Complete if the Secretary is not also a Director:

Name or corporate name of Secretary	Representative
Oscar Calderón de Oya	

C.1.31 Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor.

☐ YES ☒ NO

Explain any disagreements with the outgoing auditor and the reasons for the same:

☐ YES ☒ NO

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its group and, if so, the sum of the fees paid and the percentage this represents of the fees for audit work invoiced to the company and/or its group:

☒ YES ☐ NO

	Company	Group companies	Total
Amount of non-audit work (thousands of euros)	900	288	1,188
Amount invoiced for non-audit services/Amount for audit work (in %)	34.00	8.00	19.00

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to the shareholders at the General Shareholders' Meeting to explain the content and extent of the aforementioned qualified opinion or reservations.

☐ YES ☒ NO

C.1.34 State the number of consecutive years the current audit firm has been auditing the individual and/or consolidated financial statements of the company. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

	Individual	Consolidated
Number of consecutive years	5	5

	Individual	Consolidated
Number of fiscal years audited by the current audit firm/number of fiscal years the company has been audited (in %)	22.00	22.00

C.1.35 Indicate whether there are procedures for Directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies:

☒ YES ☐ NO

#### Details of procedure

There is a procedure in place whereby directors may obtain the information needed to prepare for the meetings with the governing bodies with sufficient time. In general, documents for approval by the Board, especially those which cannot be fully analysed and discussed during the meeting due to their length, are sent to Board members prior to the meetings.

Furthermore, pursuant to article 22 of the Regulations of the Board, the board may request information on any aspect of the Company and its Group and examine its books, records, documents and further documentation. Requests must be sent to the executive directors who will forward the matters to the appropriate parties and they must notify the director, when applicable, of their duty of confidentiality.



C.1.39 Identify individually, for directors, and collectively, in other cases, and provide details of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of operation.

Number of beneficiaries	37
Type of beneficiary	Description of the agreement
Chairman, CEO and 3 members of the Management Committee, 5 Executives // 27 Middle Managers	Chairman and CEO: One year of the fixed components of his remuneration. Members of the Management Committee: indemnity clause equivalent to one annual payment of the fixed components of their remuneration, or the amount payable by law, whichever is higher. There are currently three 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.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group, beyond the cases stipulated by regulations. If so, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising clauses	X	
	Yes	No
Is the General Shareholders' Meeting informed of such clauses?		X

## C.2. Board Committees

C.2.1. Give details of all the board committees, their members and the proportion of proprietary and independent Directors.

AUDIT AND CONTROL COMMITTEE		
Name or corporate name	Position(s)	Category
José Serna Masiá	MEMBER	Proprietary
Koro Usarraga Unsain	CHAIRMAN	Independent
Cristina Garmendia Mendizábal	MEMBER	Independent
Eduardo Javier Sanchiz Irazu	MEMBER	Independent
María Teresa Santero Quintillá	MEMBER	Proprietary
Francisco Javier Campo García	MEMBER	Independent
% of executive Directors		0.00
% of proprietary Directors		33.33
% of independent Directors		66.67
% of other external Directors		0.00

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Names of directors with experience	José Serna Masiá / Koro Usarraga Usain / Cristina Garmendia Mendizábal / Eduardo Javier Sanchiz Irazu / María Teresa Santero Quintillá / Francisco Javier Campo García
Date of appointment of the chairperson	05/04/2019

### INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

Name or corporate name	Position(s)	Category
Eva Castillo Sanz	MEMBER	Independent
José Ignacio Goirigolzarri Tellaache	CHAIRMAN	Executive
Cristina Garmendia Mendizábal	MEMBER	Independent
María Amparo Moraleda Martínez	MEMBER	Independent
Gonzalo Gortázar Rotaache	MEMBER	Executive
% of executive Directors		40.00
% of proprietary Directors		0.00
% of independent Directors		60.00
% of other external Directors		0.00

### APPOINTMENTS AND SUSTAINABILITY COMMITTEE

Name or corporate name	Position	Category
Eduardo Javier Sanchiz Irazu	MEMBER	Independent
Francisco Javier Campo García	MEMBER	Independent
John S. Reed	CHAIRMAN	Independent
Fernando María Costa Duarte Ulrich	MEMBER	Other External
María Amparo Moraleda Martínez	MEMBER	Independent
% of executive Directors		0.00
% of proprietary Directors		0.00
% of independent Directors		80.00
% of other external Directors		20.00

### REMUNERATION COMMITTEE

Name or corporate name	Position	Category
Joaquín Ayuso García	MEMBER	Independent
José Serna Masía	MEMBER	Proprietary
Cristina Garmendia Mendizábal	MEMBER	Independent
María Amparo Moraleda Martínez	CHAIRMAN	Independent
% of executive Directors		0.00
% of proprietary Directors		25.00
% of independent Directors		75.00
% of other external Directors		0.00

### RISK COMMITTEE

Name or corporate name	Position	Category
Joaquín Ayuso García	MEMBER	Independent
Koro Usarraga Unsain	MEMBER	Independent
Eduardo Javier Sanchiz Irazu	CHAIRMAN	Independent
María Verónica Fisas Vergés	MEMBER	Independent
Tomás Muniesa Arantegui	MEMBER	Proprietary
Fernando María Costa Duarte Ulrich	MEMBER	Other External
% of executive Directors		0.00
% of proprietary Directors		16.67
% of independent Directors		66.67
% of other external Directors		16.67

## EXECUTIVE COMMITTEE

Name or corporate name	Position	Category
Eva Castillo Sanz	MEMBER	Independent
José Ignacio Goirigolzarri Tellaeché	CHAIRMAN	Executive
Koro Usarraga Unsain	MEMBER	Independent
María Verónica Fisas Vergés	MEMBER	Independent
Tomás Muniesa Arantegui	MEMBER	Proprietary
María Amparo Moraleda Martínez	MEMBER	Independent
Gonzalo Gortázar Rotaeché	MEMBER	Executive
% of executive Directors		28.57
% of proprietary Directors		14.29
% of independent Directors		57.14
% of other external Directors		0.00

C.2.2 Complete the following table with information regarding the number of female directors who were members of board committees at the close of the past four years:

	Number of female directors							
	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



## > D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or corporate name of the shareholder or any of its subsidiaries	% Participation	Name or corporate name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director abstaining from voting	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
INMO CRITERIA PATRIMONIO, S.L.U. (CRITERIA CAIXA, S.A.U.)	30.01	CaixaBank, S.A.	238,500	Board of Directors	Tomás Muniesa and José Serna	NO

Name or corporate name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of operation and other information required for its evaluation
INMO CRITERIA PATRIMONIO, S.L.U. (CRITERIA CAIXA, S.A.U.)	Corporate	Sale of non-financial assets

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or corporate name of administrators or managers or their controlled or jointly controlled entities	Name or corporate name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director abstaining from voting	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
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No details

Name or corporate name of administrators or managers or their controlled or jointly controlled entities	Type of operation and other information required for its evaluation
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No details



D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, unless no other related party of the listed company has an interest in such subsidiaries or the latter are wholly owned, directly or indirectly, by the listed company.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens.

Corporate name of the group company	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No details		

D.5. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Corporate name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No details		



## > G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with the recommendations of the Good Governance Code of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. 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.

☒ Compliant ☐ Explain

2. When the listed company is controlled, pursuant to the meaning established in Article 42 of the Commercial Code, by another listed or non-listed entity, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them, this is reported publicly, with specific information 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.

☐ Compliant ☐ Partially compliant ☐ Explain ☒ Not applicable

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.

3. During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:
  - a. Changes taking place since the previous 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.

☒ Compliant ☐ Partially compliant ☐ Explain

4. 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 ☐ Partially compliant ☐ Explain

5. 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 ☒ Partially compliant ☐ Explain

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 or 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.

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

a. Report on auditor independence.

- b. Reviews of the operation of the Audit Committee and the Appointments and Remuneration Committee.
- c. Audit Committee report on third-party transactions.

☒ Compliant ☐ Partially compliant ☐ Explain

7. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

8. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

9. 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 ☐ Partially compliant ☐ Explain

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a. Immediately circulate the supplementary items and new proposals.
- b. Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.
- c. Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.
- d. After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

☐ Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable

With regard to section c), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal).

Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising voting rights.

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

12. The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

☒ Compliant ☐ Partially compliant ☐ Explain

13. The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

☒ Compliant ☐ Explain

14. The Board of Directors should approve a policy aimed at promoting an appropriate composition of the board that:

- a. Is concrete and verifiable.
- b. It ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board;
- c. It favours diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The results of the prior analysis of competences required by the board should be written up in the Appointments Committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director.

The nomination committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

☒ Compliant ☐ Partially compliant ☐ Explain

15. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

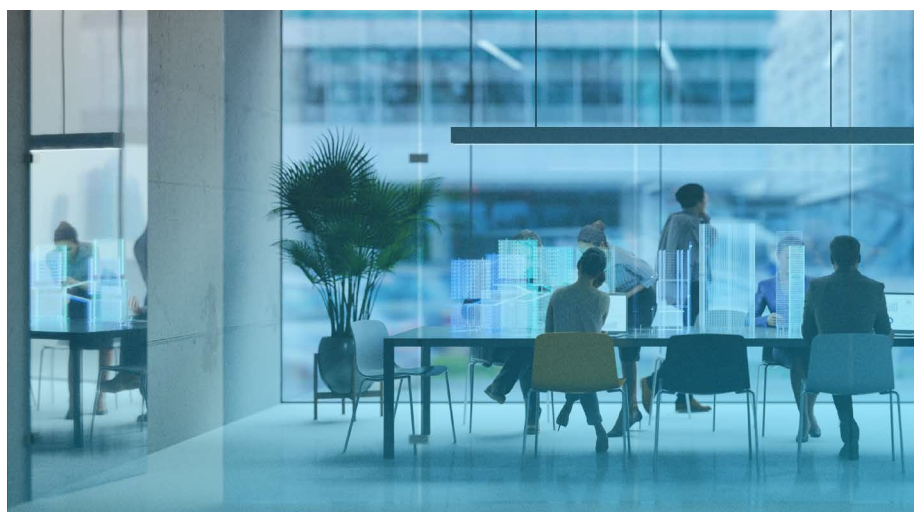
16. The percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital. This criterion can be relaxed:

- a. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
- b. In companies with a plurality of shareholders represented on the board but not otherwise related.

☒ Compliant ☐ Explain

17. The number of independent directors should represent at least half of the total number of directors. 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 ☐ Explain



18. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

19. 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 place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

20. 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.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable



21. 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.

☒ Compliant ☐ Explain

22. 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 ☐ Partially compliant ☐ Explain

23. 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.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

24. 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.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

25. The Appointments Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively.

The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.

☒ Compliant ☐ Partially compliant ☐ Explain



26. 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 ☐ Partially compliant ☐ Explain

27. Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.

☐ Compliant ☒ Partially compliant ☐ Explain

In the event of unavoidable absences, in order to prevent de facto changes to the balance of the Board of Directors, legislation allows for delegation to another director (non-executives only to other non-executives) - this is established in Principle 14 of the Good Governance Code and also envisaged in By-laws (article 37), as well as the Board's Regulations (article 17), which determine that Directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. Non-executive Directors may only delegate a proxy who is another non-executive Director, while independent Directors may only delegate to another independent Director.

It should also be noted that CaixaBank's Corporate Governance Policy states that in relation to the duty of directors to attend Board meetings, if they cannot attend in person for justified reasons, they shall endeavour to grant their proxy in writing, and separately for each meeting, to a fellow Board member. Every 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 indepen-

dent directors may only delegate to other independent directors, while directors are always required to defend the company's corporate interest regardless of their director status.

Moreover, and reflecting the freedom of each director who may also delegate with the appropriate instructions as suggested in the Board's Regulations, the decision to delegate without instructions represents each director's freedom to consider what provides most value to their proxy, and they may finally decide on the grounds that they want to give their proxy freedom to adapt to the result of the Board meeting debate. This, in addition, is in line with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all directors, safeguarding their right to adopt any position or stance they see fit. Therefore, the freedom to appoint proxies with or without specific instructions, at the discretion of each director, is considered good practice and, specifically, the absence of instructions is seen as facilitating the proxy's ability to adapt to the content of the debate.

28. When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

29. The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

☒ Compliant ☐ Partially compliant ☐ Explain

30. Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

☒ Compliant ☐ Partially compliant ☐ Explain

31. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

☒ Compliant ☐ Partially compliant ☐ Explain

33. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

34. 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.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

35. The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

☒ Compliant ☐ Explain

36. The Board of Directors 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.

☒ Compliant ☐ Partially compliant ☐ Explain

37. When there is an Executive Committee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the Board of Directors.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

38. The Board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all Board members should receive a copy of the committee's minutes.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.

☒ Compliant ☐ Partially compliant ☐ Explain

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's Non-Executive Chairman or the Chairman of the Audit Committee.

☒ Compliant ☐ Partially compliant ☐ Explain

41. The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

42. The Audit Committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

b. 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.

c. 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.

d. 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.

e. In general, ensure that the internal control policies and systems established are applied effectively in practice.

2. With respect to the external auditor:

c. Investigate the issues giving rise to the resignation of the external auditor, should this come about.

d. Ensure that the remuneration of the external auditor does not compromise its quality or independence.

e. 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.

f. 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.

g. 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 ☐ Partially compliant ☐ Explain

43. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

☒ Compliant ☐ Partially compliant ☐ Explain

44. 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 ☐ Partially compliant ☐ Explain ☐ Not applicable

45. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

46. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

47. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

48. Large cap companies should operate separately constituted Appointments and Remuneration Committees.

☒ Compliant ☐ Partially compliant ☐ Not applicable

49. 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.

☒ Compliant ☐ Partially compliant ☐ Explain

50. 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 ☐ Partially compliant ☐ Explain

51. The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive Directors and senior officers.

☒ Compliant ☐ Partially compliant ☐ Explain

52. The terms of reference 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 at least the following terms:

- a. Committees should be formed exclusively by non-executive Directors, with a majority of independents.
- b. Committees should be chaired by an independent Director.
- c. The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's missions, discuss their proposal and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.
- d. They may engage external advice, when they feel it necessary for the discharge of their functions.
- e. Meeting proceedings should be minuted and a copy made available to all Board members.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

53. The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialised in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.

☒ Compliant ☐ Partially compliant ☐ Explain

54. The minimum functions referred to in the previous recommendation are as follows:

- a. Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.
- b. Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.
- c. Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
- d. Ensure the company's environmental and social practices are in accordance with the established strategy and policy.
- e. Monitor and evaluate the company's interaction with its stakeholder groups.

☒ Compliant ☐ Partially compliant ☐ Explain

55. Environmental and social sustainability policies should identify and include at least:

- a. The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts.
- b. The methods or systems for monitoring compliance with policies, associated risks and their management.
- c. The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.
- d. Channels for stakeholder communication, participation and dialogue.
- e. Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

☒ Compliant ☐ Partially compliant ☐ Explain

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.

☒ Compliant ☐ Explain

57. 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.

☒ Compliant ☐ Partially compliant ☐ Explain





58. 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:

- Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- 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.
- 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.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

59. 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.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

61. 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.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

62. 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.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.

☒ Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable

64. Termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the Director with the company, including previously unconsolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

☐ Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable

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.

State whether any Directors voted against or abstained from voting on the approval of this Report.

☐ Yes ☒ No

I declare that the details included in this statistical annex coincide and are consistent with the descriptions and details included in the Annual Corporate Governance Report published by the company.



*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.





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 Remunerations Report

2022

→ [Interactive document](#)



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# \_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**)<sup>1</sup>.

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.



<sup>1</sup> 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.



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# \_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<sup>2</sup> (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.

<sup>2</sup> 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.

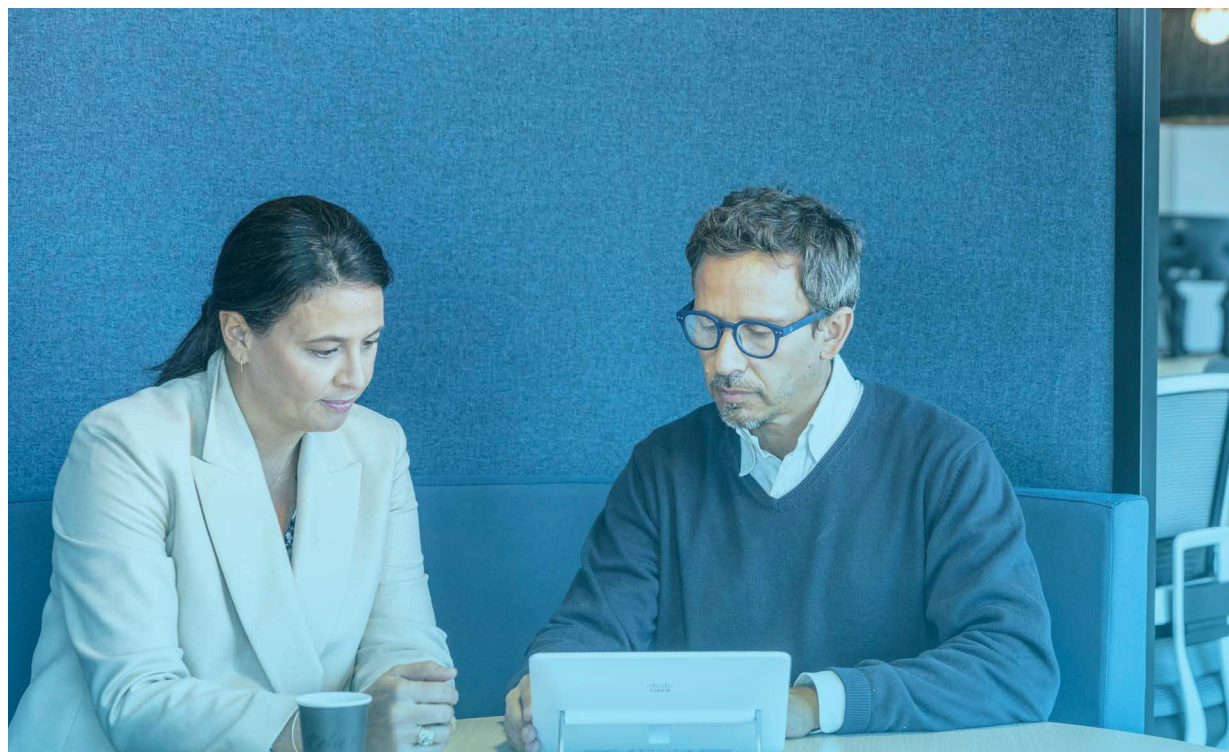
The proposals of the Remuneration Committee are elevated to the Board of Directors of CaixaBank for its consideration and, where applicable, approval. If the decisions correspond to the CaixaBank General Shareholders' Meeting, in accordance with its powers, the Board of Directors of CaixaBank approves 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 <sup>1</sup>	30	30

<sup>1</sup> 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

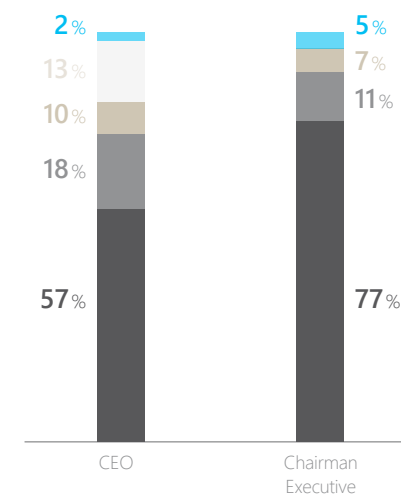
\* The remuneration distributed in 2021 takes into account the part of the non-executive chairman's additional remuneration accrued up to the date of termination of office.

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 du-

ties. 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:



■ Total Annual fixed remuneration  
 ■ Short-term variable remuneration  
 ■ Long-term variable remuneration  
 ■ Employee benefits  
 ■ Remuneration in kind

## 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.

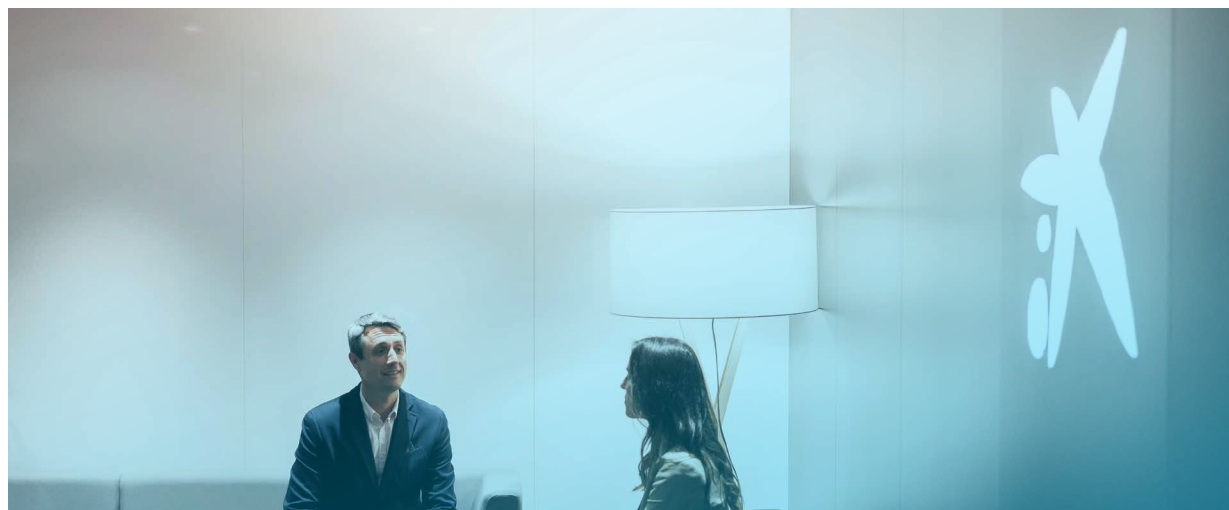
### Peer Group of reference for the remuneration of executive directors

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.

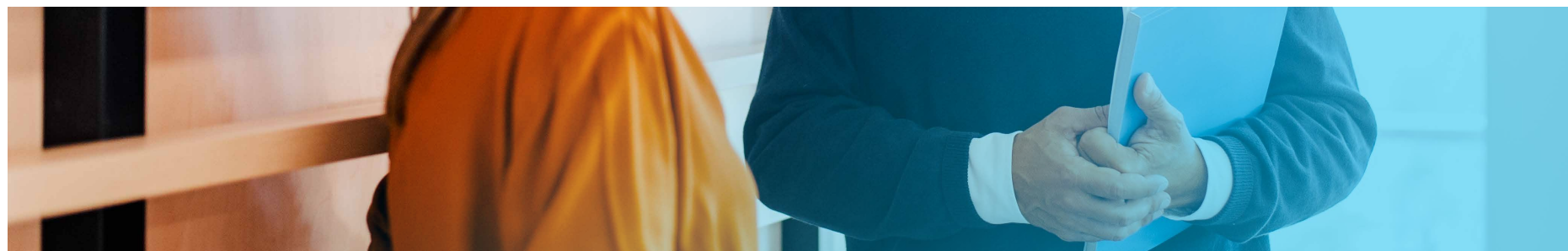


Accrued remuneration linked to fixed components for Executive Directors is presented below:

### 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 <sup>1</sup>	Executive Chairman	1,122	69	45		11	1,247
Total per item 2021		3,039	159	95	204	11	3,508

<sup>1</sup> 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 <sup>2</sup>	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

<sup>2</sup> 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.



## 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 (%)
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			
	RAF	20 %	< = 3 ambers	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 %			
Non-financial	Sustainability	10 %	6.5 ambers	85 %	19,135	23,583	120 %
			7 ambers	80 %			
			> = 7.5 ambers	0			
			> 22,962 = 120 %	1.2			
			Between 22,962 and 15,308	Between 120 and 80 %			
	Quality	10 %	< 15,308 = 0 %	0	NPS branch 52.2 IEX 88.2 NPS digital 41.8	NPS branch 64.0 IEX 89.1 NPS digital 55.5	120 %
			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				

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06	Table of reconciliation of content with the CNMV remuneration report template
07	Statistical information on remuneration required by the CNMV

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%	96,25	99,2	116%	
				Between 120% and 0				
				Between 96.25 and 95 = 90%				Between 108% and 0
				Between 95 and 94 = 80%				Between 96% and 0
				< 94 - 0%	0			
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 (recurring 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:

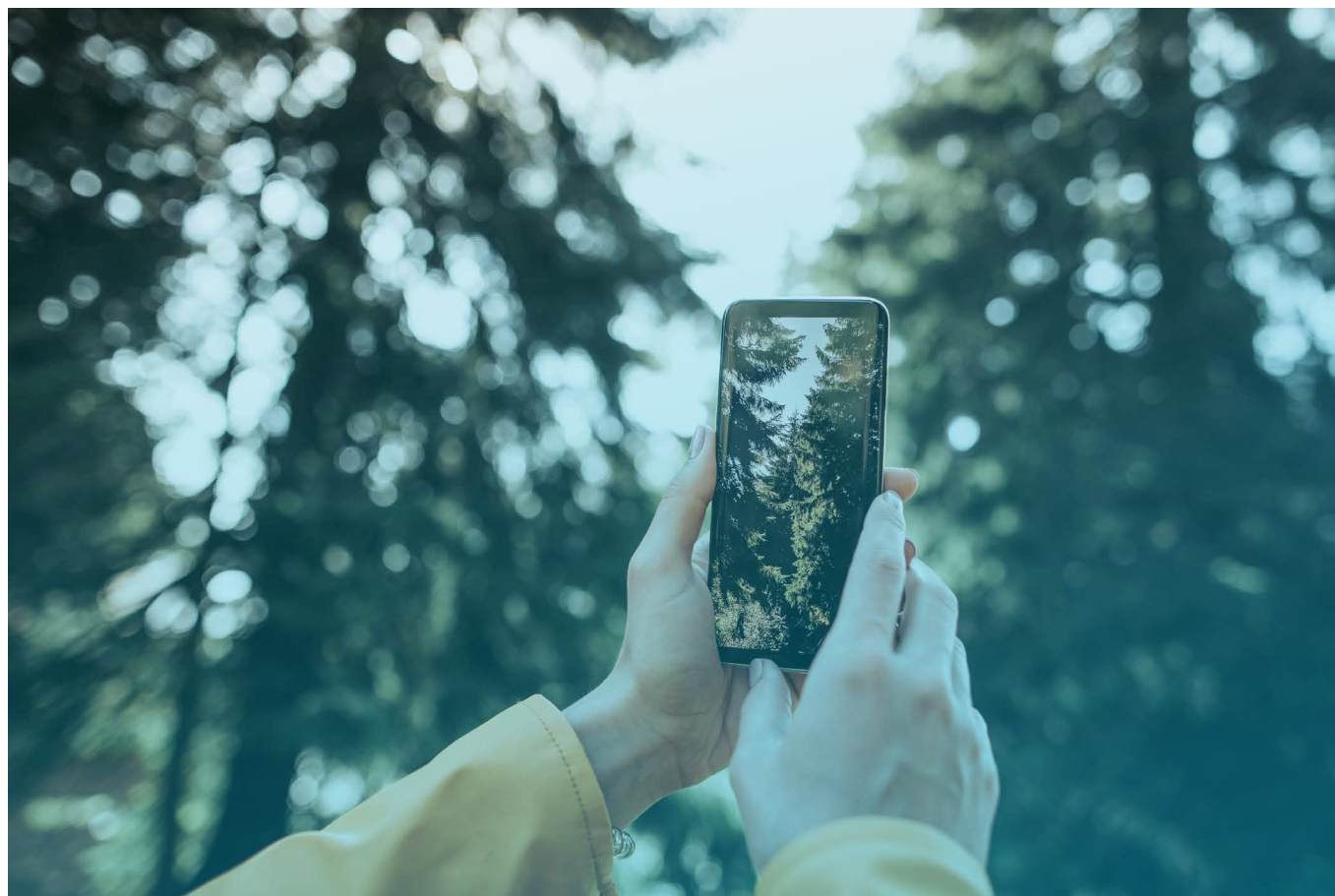
- > NPS branch: 64
- > IEX: 89.1
- > NPS digital; 55.5

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 %
				> Average = 100 %	- %
	Multi-year ROTE	25 %	Average amounts repaid annually in the measurement period	Between 80 % and 100 %	Between 0 and 100 %
				< 80 % = 0 %	100 %
				> = 63,785 = 100 %	- %
	Sustainability	25 %	63,785	Between 63,785 and 47,838 = between 75 and 100 %	Between 0 and 100 %
				< 47,838 = 0 %	100 %

The level of achievement for the multi-year factor metrics is set solely on the basis of corporate criteria and determines the adjustment of payments from the third year of deferral (i.e. 36 per cent of the remaining variable remuneration).

The metrics associated with the multi-year factors are described below:

### CET1 (25 %)

**Definition:** It is set as a metric linked to the colour (tolerance level) of the indicator in the CET1 RAF at the end of the multi-year period.

### TSR (25 %)

**Definition:** Comparison with the average of the EUROSTOXX Banks – Gross Return index.

### Multi-year ROTE (25 %)

**Definition:** This is set as the average achievement of the ROTE challenge for each of the years of the multi-year measurement period.

### Sustainability (25 %)

**Definition:** This is set to reach a cumulative sustainable fi-

nance 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	

<sup>1</sup> 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		14	
	Cash on hand	6 %		52 %	14	112

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		53	
	Cash on hand	25 %		50 %	53	106
RVA 2018	Shares	13 %	6,740		28	
	Cash on hand	13 %		75 %	28	57
RVA 2017	Shares	13 %	5,350		31	
	Cash on hand	13 %		100 %	31	0
RVP 2017	Shares	50 %	4,280		25	
	Cash on hand	50 %		100 %	25	0

## 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:

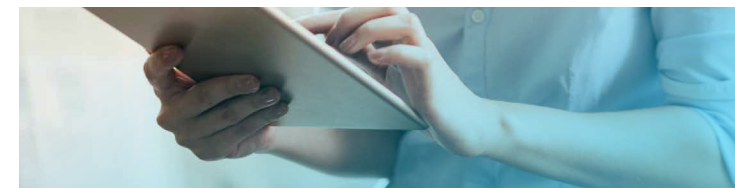
$$NSA = NU \times DIA$$

- > **NSA** = Number of shares pertaining to the Award of the Provisional Incentive for each beneficiary rounded up to the nearest whole number.
- > **NU** = Number of Units assigned to the beneficiary at the start each cycle.
- > **DIA** = Degree of Incentive Attainment, showing the extent to which the targets pegged to CAIP metrics are met during the first year of each cycle (see section on “Metrics”).

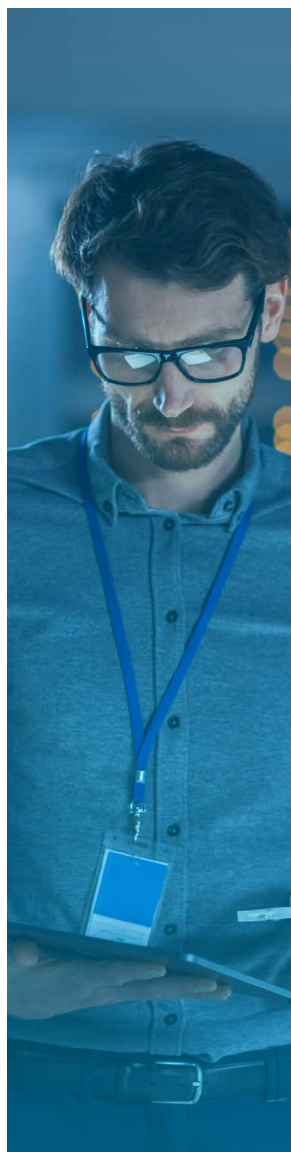
The following formula will be used to determine the number of shares pertaining to the Final Incentive:

$$NS = NSA \times \text{Ex-post Adj.}$$

- > **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:

$$DIA = CCER \times 40\% + CROTE \times 40\% + CCEI \times 20\%$$

- > **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:

$$\text{Ex-post adj.} = \text{CTSR} \times 30\% + \text{CRAF} \times 60\% + \text{CGRI} \times 10\%$$

- > 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.

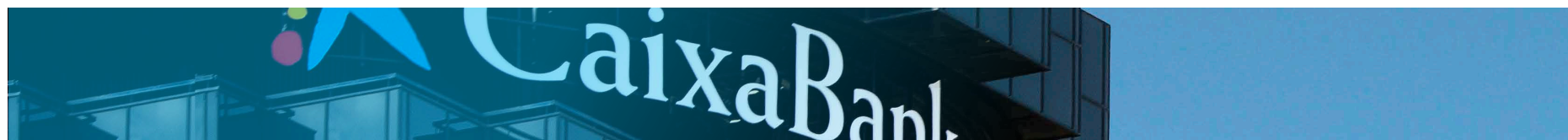
To ensure that there are no atypical movements when determining the TSR, the reference values to be used at the start and end date of the Second Measurement Period for each cycle will be the arithmetic mean price—rounded to three decimal places—of the closing price of the CaixaBank share over 31 calendar 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 parameters used to calculate the variable remuneration.
- > An increase in capital requirements for CaixaBank or one of its business units that was not envisaged at the time the exposure was generated.
- > Regulatory sanctions or adverse legal rulings attributable to the unit or the employee responsible for those proceedings and to the executive director.
- > Non-compliance with internal regulations or codes of conduct within the Group, including:
  - a. Serious or very serious breaches of regulations attributable to them.
  - b. Serious or very serious breaches of internal regulations.
  - c. Failure to comply with applicable suitability and behavioural requirements.
  - d. Regulatory breaches for which they are responsible, irrespective of whether they cause losses that jeopardise the solvency of a business line and, in general, any involvement in, or responsibility for, behaviour that causes significant losses.
- > 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 provision 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
<b>Total per item 2022</b>	<b>425</b>	<b>88</b>	<b>174</b>	<b>687</b>
Gonzalo Gortazar CEO	425	80	66	571
José Ignacio Goirigolzarri Executive Chairman			71	71
<b>Total per item 2021</b>	<b>425</b>	<b>80</b>	<b>137</b>	<b>642</b>

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 Tellaeché	Director	CECA	15
Gonzalo Gortazar	Director	Banco BPI, S.A.	60
Tomás Muniesa	Deputy Chairman	VidaCaixa	435
Tomás Muniesa	Deputy Chairman	SegurCaixa Adeslas	13
<b>Total per item 2022</b>			<b>523</b>

## \_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	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>(i) unilateral termination by the CEO due to a serious breach by the Company of the obligations set out in the services contract;</li> <li>(ii) unilateral termination by the Company without just cause;</li> <li>(iii) removal from or non-renewal of his position as Board member and of his duties as CEO without just cause; or</li> <li>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</li> </ul> <p>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.</p> <p>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.</p> <p>Meanwhile, the Company may remove the CEO from his post and terminate his services contract with just cause in the following situations:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(ii) where the CEO becomes unfit to hold office as such for reasons attributable to himself; or</li> <li>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.</li> </ul> <p>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.</p> <p>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.</p>	
Early termination clauses		
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

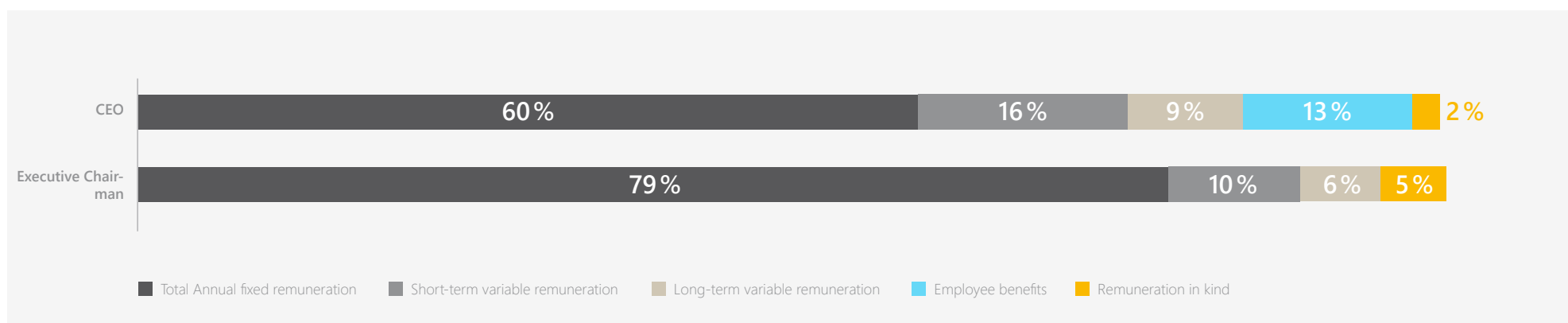
raise the modification of the maximum remuneration figure for all directors at the 2023 Annual General Shareholders' Meeting. Amounts for the current financial year are shown below:

### > 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.



## &gt; 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 % Amber = 50 % Green = 100 %	100 % 50 % — %
	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 % < 80 % = 0 %	— % Between 0 and 100 % 100 %
	Sustainability	25 %	66,961	> = 66,961 = 100 % Between 66,961 and 50,221 = between 75 and 100 % < 50,221 = 0 %	— % Between 0 and 100 % 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 Rotaeché.

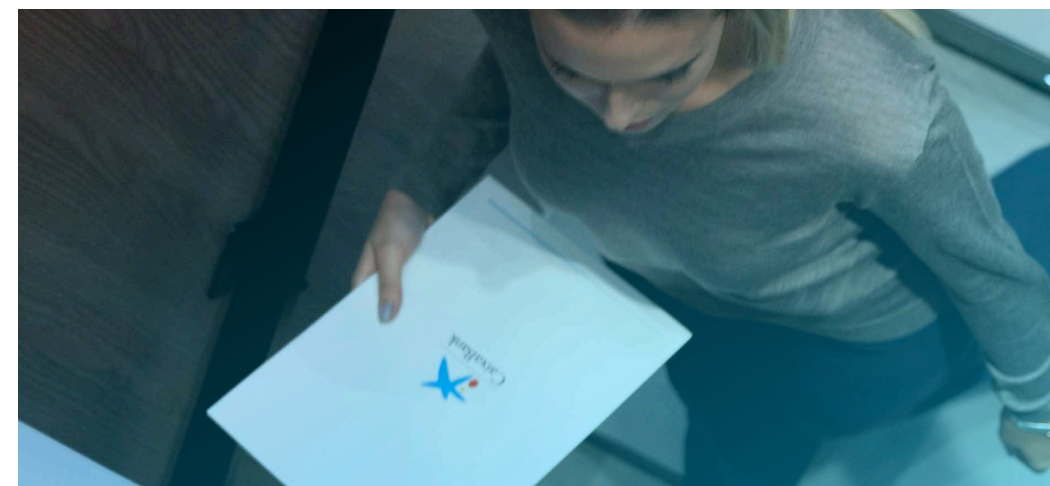
In addition to the defined contribution described above, coverage will be established for death and permanent, total, absolute and severe disability for the amount of two annuities of the Total Fixed Annual Remuneration at the time the contingency occurs. The estimated premium for this cover is €84,077.

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 %) <sup>1</sup>	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

<sup>1</sup> 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
		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
A.1 and subsections	No	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 Tellaeché	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 Rotaeché	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 Masía	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 Tellaache	90		60	1,485	77	152			1,864	1,353
Tomás Muniesa Arantegui	90		100			6			196	190
Gonzalo Gortazar Rotaache	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:

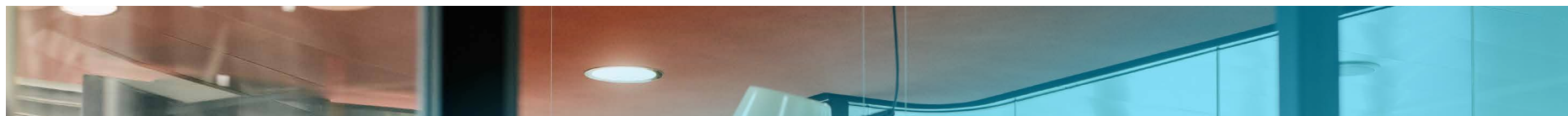
- > Short-term variable remuneration: The cash portion of the upfront payment of the variable remuneration scheme with multi-year metrics (20%), the payment of which corresponds in 2023.
- > Long-term variable remuneration: The cash part of the payment of the deferred portion of the annual bonus plan 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

Name	Plan name	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	
		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 Tellaëche	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			-



Name	Plan name	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	
		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
	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
Gonzalo Gortazar Rotaache	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 Caixa-Bank 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 Caixa-Bank 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.



## iii) Long-term saving schemes

Remuneration from consolidation of rights to savings systems

Name	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	
	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 Gortazar Rotaache			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 Tellaache	Health Insurance	2
José Ignacio Goirigolzarri Tellaache	Life insurance risk premium	101
Gonzalo Gortazar Rotaache	Health Insurance	5
Gonzalo Gortazar Rotaache	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 Gortazar Rotaache	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

Name	Plan name	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	
		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												
Name	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			
	Financial year 2022	Financial year 2021	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	Savings systems with consolidated economic rights	Savings systems with unconsolidated economic rights

## iv) Details of other items

Name	Item	Remuneration amount
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**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).**

Name	Remuneration accrued in the company					Remuneration accrued in group companies					Total for 2022 financial year company + group
	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	
José Ignacio Goirigolzarri Tellaeche	1,864	241		103	2,208					-	2,208
Tomás Muniesa Arantegui	196	39			235	435				435	670
Gonzalo Gortazar Rotaeché	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
<b>Total</b>	<b>6,908</b>	<b>826</b>	<b>-</b>	<b>181</b>	<b>7,915</b>	<b>1,245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,245</b>	<b>9,160</b>

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 Rotaeché	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 García	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

**DECLARACIÓN DE RESPONSABILIDAD SOBRE EL CONTENIDO DEL INFORME FINANCIERO ANUAL  
INDIVIDUAL DE CAIXABANK, S.A. 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 que el informe de gestión incluye un análisis fiel de la evolución y los resultados empresariales y de la posición de CaixaBank, S.A., junto con la descripción de los principales riesgos e incertidumbres a que se enfrenta.

Las Cuentas Anuales e Informe de Gestión individual correspondientes al ejercicio anual cerrado el 31 de diciembre de 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

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Don José Ignacio Goirigolzarri Tellaeché  
Presidente

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Don Tomás Muniesa Arantegui  
Vicepresidente

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Don Gonzalo Gortázar Rotaeché  
Consejero Delegado

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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,*

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Don Joaquín Ayuso García  
Consejero

---

Don Francisco Javier Campo García  
Consejero

---

Doña Eva Castillo Sanz  
Consejera

---

Doña María Verónica Fisas Vergés  
Consejera

---

Doña Cristina Garmendia Mendizábal  
Consejera

---

Doña María Amparo Moraleda Martínez  
Consejera

---

Don Eduardo Javier Sanchiz Irazu  
Consejero

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Doña Teresa Santero Quintillá  
Consejera

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Don José Serna Masía  
Consejero

---

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,*

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Doña Koro Usarraga Unsain  
Consejera