Condensed interim consolidated financial statements of CaixaBank Group for the six months ended

30 June 2022

Translation of condensed interim consolidated 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

CaixaBank

This version of our report is a free translation from 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.

Report on limited review of condensed consolidated interim financial statements

To the shareholders of CaixaBank, S.A.:

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of CaixaBank, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the balance sheet as at 30 June 2022, and the income statement, statement of recognised income and expense, total statement of changes in equity, cash flow statement and related notes, all condensed and consolidated, for the six-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standards (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the Audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2022 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

Emphasis of matter

We draw attention to note 1.2., in which it is mentioned that these interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying condensed consolidated interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2021. Our conclusion is not modified in respect of this matter.

Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the six-month period ended 30 June 2022 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the six-month period ended 30 June 2022. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from CaixaBank, S.A. and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of the Board of Directors of the parent company in relation to the publication of the half-yearly financial report required by Article 119 of Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Securities Market Law developed by Royal Decree 1362/2007, of 19 October.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Raúl Ara Navarro

29 July 2022

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
ASSETS
(Millions of euros)

	NOTE	30-06-2022	31-12-2021 *
Cash and cash balances at central banks and other demand deposits		**124,193**	**104,216**
Financial assets held for trading		**8,488**	**10,925**
Derivatives		7,502	10,319
Equity instruments		179	187
Debt securities		807	419
Financial assets not designated for trading compulsorily measured at fair value through profit or loss		**192**	**237**
Equity instruments		132	165
Debt securities		6	5
Loans and advances		54	67
Customers		54	67
Financial assets at fair value with changes in other comprehensive income	**8**	**17,359**	**16,403**
Equity instruments		1,920	1,646
Debt securities		15,439	14,757
Financial assets measured at amortised cost	**8**	**440,837**	**420,599**
Debt securities		76,219	68,206
Loans and advances		364,618	352,393
Central banks		80	63
Credit institutions		9,094	7,806
Customers		355,444	344,524
Derivatives - Hedge accounting	**10**	**488**	**1,038**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**10**	**(233)**	**951**
Investments in joint ventures and associates	**11**	**2,479**	**2,534**
Joint ventures		42	44
Associates		2,437	2,490
Assets under the insurance business	**9**	**71,819**	**83,464**
Tangible assets	**12**	**7,738**	**8,263**
Property, plant and equipment		6,047	6,398
For own use		6,047	6,398
Investment property		1,691	1,865
Intangible assets	**13**	**4,958**	**4,933**
Goodwill		3,455	3,455
Other intangible assets		1,503	1,478
Tax assets		**20,224**	**21,298**
Current tax assets		1,691	1,805
Deferred tax assets	19	18,533	19,493
Other assets	**14**	**3,068**	**2,137**
Inventories		120	96
Remaining other assets		2,948	2,041
Non-current assets and disposal groups classified as held for sale	**15**	**2,895**	**3,038**
TOTAL ASSETS		**704,505**	**680,036**

Memorandum items			
Off-balance-sheet exposures			
Loan commitments given	23	106,418	101,919
Financial guarantees given	23	10,629	8,835
Other commitments given	23	33,144	33,663
Financial instruments loaned or delivered as collateral with the right of sale or pledge			
Financial assets held for trading		244	45
Financial assets at fair value with changes in other comprehensive income		11,749	4,819
Financial assets measured at amortised cost		30,960	8,097
Tangible assets - Acquired in leases		1,645	1,829
Investment property, leased out under operating leases		1,470	1,586

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

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
LIABILITIES
(Millions of euros)

	NOTE	30-06-2022	31-12-2021 *
Financial liabilities held for trading	**16**	**4,272**	**5,118**
Derivatives		3,989	4,838
Short positions		283	280
Financial liabilities at amortised cost	**16**	**587,479**	**547,025**
Deposits		526,540	486,529
Central banks	3.3	80,865	80,447
Credit institutions		17,271	13,603
Customers		428,404	392,479
Debt securities issued		52,061	53,684
Other financial liabilities		8,878	6,812
Derivatives - Hedge accounting	**10**	**1,545**	**960**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**10**	**(3,359)**	**670**
Liabilities under the insurance business	**9**	**69,292**	**79,834**
Provisions	**17**	**5,731**	**6,535**
Pensions and other post-employment defined benefit obligations		633	806
Other long-term employee benefits		2,959	3,452
Pending legal issues and tax litigation		1,126	1,167
Commitments and guarantees given		436	461
Other provisions		577	649
Tax liabilities		**1,603**	**2,337**
Current tax liabilities		293	189
Deferred tax liabilities	19	1,310	2,148
Other liabilities	**14**	**3,078**	**2,115**
Liabilities included in disposal groups classified as held for sale		**21**	**17**
TOTAL LIABILITIES		**669,662**	**644,611**
Memorandum items			
Subordinated liabilities - Financial liabilities at amortised cost		9,172	10,255

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

EQUITY
(Millions of euros)

	NOTE	30-06-2022	31-12-2021 *
SHAREHOLDERS' EQUITY	18	36,608	37,013
Capital		8,061	8,061
Share premium		15,268	15,268
Other equity items		35	39
Retained earnings		13,398	9,781
Other reserves		(1,063)	(1,343)
(-) Treasury shares		(664)	(19)
Profit/(loss) attributable to owners of the parent		1,573	5,226
ACCUMULATED OTHER COMPREHENSIVE INCOME	18	(1,796)	(1,619)
Items that will not be reclassified to profit or loss		(1,276)	(1,896)
Actuarial gains or (-) losses on defined benefit pension plans		(32)	(473)
Share of other recognised income and expense of investments in joint ventures and associates			1
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income		(1,244)	(1,424)
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]		89	(12)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income [hedging instrument]		(89)	12
Items that may be reclassified to profit or loss		(520)	277
Foreign currency exchange		20	5
Hedging derivatives. Reserve of cash flow hedges [effective portion]		(322)	(94)
Fair value changes of debt securities measured at fair value with changes in other comprehensive income		(203)	337
Share of other recognised income and expense of investments in joint ventures and associates		(15)	29
MINORITY INTERESTS (non-controlling interests)		31	31
Other items		31	31
TOTAL EQUITY		**34,843**	**35,425**
TOTAL LIABILITIES AND EQUITY		**704,505**	**680,036**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of euros)

	NOTE	30-06-2022	30/06/2021 *
Interest income		4,208	3,741
Financial assets at fair value with changes in other comprehensive income (1)		969	886
Financial assets at amortised cost (2)		2,993	2,597
Other interest income		246	258
Interest expense		(1,052)	(914)
NET INTEREST INCOME		**3,156**	**2,827**
Dividend income		131	152
Share of profit/(loss) of entities accounted for using the equity method		112	205
Fee and commission income		2,188	1,838
Fee and commission expenses		(194)	(198)
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net		(3)	6
Financial assets measured at amortised cost	8		3
Other financial assets and liabilities		(3)	3
Gains/(losses) on financial assets and liabilities held for trading, net		11	59
Other gains or losses		11	59
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net		(3)	5
Other gains or losses		(3)	5
Gains/(losses) from hedge accounting, net		10	(2)
Exchange differences (gain/loss), net		232	12
Other operating income		316	283
Other operating expenses		(711)	(622)
Income from assets under insurance and reinsurance contracts		738	696
Expenses from liabilities under insurance and reinsurance contracts		(328)	(378)
GROSS INCOME		**5,655**	**4,883**
Administrative expenses		(2,641)	(4,403)
Personnel expenses		(1,807)	(3,590)
Other administrative expenses		(834)	(813)
Depreciation and amortisation		(394)	(315)
Provisions or reversal of provisions	17	(91)	(147)
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		(374)	(337)
Financial assets at fair value with changes in other comprehensive income		1	(1)
Financial assets measured at amortised cost	8	(375)	(336)
Impairment/(reversal) of impairment on non-financial assets		(66)	(13)
Tangible assets		(64)	(1)
Other		(2)	(12)
Gains/(losses) on derecognition of non-financial assets, net		19	12
Negative goodwill recognised in profit or loss	6		4,300
Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations		12	(14)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**2,120**	**3,966**
Tax expense or income related to profit or loss from continuing operations		(546)	214
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**1,574**	**4,180**
Profit/(loss) after tax from discontinued operations		1	1
PROFIT/(LOSS) FOR THE PERIOD		**1,575**	**4,181**
Attributable to minority interests (non-controlling interests)		2	
Attributable to owners of the parent		1,573	4,181

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PART A)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(Millions of euros)

	NOTE	30-06-2022	30/06/2021 *
PROFIT/(LOSS) FOR THE PERIOD		**1,575**	**4,181**
OTHER COMPREHENSIVE INCOME		**(177)**	**136**
Items that will not be reclassified to profit or loss		620	257
Actuarial gains or losses on defined benefit pension plans		490	99
Share of other recognised income and expense of investments in joint ventures and associates		(1)	(3)
Updated curr. ass. and disposal groups classified as held for sale			1
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income	8	180	141
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]		89	
Fair value changes of equity instruments measured at fair value with changes in equity [hedging instrument]		(89)	
Income tax relating to items that will not be reclassified		(49)	19
Items that may be reclassified to profit or loss		(797)	(121)
Foreign currency exchange		16	21
Translation gains/(losses) taken to equity		16	21
Cash flow hedges (effective portion)		(325)	(99)
Valuation gains/(losses) taken to equity		(318)	(93)
Transferred to profit or loss		(7)	(6)
Debt instruments classified as fair value financial assets with changes in other comprehensive income		(749)	(108)
Valuation gains/(losses) taken to equity		(768)	(101)
Transferred to profit or loss		19	(7)
Share of other recognised income and expense of investments in joint ventures and associates		(43)	7
Income tax relating to items that may be reclassified to profit or loss		304	58
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,398**	**4,317**
Attributable to minority interests (non-controlling interests)		2	
Attributable to owners of the parent		1,396	4,317

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PART B)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY
(Millions of euros)

		EQUITY ATTRIBUTABLE TO THE PARENT									MINORITY INTERESTS		
		SHAREHOLDERS' EQUITY											
	NOTE	CAPITAL	SHARE PREMIUM	OTHER EQUITY	RETAINED EARNINGS	OTHER RESERVES	LESS: TREASURY SHARES	PROFIT/(LOSS) ATTRIBUTABLE TO THE OWNERS OF THE PARENT	LESS: INTERIM DIVIDENDS	ACCUMULATED OTHER COMPREHENSIVE INCOME	ACCUMULATED OTHER COMPREHENSIVE INCOME	OTHER ITEMS	TOTAL
OPENING BALANCE 31-12-2021		8,061	15,268	39	9,781	(1,343)	(19)	5,226		(1,619)		31	35,425
BALANCE AT 01-01-2022		8,061	15,268	39	9,781	(1,343)	(19)	5,226		(1,619)		31	35,425
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								1,573		(177)		2	1,398
OTHER CHANGES IN EQUITY				(4)	3,617	280	(645)	(5,226)				(2)	(1,980)
Dividends (or remuneration to shareholders)	5				(1,178)							(2)	(1,180)
Purchase of treasury shares	18						(659)						(659)
Sale or cancellation of treasury shares	18						14						14
Transfers among components of equity					5,226			(5,226)					
Other increase/(decrease) in equity				(4)	(431)	280							(155)
Of which: Payment of AT1 instruments	*5*					*(140)*							*(140)*
CLOSING BALANCE ON 30-06-2022		8,061	15,268	35	13,398	(1,063)	(664)	1,573		(1,796)		31	34,843

		EQUITY ATTRIBUTABLE TO THE PARENT									MINORITY INTERESTS		
		SHAREHOLDERS' EQUITY											
	NOTE	CAPITAL	SHARE PREMIUM	OTHER EQUITY	RETAINED EARNINGS	OTHER RESERVES	LESS: TREASURY SHARES	PROFIT/(LOSS) ATTRIBUTABLE TO THE OWNERS OF THE PARENT	LESS: INTERIM DIVIDENDS	ACCUMULATED OTHER COMPREHENSIVE INCOME	ACCUMULATED OTHER COMPREHENSIVE INCOME	OTHER ITEMS	TOTAL
OPENIONG BLANACE 31-12-2020		5,981	12,033	25	8,719	(1,009)	(12)	1,381		(1,865)		25	25,278
BALANCE AT 01-01-2021		5,981	12,033	25	8,719	(1,009)	(12)	1,381		(1,865)		25	25,278
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								4,181		136			4,317
OTHER CHANGES IN EQUITY		2,080	3,235	9	907	129	(7)	(1,381)				4	4,976
Issuance of ordinary shares		2,080	3,235										5,315
Dividends (or remuneration to shareholders)					(216)								(216)
Purchase of treasury shares							(15)						(15)
Sale or cancellation of treasury shares							8						8
Reclassification of financial instruments from liability to equity				10									10
Transfers among components of equity					1,381			(1,381)					
Other increase/(decrease) in equity				(1)	(258)	129						4	(126)
Of which: Payment of AT1 instruments	*5*					*(108)*							*(108)*
CLOSING BALANCE AT 30-06-2021		8,061	15,268	34	9,626	(880)	(19)	4,181		(1,729)		29	34,571

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(Millions of euros)

	NOTE	30-06-2022	30/06/2021 **
A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		22,934	30,441
Profit/(loss) for the period *		1,575	4,181
Adjustments to obtain cash flows from operating activities		320	(1,516)
Depreciation and amortisation		394	315
Other adjustments		(74)	(1,831)
Net increase/(decrease) in operating assets		(15,052)	8,026
Financial assets held for trading		2,437	513
Financial assets not designated for trading compulsorily measured at fair value through profit or loss		45	77
Financial assets at fair value with changes in other comprehensive income		(1,492)	11,629
Financial assets measured at amortised cost		(20,750)	(2,232)
Other operating assets		4,708	(1,961)
Net increase/(decrease) in operating liabilities		35,990	20,607
Financial liabilities held for trading		(846)	(669)
Financial liabilities at amortised cost		41,999	19,801
Other operating liabilities		(5,163)	1,475
Income tax (paid)/received		101	(857)
B) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		289	12,397
Payments:		(451)	(327)
Tangible assets		(197)	(188)
Intangible assets		(141)	(112)
Investments in joint ventures and associates			(1)
Non-current assets and liabilities classified as held for sale		(113)	(26)
Proceeds:		740	12,724
Tangible assets		7	118
Intangible assets		1	
Investments in joint ventures and associates		82	124
Non-current assets and liabilities classified as held for sale		650	392
Other proceeds related to investing activities			12,090
C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(3,248)	(124)
Payments:		(5,886)	(3,714)
Dividends	5	(1,178)	(216)
Subordinated liabilities		(1,010)	
Purchase of own equity instruments	5 and 18	(659)	(15)
Other payments related to financing activities		(3,039)	(3,483)
Proceeds:		2,638	3,590
Subordinated liabilities	16	1,624	2,582
Disposal of own equity instruments		14	8
Other proceeds related to financing activities	16	1,000	1,000
D) EFFECT OF EXCHANGE RATE CHANGES		2	1
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		19,977	42,715
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		104,216	51,611
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)		124,193	94,326
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD			
Cash		2,598	2,739
Cash equivalents at central banks		119,619	90,715
Other financial assets		1,976	872
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD		**124,193**	**94,326**
(*) Of which: Interest received		4,010	3,873
Of which: Interest paid		1,828	1,502
Of which: Dividends received		277	222

(**) Presented for comparison purposes only.

EXPLANATORY NOTES FOR THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS CORRESPONDING TO THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2022

In accordance with the applicable regulations on the condensed interim consolidated financial statements, these explanatory notes complete, expand upon and report on the balance sheet, statement of profit or loss and the statement of recognised income and expenses, the consolidated statement of changes in net equity and the statement on cash flows, all of them interim, condensed and consolidated, in order to provide the information needed to do a reliable comparison with the annual consolidated financial statement while at the same time providing the information and explanations needed to allow for a proper understanding of any significant changes that occurred in the first half of 2022.

Index of explanatory notes **Page**

1. Corporate information, basis of presentation and other information

1.1 Corporate information

CaixaBank, SA (“CaixaBank” or the “Entity”) and its subsidiaries compose CaixaBank Group ("CaixaBank Group" or the "Group”). CaixaBank, with tax identification number (NIF) A08663619 and registered office and tax address in Valencia, calle Pintor Sorolla, 2-4, is a listed company as of 1 July of 2011 and registered in the Bank of Spain Register of Credit Institutions.

CaixaBank is the parent company of the financial conglomerate formed by the Group's entities that are considered to be regulated, recognised 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.

CaixaBank's corporate purpose, as set out in Article 2 of the Articles of Association, consists mainly of:

- 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;
- receiving customer 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
- acquisition, holding, enjoyment and disposal of all manner of securities and drawing up takeover bids and sales of securities, and of all manner of ownership interests in any entity or company.

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.

1.2. Basis of presentation

On 17 February 2022, CaixaBank’s Board of Directors authorised for issue the Group's 2021 consolidated financial statements in accordance with the financial reporting regulatory framework applicable to the Group, namely the International Financial Reporting Standards (hereinafter “IFRS-EU”). The financial statements of 2021, as well as the proposal for distribution of the profits of the aforementioned financial year, will be subjected to the approval of the Annual General Meeting, which will be held on 8 April 2022.

In the preparation of the 2021 consolidated financial statements, the consolidation principles, accounting policies and measurement bases described in Note 2 therein were applied to give a true and fair view of the equity and financial position of the Group at 31 December 2021 and of the results of its operations, the changes in consolidated equity and the cash flows in the year then ended.

The attached condensed interim consolidated financial statements of the Group corresponding to the first half were prepared using the same principles, accounting policies and criteria as those applied to the consolidated annual accounts for FY 2021, in particular IAS 34 (‘Interim financial information'), except for any regulatory changes that may have gone into effect on 1 January 2022. During its preparation, Bank of Spain Circular 4/2017 of 27 November and subsequent amendments, which adapts the IFRS-EU to Spanish credit entities, as well as the requirements of CNMV Circular 3/2018 of 28 June, were taken into consideration. The aforementioned condensed interim consolidated financial statements were formulated by the Board of Directors of CaixaBank at its 28 July 2022 session .

In accordance with IAS 34, the interim notes primarily include an explanation of the events and changes that are significant to an understanding of the changes in financial position and performance since the end of the last annual reporting period. Accordingly, the notes focus on new activities, events and circumstances in the stated period, and do not duplicate information previously reported. Therefore, for an appropriate understanding of the information contained in the accompanying condensed interim consolidated financial statements, they should be read in conjunction with the Group's 2021 consolidated financial statements.

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

Standards and interpretations issued by the IASB but not yet effective

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

STANDARDS AND INTERPRETATIONS	TITLE	MANDATORY APPLICATION FOR ANNUAL PERIODS BEGINNING ON OR AFTER:
IFRS 17	Insurance contracts	1 January 2023
Amendment to IFRS 17	First-time adoption of IFRS 17 and IFRS 9 - Comparative information	1 January 2023

- **IFRS 17 "Insurance contracts"**

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

On 9 December 2021, the IASB issued an amendment to IFRS 17 on the comparative information in the initial application of IFRS 17 and IFRS 9 with the aim of helping companies to avoid temporary accounting imbalances between financial assets and liabilities from insurance contracts, and thus improve the comparative information for users of financial statements. This modification enables companies to submit comparative information on financial assets in the initial application of IFRS 17 and IFRS 9 based on the expected classification according to IFRS 9, as if the classification and measurement requirements of IFRS 9 had been applied to these financial assets. This presentation can only be applied in comparison periods that have been restated for IFRS 17. This amendment is currently in the process of being endorsed at European level and has not yet been completed. The Group expects to invoke this option.

As specified in note 2.21 of the 2021 consolidated annual accounts, for insurance transactions, the Group's insurance companies have invoked the temporary exemption to the application of IFRS 9, meaning said rule is not yet applicable to the insurance business pursuant to the application of Regulation EU 2017/1988. This regulation allows for the deferral of IFRS 9 for insurance companies that form part of a financial conglomerate, as stated in article 2, section 14 of Directive 2002/87/EC. This option was adopted by the Group for the financial investments of the Group's insurance companies (VidaCaixa and BPI Vida y Pensões) from 1 January of 2018, as it fulfilled the conditions laid down by article 2 of the EU Regulation EU 2017/1988. With respect to Bankia Vida, since control of the company was taken over (see Note 6), the temporary exemption from IFRS 9 is also being applied.

The Group continues working steadfastly to implement this rule, as per the plan approved in FY 2018, and which was updated in subsequent years; in particular, the work is currently focused on completing the modelling, estimating the financial impacts, and executing dry runs and parallel calculations. Relevant changes to the project plan are not expected in 2022.

As regards the principles for the recognition, measurement, presentation and disclosure of the insurance contracts to be used by the Group, it is worth noting that:

- Based on the analyses conducted, no changes in the scope of the Standard are expected since the products continue to comply with the definition of an insurance contract.
- The level of pooling of the insurance contracts for valuation purposes will take as a reference the product groups that are currently used for those groupings that are consistent with the management of the business, the implementation of the regulation and the Solvency II analyses.
- In general, the Group will use the general model when measuring groups of insurance contracts, reserving the premium allocation approach chiefly for temporary annual renewable contracts, and the variation of the general model for insurance contracts with direct participation components mainly in Unit Linked contracts.

- For the product managed under *cash flow matching*, we expect to use discount rates to adjust the estimates of future cash flows, consistent with the underlying financial assets used to manage them. A contract service margin recognition pattern similar to that currently used to record the margin of products in the income statement is also due to be used.
- For the purpose of transition requirements, the date of transition will be 1 January 2022, and given the impracticability of applying IFRS 17 retroactively, the Group will use the fair value approach.
- To present the changes in the discount rates of insurance liabilities, the Group expects to choose the accounting policy option of recording them in another consolidated income to avoid asymmetries with the financial investments whose variations in value are generally recorded in other comprehensive income.

As for the impacts of implementing IFRS 9 in the insurance business, the Group expects to designate the majority of its portfolio of investments in bonds and fixed income assets in the portfolio measured at fair value with changes in other comprehensive income. Work is currently ongoing in this regard, although a few decisions remain outstanding regarding the treatment of derivatives used for hedging in the context of cash flow matching. For these purposes, it is important to realise that under the current regulatory framework based on IAS 39 for financial assets, most of the portfolios of these assets are already measured at fair value. When it comes to the impacts that will result from the entry into force of this rule on 1 January 2023, although the details are still being worked out, we expect there to be changes to the classification and presentation by sections in the income statement, whose format will have to be revised. These changes are not expected to have any material impact on profits or on the ability to pay dividends.

Similarly, for the purpose of capital ratios, the impact on CET1 is expected to be below 20 bp. This impact results mainly from the fact that under the current IFRS 4, what is commonly called the "liability adequacy test" is conducted. This test is used to determine the overall adequacy of the provisions for the set of contract portfolios, and the compensation between them. With the entry into force of the new IFRS 17, this compensation will not be allowed, and as a result of the asymmetrical treatment of excesses and deficits at the portfolio level, the shortage in liabilities in some of them cannot be offset with the surpluses in others. This effect has to be charged to the first application reserves. Other elements that affect that capital impact are the cancellation of certain intangible assets and the impact on other cumulative income (OCI) resulting from the elimination of the shadow accounting figure, and the difference in OCI from the financial investments and the OCI of the liabilities (difference between the locked-in rate, used on the transition date, and the current rate on said date).

1.3. Responsibility for the information and for the estimates made

The preparation of the condensed interim consolidated financial statements required the Board of Directors have made certain judgments, estimates and assumptions in order to quantify some of the assets, liabilities, revenues, expenses and obligations shown therein. These judgements and estimates mainly refer 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) the definition of default; iii) the incorporation of forward-looking information and iv) the macro-economic uncertainties – Post Model Adjustment. (Notes 3 and 8).
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations (Note 6)
- The measurement of investments in joint ventures and associates (Note 11).
- Determination of the share of profit/(loss) of investments in associate companies (Note 11).
- Actuarial assumptions used to measure liabilities arising from insurance contracts (Note 9).
- The useful life of and impairment losses on tangible assets, including right-of-use assets, and intangible assets (Notes 12 and 13).
- The measurement of goodwill and intangible assets (Note 13).
- Impairment losses on non-current assets and disposal groups classified as held for sale (Note 15).
- Actuarial assumptions used to measure post-employment liabilities and commitments (Note 17).
- The measurement of the provisions required to cover labour, legal and tax contingencies (Note 17).
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets (Note 19).

- The fair value of certain financial assets and liabilities (Note 24).
- The term of the lease agreements used in the assessment of the lease liabilities.

These estimates have been carried out according to the best available information on the date that these condensed interim consolidated financial statements were prepared, considering the uncertainty at the time in the current economic environment. However, it is possible that future events require them to be modified in upcoming financial years, which, in line with applicable regulations, would take place prospectively, recognising the effects of the estimation change in the corresponding statement of profit or loss.

1.4. Comparison of information

The figures corresponding to 31 December 2021, as well as to the six-month period ending on 30 June 2021 included in the consolidated summarised interim financial statements attached, are presented solely and exclusively for comparison purposes.

The takeover of Bankia, SA was conducted on 23 March 2021. Note 7 of the 2021 Consolidated Financial Statements explains this business combination, which for accounting purposes was recorded on 31 March 2021.

1.5. Seasonality of operations

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

1.6. Subsequent events

Debt securities

In July 2022, CaixaBank carried out the following buybacks:

EARLY AMORTISATION OF ISSUES MADE IN JULY 2022
(Millions of euros)

ISSUANCE	ISSUANCE AMOUNT	ISSUE DATE	MATURITY	AMOUNT REPAID	EARLY AMORTISATION DATE	EARLY AMORTISATION PRICE
Preferred shares *	750	18 July 2017	Perpetual	750	18 July 2022	100%

(*) This early amortisation had no impact on the income statement.

Between 30 June 2022 and the date of these condensed interim consolidated financial statements, no additional event not described in the remaining explanatory notes has taken place that would significantly affect the attached financial statements.

2. Accounting policies and measurement bases

All accounting principles and measurement bases that could have a significant effect were applied in the preparation of the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements of the Group were prepared using the same accounting principles, policies and criteria as those described in Note 2 of the 2021 consolidated financial statements.

3. Risk management

The risk management framework is described in Note 3 to the Group's 2021 consolidated financial statements, which includes strategic processes for risk management, governance and organisation, and the existence of a risk control culture, as well as the internal control framework established by the Group. Below are the most relevant risk management aspects from the first six months of 2022:

3.1. Environment and risk factors

Economic context

Global economy

The economic context was defined during the first half by the war in Ukraine and the application of the zero-COVID policy in China, as well as by tightening monetary policies. The overall economic activity exhibited some resilience despite the context of high uncertainty thanks to the good performance of the service sector due to the lifting of restrictions, to the continued solidity that the labour market is showing in many countries, and to the excess savings accumulated in the past two years. However, the situation is not the same everywhere. Whereas the U.S. economy suffered a quarter-on-quarter decrease in GDP of 0.4% in the first quarter of 2022 due to a very negative contribution from the exports sector and a change in inventory despite strong private consumption, the eurozone managed a quarter-on-quarter increase of 0.6%, whereas China saw a noticeable pullback in the second quarter of the year.

The lockdowns in China and the worsening conflict between Russia and Ukraine aggravated the bottlenecks and the pressure on commodity prices. As a consequence, inflation reached all-time highs in most of the developed and emerging economies.

Against this backdrop, central banks have sped up efforts to tighten the money supply as they try to halt demand-side pressure and minimise the risk of second-round effects. The interest rate hikes have been generalised (with exceptions, such as in Japan).

Given the tightening money supply and the persistent inflationary pressure, activity is expected to slow down in coming quarters, although GDP is expected to grow in the main economies, with the exception of China.

Eurozone

The eurozone managed to post a growth rate of 0.6% in the first quarter of 2022, although with some caveats, since more than half of this result is explained by the extraordinary 10.8% quarter-on-quarter growth in Ireland. For Q2, a significant slowdown in activity is expected, although it is hard to quantify since there are few data available still and the indicators are sending mixed messages. Consumer confidence crashed in March with the start of the war in Ukraine, and the April and May data are not much better. Furthermore, the manufacturing sector remains especially affected by recurrent issues global supply chains, by the rising cost of its inputs and by the incipient decline in orders. Only the service sector shows clear signs of improving, spurred on by the end to restrictions and the expectations that the summer season will be as good as, or even better than, the pre-pandemic levels as families use the savings accumulated over the past two years.

Over this six-month period, inflationary pressure intensified, with inflation in the eurozone in June reaching an all-time high of 8.6%, with a generalised increase in all of its components.

Given the situation, the ECB sped up its schedule to tighten the money supply, and at its June meeting it announced that it was ending its asset purchase programme (APP) on 1 July, and that it would raise the official interest rates at its 21 July meeting. In the end, it raised rates by 50 bp at the July meeting and it announced the creation of an anti-fragmentation tool (TPI).

Spain and Portugal

The Spanish economy’s performance in the first six months of 2022 was initially conditioned by the impact of the omicron variant and then by the economic effects of Russia's invasion of Ukraine. This intensified inflationary pressures and maintained disruptions in supply chains. Against this complex backdrop and the high level of uncertainty, the Spanish economy showed remarkable resilience, continuing its recovery, although at a more moderate pace. After the worsening situation due to the outbreak of the war in Ukraine, which led to a steep pullback in GDP growth to 0.3% quarter-on-quarter in the first quarter of 2022, the most recent indicators are showing a more dynamic tone, most notably with the strength of the job market and the considerable recovery of the tourism industry. By contrast, inflationary pressure persists, with the general inflation rate climbing to 10.2% in June and the underlying inflation picking up to 5.5%, driven primarily by the price of processed foods and the increasing transfer of cost increases to prices.

In Portugal, remarkable growth in activity was recorded in the first quarter of 2022, driven by the easing of restrictions put in place for the pandemic, boosting the recovery of consumption and tourism. As a result, the GDP rose 2.6% in the quarter, 11.9% with respect to the previous year. Second quarter indicators point to a continued expansionary tone, albeit at a more moderate pace as a result of the increase in headwinds. Thus, the high inflation, which in June reached 8.7%, the rise in interest rates and the cooling of outside economies are negatively conditioning the outlook.

- **Regulatory and supervisory context**

The most significant events of note that took place in the first half of 2022 are i) the agreement reached on 21 February to update the strategic protocol to reinforce the bank's commitment to society and sustainability, which includes a new set of measures to enhance the financial inclusion of seniors, and ii) the measures related to the war in Ukraine. In this last section, the publication on 30 March of Royal Decree Law (RDL) 6/2022, and the modification of the Code of Good Practices provided for in RDL 5/2021, which constituted a package of emergency measures to deal with the economic and social consequences of the war in Ukraine, stand out at the national level. Among other aspects, a new line of ICO guarantees for EUR 10 billion was established for companies and the self-employed to meet liquidity and investment needs, as well as the easing of certain payment conditions for certain sectors. At the European level, various regulations and guidelines for the enforcement and implementation of sanctions against Russia were also published. The five legislative packages of sanctions against Russia for its military aggression against Ukraine include, 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; restriction on the provision of specialised financial messaging services (SWIFT) to certain Russian and Belarusian banks.

Other noteworthy regulatory developments are, in Spain, the publication of i) Act 4/2022, of 25 February, on the protection of consumers and users in situations of social and economic vulnerability, highlighting the incorporation of new features in pre-contractual information, as well as the need to modify the font size in adhesion contracts and ii) Bank of Spain Circular 3/2022, of 30 March, which establishes the criteria for exercising various regulatory options contemplated by the capital requirements regulation (Regulation (EU) no. 575/2013) and establishes requirements for different practices related to consumer credit, extending the pre-contractual information provided to the customer and adding new requirements in contractual information and post-contractual information. Of note in Europe is the publication on i) 3 January of the ESMA directive on certain aspects of the MiFID (*Markets in Financial Instruments Directive*) appropriateness and execution-only requirements, and ii) on 13 January of the EBA directives on improving resolvability for financial institutions.

- **Prudential and accounting regulation**

  As concerns prudential regulation, it is worth noting, on the one hand, the follow-up done involving the European Commission consultation pertaining to the draft law to implement the final reforms of Basel II, and, on the other, the follow-up to the European Commission consultation to revise and improve the macroprudential framework. Also in the field of resolution, the EBA's public consultation on draft Guidelines for institutions and resolution authorities on the transferability of parts or the entirety of a bank in the context of resolution is noteworthy. Finally, and related to the section below on sustainable financing, there was follow-up on the consultation and discussion by the EBA on the role of environmental risks within the prudential framework.

- **Sustainable financing and environmental, social and governance (ESG) factors**

  In the field of corporate governance and sustainability, the European Commission's legislative proposal was published on the Draft Directive on the due diligence of companies with regard to sustainability, which lays out a series of obligations for companies in order to avoid adverse impacts on human rights and the environment, as well as the European Commission's consultation on the reporting framework for corporate information. Similarly, the *International Sustainability Standards Board* also published its consultation on proposals to create a global method for reporting sustainability results, while the European Financial Reporting Advisory Group (EFRAG) published its public consultation on the drafts of the ESRS (*European Sustainability Reporting Standards*), corresponding to the first set of standards required under the proposal of the *Corporate Sustainability Reporting Directive* (CSRD).

- **Prevention of money laundering and terrorist financing** (AML/TF)

Follow-up work was done on various legislative initiatives, most notably the four legislative proposals of the EU in the area of AML/TF: i) Regulation creating a new European supervisory authority with regard to AML/TF (AMLA); ii) the Regulation on obligations involving AML/TF; iii) the 6the PML/TF Directive (amends the 5th by repealing the 4th); and iv) the Regulation on the information that must accompany the transfer of funds and certain cryptoassets.

Also in Europe, of note is the publication of the directives of the European Banking Authority (EBA) on the role of the AML/TF compliance director and the management body of credit or financial entities, and the European Commission's consultation on the process for implementing the sanctions imposed on Russia and Belarus. Finally, within Spain, we note the public hearing on the Royal Decree that creates the Registry of Real Owners, and the preliminary public consultation on the draft Royal Decree that amends the Royal Decree that implements Law 10/2010 of 28 April, on AML/TF.

- **Retail and markets**

As concerns retail nationally, the draft law on Customer Service was published, which, for the financial sector, will prioritise the sector regulation, while the oversight will continue to fall under the purview of the relevant supervisory authorities (CNMV, BoE and DGSFP). We also have to note the publication of the Draft Law creating the Independent Administrative Authority for the Defence of Financial Customers, intended to transpose in its entirety Directive 2013/11/EU, on alternative dispute resolution for consumer disputes. Finally, we note the publication of the consultation on the Draft Law that protects individuals who report violations and fight against corruption as part of transposing Directive 2019/1937, the whistleblower directive. At the European level, work has continued on processing the Consumer Credit Directive, which is expected to be adopted late this year.

With regard to markets, of note is the work done on European Commission initiatives, the targeted consultation on amending the Suitability and Appropriateness Test, which proposes creating a single, standardised test to jointly evaluate both the suitability and appropriateness test for all customers, not only for those who receive portfolio management or other guidance services. Also relevant was the follow-up to the public consultations to update the Suitability Guidelines required by MiFID and IDD (*Insurance Distribution Directive*), whose objective is to set common provisions to have entities consider their customers' sustainability preferences when assessing suitability. The Commission again conducted a public consultation on the Strategy for Retail Investors that seeks to harmonise the applicable rules in MiFID II, IDD and PRIIPs (*Packaged Retail and Insurance-Based Investment Products*). In addition, CaixaBank has participated actively nationwide in the regulatory debate on the Draft Law that transposes Directive 2019/2162 on the issue of covered bonds and covered bond public supervision.

- In the **digital field**

The European Commission published a consultation on the digital euro, which aims to reflect on the key features of its design. This new consultation covers 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. Additionally, the European Commission presented its 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. In Spain, CNMV Circular 1/2022, on advertising cryptoassets as investment products, went into effect in February.

- The **competitive and social context** is decisive in the Group's strategy and development. In this regard, the Group identifies "strategic events" as the most relevant developments that may result in a significant impact for the Group in the medium term. Only events that are not yet materialised and do not form part of the Catalogue, but which the organisation is exposed to due to causes that are external to its strategy 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 first six months of 2022 witnessed certain notable developments involving strategic events:

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

  The geopolitical risks have increased in the current climate, and the consequences that said risks could have on the activity are potentially serious. The medium-term outlook is worsening due to the rising prices of energy and other commodities, which are persisting beyond what was estimated at the start of the war in Ukraine; due to the continuing disruptions to global supply chains, aggravated by China's zero-Covid policy; and to the tightening financing conditions being implemented to interrupt inflationary pressures.

The armed conflict in Ukraine has had very negative results, with adverse consequences both in terms of worsening economic activity figures and of rising inflationary pressures. Although the risks related to the COVID-19 pandemic have decreased, the war has unleashed a period of enormous uncertainty.

Persistently high energy costs, together with a deterioration in agents' confidence, could weigh on demand more than expected and limit consumption and investment.

Although the direct exposure of Spanish imports/exports from/to Russia and Ukraine is limited, the deteriorating international economic environment and the potential disruptions to global supply chains could have a negative impact on economic activity.

Passing on cost increases to the other prices in the economy and salaries would only feed inflation and negatively affect activity.

The process of monetary standardisation is translating into stricter financing conditions and could give rise to sudden adjustments in the prices negotiated in capital markets, especially in response to potential increased aversion to the risk of further deterioration of the geopolitical situation, as well as to increased financial fragmentation.

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

The Group continues to closely monitor potential new competitors. No new developments have been identified in this area in the first half of 2022.

- **Cybercrime and data protection**

CaixaBank has a Strategic Plan that uses an external benchmark to constantly measure the Group's cybersecurity capabilities. 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. The Group also has cybersecurity and incident response certifications, such as ISO27001 (*International Organization for Standardization*), CERT (*Computer Emergency Response Team*), CSIRT (*Computer Security Incident Response Team*), FIRST (*Forum of Incident Response and Security Teams*), and others.

CaixaBank is one of the most active banks in terms of the European Union's NextGeneration cybersecurity innovation projects, which it uses to improve constantly and to collaborate with other organisations. The Group was the first to introduce in Spain "an incentivised internal programme to identify vulnerabilities ("CaixaBank's *Bug-Bounty* Programme")", which allows it to continue improving its key security capabilities and those of both internal and external specialised teams.

Lastly, in an effort to continue proactively developing its prevention, detection and response strategies, the Group conducts recurring active defence cybersecurity exercises in which it collaborates with key companies in the sector and with official agencies. This also helps to reinforce the human element, an essential asset to the organisation, one on which it places its focus through constant training and development programmes in order to address the main threats facing the organisation.

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

After the announcement of the cessation of certain LIBOR indexes (GBP, CHF, JPY and EUR) on 31 December 2021, the Group is proceeding to remediate the portfolio by implementing the required actions for every index. When it comes to the LIBOR USD, the most representative in terms of exposure, it is expected to be discontinued on 30 June 2023; CaixaBank has already stopped using this index in new contracts and it has proceeded to remediate the existing ones.

- **Pandemics and other extreme events**

From late 2021 and for the first weeks of 2022, the presence of the sixth Covid-19 wave and the omicron variant once again imposed the need to prioritise telework at corporate centres. However, starting from 14 February, the presence at these centres was able to be scaled back to 50%. Similarly, the prevention measures adopted during the health alert that was initiated in 2020 were phased out as the situation returned to normal. On 2 May, 100% of the staff was present at corporate centres, and on this same date, the new corporate telework model was enabled, allowing employees to work from home as much as 30%. Similarly, at the Resilience Committee meeting of 16 June, the special monitoring that had been in place during the pandemic was terminated, although the Committee decided to maintain some measures implemented during the pandemic. The business continuity plans intended to mitigate the scenarios identified when analysing risks in certain settings (corporate centres, territorial network and international network) continue to be reinforced, and the capabilities related to the Group's resilience to extreme situations are being enhanced. This aspect pertaining to resilience in different areas is one of the work areas of the future strategic plan.

Throughout the COVID-19 health crisis, the business continuity plans, the specific technologies that enabled telework, and the staff's ability to adapt all resulted in an effective response to this event, one that can be transferred to any other event of a similar nature. Additionally, during the last four months of 2021, the Group successfully dealt with the serious situation that affected the island of La Palma by continuing operations and remaining committed to providing service and assistance to the population affected.

In the first half of 2022, the Group implemented the necessary actions to offset the potential impact on operations of the armed conflict in Ukraine, and it enforced the financial sanctions and blockades imposed by the regulator. Along these same lines, the Group continued to monitor other situations, such as strikes in the transport and teleoperator services sectors.

3.2. Credit risk

Credit risk corresponds to a decrease in the value of the Group's assets due to uncertainty about a customer's or counterparty's ability to meet its obligations to the Group.

Note 3.4.1 of the consolidated annual accounts for 2021 details the policies, definitions and criteria used to manage the Group's credit risk.

The most relevant credit risk management aspects of the first half of FY 2022 are detailed below.

3.2.1 COVID-19 support measures

Since the beginning of the pandemic, CaixaBank has offered its customers legislative (based on national laws) and non-legislative (based on sector or individual regimes) moratoriums intended to curb the effects of COVID-19. These moratoriums expired almost entirely in 2021.

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.

By 30 June 2022, 9% of the total amount of ICO-backed loans had already been paid back. Of the remaining amount, the billing period had commenced for 90% of the loans as of the end of H1 2022.

Furthermore, BPI has its own extraordinary measures to handle the impact of COVID-19, which are similar to those of CaixaBank.

The following is a breakdown of the public guarantee financing operations (carrying amount):

BREAKDOWN OF GOVERNMENT-BACKED FINANCING

(Millions of euros)

	30-06-2022			31-12-2021		
	SPAIN (ICO)	PORTUGAL	TOTAL	SPAIN (ICO)	PORTUGAL	TOTAL
Public administrations	**8**		**8**	**9**		**9**
Non-financial corporations and individual entrepreneurs (non-financial business)	**19,163**	**1,267**	**20,430**	**20,644**	**1,109**	**21,753**
Real estate construction and development (including land)	90	3	93	94	2	96
Civil engineering	1,552	100	1,652	1,692	82	1,774
Other	17,521	1,164	18,685	18,858	1,025	19,883
Large corporates	4,198	44	4,242	4,612	44	4,656
SMEs and individual entrepreneurs	13,323	1,120	14,443	14,246	981	15,227
TOTAL	**19,171**	**1,267**	**20,438**	**20,653**	**1,109**	**21,762**

3.2.2. Update to forward-looking information

In accordance with accounting standard IFRS 9, scenarios based on internal economic forecasts with different severity and weighting levels were used to estimate the expected losses due to the credit risk.

The update to the macroeconomic forward-looking scenario includes, since the second quarter of 2022, the expected effects of the armed conflict in Ukraine. Since the impacts to provisions had already been estimated in advance in the first quarter of 2022 through a basket fund, that in the second quarter of 2022 was distributed in the portfolio, the Group's hedging level has not changed.

FORWARD-LOOKING MACROECONOMIC INDICATORS *
(% Percentages)

	30-06-2022						31-12-2021					
	SPAIN			PORTUGAL			SPAIN			PORTUGAL		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
GDP growth												
Baseline scenario	4.2	3.8	2.2	4.2	2.8	2.0	6.2	2.9	1.6	3.1	1.8	1.6
Upside scenario	7.1	5.0	1.9	6.1	3.7	2.6	7.8	4.3	1.9	3.5	1.9	2.2
Downside scenario	2.8	2.7	1.8	2.3	1.7	1.7	3.7	2.1	1.6	3.9	3.4	1.7
Unemployment rate												
Baseline scenario	13.6	12.5	11.5	6.7	6.6	6.2	14.5	13.2	12.5	7.7	6.9	6.5
Upside scenario	12.8	10.9	10.8	5.9	5.4	5.2	14.2	12.2	11.2	7.6	6.3	6.0
Downside scenario	16.5	16.1	15.0	7.6	7.2	7.0	15.7	15.8	15.1	8.2	7.1	6.6
Interest rates												
Baseline scenario	(0.29)	0.26	0.98	(0.29)	0.26	0.98	(0.40)	(0.23)	0.15	(0.40)	(0.23)	0.15
Upside scenario	(0.27)	0.26	0.98	(0.27)	0.26	0.98	(0.33)	(0.07)	0.54	(0.33)	(0.07)	0.54
Downside scenario	(0.58)	(0.48)	(0.10)	(0.58)	(0.48)	(0.10)	(0.58)	(0.47)	(0.28)	(0.58)	(0.47)	(0.28)
Evolution of property prices												
Baseline scenario	3.5	3.2	3.7	7.1	2.2	2.8	1.6	2.5	2.8	0.6	2.0	2.3
Upside scenario	5.1	6.5	4.6	8.3	6.1	3.8	2.7	5.4	4.5	2.7	4.1	3.0
Downside scenario	1.5	0.6	1.7	(0.8)	(0.5)	1.5	(0.8)	(0.5)	1.5	(2.7)	1.7	2.3

(*) Source: CaixaBank Research

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)

	30-06-2022			31-12-2021		
	BASELINE SCENARIO	UPSIDE SCENARIO	DOWNSIDE SCENARIO	BASELINE SCENARIO	UPSIDE SCENARIO	DOWNSIDE SCENARIO
Spain	60	20	20	60	20	20
Portugal	60	20	20	60	20	20

Although the risk for CaixaBank customers with Russian residency, including the exposure on and off the balance sheet of the entire credit portfolio, is less than 0.04% on 30 June 2022, the conflict has a significant disruptive potential around the world and in Europe, primarily due to inflationary pressure.

In this regard, as at 30 June 2022, there is a *Post Model Adjustment* (PMA) in provisions of EUR 1,257 million related to macroeconomic uncertainties. 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. This collective fund will be reviewed in the future as new information becomes available and the uncertainties are reduced.

3.2.3. Refinancing operations

The breakdown of refinancing by economic sector is as follows:

REFINANCING - 30-06-2022 *

(Millions of euros)

	WITHOUT COLLATERAL		WITH COLLATERAL				
					MAXIMUM AMOUNT OF THE COLLATERAL		
	NO. OF OPS.	GROSS CARRYING AMOUNT	NO. OF OPS.	GROSS CARRYING AMOUNT	MORTGAGE COLLATERAL	OTHER COLLATERAL	IMPAIRMENT DUE TO CREDIT RISK
Credit institutions							
Public administrations	49	149	2,145	31	27		(3)
Other financial corporations and individual entrepreneurs (financial business)	44	33	31	89	88		(26)
Non-financial corporations and individual entrepreneurs (non-financial business)	26,009	3,974	12,301	2,143	1,621	25	(1,414)
Of which: Financing for real estate construction and development (including land)	212	17	1,511	377	259		(111)
Other households	63,923	438	110,823	4,597	3,641	5	(1,247)
TOTAL	**90,025**	**4,594**	**125,300**	**6,860**	**5,377**	**30**	**(2,690)**
Of which: in Stage 3							
Public administrations	14	2	811	8	7		(1)
Other financial corporations and individual entrepreneurs (financial business)	21	25	22	2	1		(24)
Non-financial corporations and individual entrepreneurs (non-financial business)	13,242	1,600	9,270	1,336	927	14	(1,300)
Of which: Financing for real estate construction and development (including land)	179	16	1,235	199	129		(81)
Other households	34,903	259	79,835	3,213	2,405	3	(1,121)
TOTAL STAGE 3	**48,180**	**1,886**	**89,938**	**4,559**	**3,340**	**17**	**(2,446)**

(*) There is no financing classified as "Non-current assets and disposal groups classified as held for sale"

REFINANCING OPERATIONS - 31-12-2021 *

(Millions of euros)

	WITHOUT COLLATERAL		WITH COLLATERAL				
					MAXIMUM AMOUNT OF THE COLLATERAL		
	NO. OF OPS.	GROSS CARRYING AMOUNT	NO. OF OPS.	GROSS CARRYING AMOUNT	MORTGAGE COLLATERAL	OTHER COLLATERAL	IMPAIRMENT DUE TO CREDIT RISK
Public administrations	53	150	2,148	36	30		(6)
Other financial corporations and individual entrepreneurs (financial business)	39	30	29	90	89		(24)
Non-financial corporations and individual entrepreneurs (non-financial business)	25,528	3,665	15,047	2,543	1,875	25	(1,410)
Of which: Financing for real estate construction and development (including land)	*219*	*15*	*2,036*	*419*	*308*		*(101)*
Other households	69,452	533	133,045	5,614	4,586	6	(1,262)
TOTAL	**95,072**	**4,378**	**150,269**	**8,283**	**6,580**	**31**	**(2,702)**
Of which: in Stage 3	*51,164*	*1,812*	*113,359*	*5,404*	*4,219*	*15*	*(2,441)*

(*) There is no financing classified as "Non-current assets and disposal groups classified as held for sale"

3.2.4. Concentration risk

Risk concentration by geographic area

CONCENTRATION BY GEOGRAPHICAL LOCATION
(Millions of euros)

	TOTAL	SPAIN	PORTUGAL	REST OF THE EUROPEAN UNION	AMERICA	REST OF THE WORLD
Central banks and credit institutions	147,395	119,968	3,256	13,810	2,574	7,787
Public administrations	156,512	129,137	5,233	16,916	3,655	1,571
Central government	128,225	106,304	1,118	15,910	3,386	1,507
Other public administrations	28,287	22,833	4,115	1,006	269	64
Other financial corporations and individual entrepreneurs (financial business)	25,341	11,906	475	11,208	1,365	387
Non-financial corporations and individual entrepreneurs (non-financial business)	184,645	135,328	12,264	20,330	8,484	8,239
Real estate construction and development (including land)	5,245	5,141	101	2		1
Civil engineering	7,616	5,505	737	313	931	130
Other	171,784	124,682	11,426	20,015	7,553	8,108
Large corporates	111,518	74,200	5,014	18,500	6,782	7,022
SMEs and individual entrepreneurs	60,266	50,482	6,412	1,515	771	1,086
Other households	178,197	160,636	15,279	703	244	1,335
Homes	144,093	128,302	13,650	655	222	1,264
Consumer lending	19,959	18,254	1,616	37	10	42
Other purposes	14,145	14,080	13	11	12	29
TOTAL 30-06-2022	**692,090**	**556,975**	**36,507**	**62,967**	**16,322**	**19,319**
TOTAL 31-12-2021	**663,411**	**539,965**	**40,383**	**49,575**	**13,334**	**20,154**

The breakdown of risk in Spain by Autonomous Community is as follows:

CONCENTRATION BY AUTONOMOUS COMMUNITY - 30-06-2022

(Millions of euros)

	TOTAL	ANDALUSIA	BALEARIC ISLANDS	CANARY ISLANDS	CASTILE-LA MANCHA	CASTILE-LEON	CATALONIA	MADRID	NAVARRE	VALENCIAN COMMUNITY	BASQUE COUNTRY	REST*
Central banks and credit institutions	119,968	239			1		416	117,118		451	966	777
Public administrations	129,137	1,948	1,290	1,694	802	1,612	3,062	5,405	204	2,816	643	3,358
Central government	106,304											
Other public administrations	22,833	1,948	1,290	1,694	802	1,612	3,062	5,405	204	2,816	643	3,357
Other financial corporations and individual entrepreneurs (financial business)	11,906	169	47	11	3	43	949	9,305	179	162	894	144
Non-financial corporations and individual entrepreneurs (non-financial business)	135,328	9,546	5,249	3,580	2,212	2,422	19,882	64,935	1,821	10,013	3,935	11,732
Real estate construction and development (including land)	5,141	498	224	201	104	127	1,474	1,753	85	248	251	176
Civil engineering	5,505	476	192	151	104	127	705	2,344	108	359	230	709
Other	124,682	8,571	4,834	3,227	2,004	2,169	17,704	60,837	1,629	9,406	3,454	10,847
Large corporates	74,200	1,869	2,862	1,357	435	409	5,726	51,251	617	3,723	1,627	4,324
SMEs and individual entrepreneurs	50,482	6,703	1,971	1,870	1,570	1,760	11,977	9,586	1,012	5,683	1,827	6,523
Other households	160,636	23,905	7,286	8,054	4,480	4,842	36,756	34,455	3,044	17,799	3,926	16,090
Homes	128,302	18,495	6,061	6,409	3,669	3,886	27,911	28,847	2,440	14,342	3,240	13,002
Consumer lending	18,254	3,027	719	1,111	492	529	4,822	2,940	332	2,001	406	1,875
Other purposes	14,080	2,383	506	533	319	428	4,023	2,669	271	1,456	280	1,212
TOTAL	**556,975**	**35,807**	**13,872**	**13,339**	**7,498**	**8,919**	**61,065**	**231,218**	**5,248**	**31,241**	**10,364**	**32,101**

CONCENTRATION BY AUTONOMOUS COMMUNITY – 31-12-2021

(Millions of euros)

	TOTAL	ANDALUSIA	BALEARIC ISLANDS	CANARY ISLANDS	CASTILE-LA MANCHA	CASTILE-LEON	CATALONIA	MADRID	NAVARRE	VALENCIAN COMMUNITY	BASQUE COUNTRY	REST*
Central banks and credit institutions	100,538	340					848	96,733		503	1,264	850
Public administrations	136,133	1,725	1,315	1,935	908	1,508	1,906	6,076	289	2,276	666	3,528
Other financial corporations and individual entrepreneurs (financial business)	10,922	166	46	8	3	40	808	8,532	179	167	907	66
Non-financial corporations and individual entrepreneurs (non-financial business)	133,454	9,440	5,171	3,606	2,151	2,650	18,564	64,539	1,644	10,459	3,965	11,265
Other households	158,918	23,794	7,242	8,047	4,493	4,715	35,823	34,429	2,931	17,830	3,709	15,905
TOTAL	**539,965**	**35,465**	**13,774**	**13,596**	**7,555**	**8,913**	**57,949**	**210,309**	**5,043**	**31,235**	**10,511**	**31,614**

(*) Includes autonomous communities that combined represent no more than 10% of the total

Loans to customers, net, by activity and by guarantee (excluding advances) were as follows:

CONCENTRATION BY ACTIVITY OF LOANS TO CUSTOMERS - 30-06-2022

(Millions of euros)

	TOTAL	OF WHICH: MORTGAGE 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	21,601	*594*	*262*	294	275	112	106	69
Other financial corporations and individual entrepreneurs (financial business)	6,366	*599*	*1,705*	1,430	199	85	521	69
Non-financial corporations and individual entrepreneurs (non-financial business)	147,167	*25,369*	*4,662*	10,877	8,674	4,709	3,037	2,734
Real estate construction and development (including land)	4,792	*4,256*	*26*	1,317	1,532	821	320	292
Civil engineering	6,706	*571*	*202*	257	230	65	44	177
Other	135,669	*20,542*	*4,434*	9,303	6,912	3,823	2,673	2,265
Large corporates	79,940	*6,131*	*2,771*	3,119	1,736	1,596	1,295	1,156
SMEs and individual entrepreneurs	55,729	*14,411*	*1,663*	6,184	5,176	2,227	1,378	1,109
Other households	177,620	*148,597*	*926*	48,355	50,687	35,968	8,295	6,218
Homes	144,092	*141,100*	*288*	44,430	48,451	34,906	7,782	5,819
Consumer lending	19,933	*2,521*	*399*	1,523	750	366	176	105
Other purposes	13,595	*4,976*	*239*	2,402	1,486	696	337	294
TOTAL	**352,754**	***175,159***	***7,555***	**60,956**	**59,835**	**40,874**	**11,959**	**9,090**
Memorandum items: Refinancing, refinanced and restructured operations	8,764	*5,545*	*57*	1,223	1,642	1,394	660	683

CONCENTRATION BY ACTIVITY OF LOANS TO CUSTOMERS 31-12-2021

(Millions of euros)

	TOTAL	OF WHICH: MORTGAGE 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	20,043	*463*	*279*	156	291	114	109	72
Other financial corporations and individual entrepreneurs (financial business)	3,992	*560*	*970*	1,255	117	41	51	66
Non-financial corporations and individual entrepreneurs (non-financial business)	143,088	*26,823*	*4,990*	12,876	8,640	4,787	2,846	2,664
Other households	175,245	*150,197*	*927*	47,649	51,313	36,550	8,468	7,144
TOTAL	**342,368**	***178,043***	***7,166***	**61,936**	**60,361**	**41,492**	**11,474**	**9,946**
Memorandum items: Refinancing, refinanced and restructured operations	9,959	*6,845*	*258*	*1,480*	1,687	1,849	991	1,096

BREAKDOWN OF CREDIT RISK – LOANS TO CUSTOMERS *

(Millions of euros)

	30-06-2022		31-12-2021	
	ACCOUNTING EXPOSURE	HEDGING	ACCOUNTING EXPOSURE	HEDGING
Public administrations	21,608	(6)	20,063	(20)
Other financial corporations and individual entrepreneurs (financial business)	6,422	(56)	4,052	(60)
Non-financial corporations and individual entrepreneurs (non-financial business)	151,128	(3,961)	146,894	(3,806)
Real estate construction and development (including land)	12,057	(558)	13,021	(576)
Other non-financial companies and individual entrepreneurs	139,071	(3,403)	133,873	(3,230)
Other households	181,351	(3,732)	179,610	(4,365)
Homes	146,230	(2,138)	147,339	(2,374)
Other	35,121	(1,594)	32,271	(1,991)
TOTAL	**360,509**	**(7,755)**	**350,619**	**(8,251)**
Allowance identified individually		(1,400)		(1,366)
Allowance identified collectively		(6,355)		(6,885)

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

Concentration by credit quality

The risk concentration according to credit quality of credit risk exposures is stated as follows:

CONCENTRATION BY CREDIT QUALITY - 30-06-2022
(Millions of euros)

	GROUP (EXC. INSURANCE GROUP)											INSURANCE GROUP **		
	FA AT AMORTISED COST							FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME	FINANCIAL GUARANTEES, LOAN COMMITMENTS AND OTHER COMMITMENTS GRANTED					
	LOANS AND ADVANCES TO CUSTOMERS					FA HELD FOR TRADING - DEBT SEC.	FA NOT HELD FOR TRADING * - DEBT SEC.					FA HELD FOR TRADING - DEBT SEC.	AVAILABLE-FOR-SALE FA - DEBT SEC.	LOANS AND RECEIVABLES - DEBT SEC.
	STAGE 1	STAGE 2	STAGE 3	POCI	DEBT SEC.				STAGE 1	STAGE 2	STAGE 3			
AAA/AA+/AA/AA-	16,927	10			4,434			58	12,233	10			1,663	
A+/A/A-	44,559	436			45,490	176		10,000	11,502	48		55	38,643	
BBB+/BBB/BBB-	74,798	1,133	2		7,202	120		2,512	39,383	218		1	11,641	1
INVESTMENT GRADE	**136,284**	**1,579**	**2**		**57,126**	**296**		**12,570**	**63,118**	**276**		**56**	**51,947**	**1**
Allowances for impairment	(629)	(40)	(2)						(13)	(1)				
BB+/BB/BB-	65,756	7,769	1		437			70	32,208	1,870			150	
B+/B/B-	20,227	10,378	24						7,425	1,935	2			
CCC+/CCC/CCC-	809	3,936	108		14				199	498	3			
No rating	98,974	5,735	10,969	644	18,658	511	6	2,799	40,981	678	998		38	55
NON-INVESTMENT GRADE	**185,766**	**27,818**	**11,102**	**644**	**19,109**	**511**	**6**	**2,869**	**80,813**	**4,981**	**1,003**		**188**	**55**
Allowances for impairment	(843)	(1,174)	(4,841)	(222)	(16)				(70)	(70)	(282)			
TOTAL	**320,578**	**28,183**	**6,261**	**422**	**76,219**	**807**	**6**	**15,439**	**143,931**	**5,257**	**1,003**	**56**	**52,135**	**56**

CONCENTRATION BY CREDIT QUALITY - 31-12-2021
(Millions of euros)

	GROUP (EXC. INSURANCE GROUP)											INSURANCE GROUP **		
	FA AT AMORTISED COST							FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME	FINANCIAL GUARANTEES, LOAN COMMITMENTS AND OTHER COMMITMENTS GRANTED					
	LOANS AND ADVANCES TO CUSTOMERS					FA HELD FOR TRADING - DEBT SEC.	FA NOT HELD FOR TRADING * - DEBT SEC.					FA HELD FOR TRADING - DEBT SEC.	AVAILABLE-FOR-SALE FA - DEBT SEC.	LOANS AND RECEIVABLES - DEBT SEC.
	STAGE 1	STAGE 2	STAGE 3	POCI	DEBT SEC.				STAGE 1	STAGE 2	STAGE 3			
AAA/AA+/AA/AA-	16,982	37			3,286			60	11,105	25			1,710	
A+/A/A-	42,943	630			53,528	147		11,751	10,497	77		109	52,681	
BBB+/BBB/BBB-	72,642	1,766			6,600	174		2,848	33,698	318		2	7,882	61
INVESTMENT GRADE	**132,567**	**2,433**			**63,414**	**321**		**14,659**	**55,300**	**420**		**111**	**62,273**	**61**
Allowances for impairment	(299)	(77)			(1)			(1)	(16)	(2)				
BB+/BB/BB-					517			79					166	
B+/B/B-	64,773	8,193	2						31,555	1,711				
CCC+/CCC/CCC-	19,821	11,082	34		114				7,158	2,136	3			
No rating	91,208	9,731	12,243	689	4,176	98	5	20	43,852	1,279	1,003		41	72
NON-INVESTMENT GRADE	**175,802**	**29,006**	**12,279**	**689**	**4,807**	**98**	**5**	**99**	**82,565**	**5,126**	**1,006**		**207**	**72**
Allowances for impairment	(668)	(1,555)	(5,571)	(82)	(14)				(79)	(53)	(311)			
TOTAL	**307,402**	**29,807**	**6,708**	**607**	**68,206**	**419**	**5**	**14,757**	**137,865**	**5,546**	**1,006**	**111**	**62,480**	**133**

DEBT SEC.: Debt securities; FA: Financial assets; FV: Fair value
(*) Compulsorily measured at fair value through profit or loss

(**) Financial assets allocated at fair value with a change to the income statement are not included, as they primarily cover investments related to life insurance product operations, when the investment risk is taken on by the holder (Unit-links and investments allocated to the Flexible Immediate Life Annuity product).

Sovereign risk

The carrying value of the relevant information relating to the exposure to sovereign risk is presented below:

EXPOSURE TO SOVEREIGN RISK - 30-06-2022
(Millions of euros)

		GROUP (EXC. INSURANCE GROUP)					INSURANCE GROUP	
COUNTRY	MATURITY RESIDUAL	FA AT AMOR-TISED COST	FA HELD FOR TRADING	FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME	FA NOT DESIGNATED FOR TRADING*	FL HELD FOR TRADING - SHORT POSITIONS	AVAILABLE-FOR-SALE FA	FA HELD FOR TRADING - DEBT SECURITIES
Spain	Less than 3 months	3,318	174	25			435	34
	Between 3 months and 1 year	23,269	111	5,169	52	(109)	429	21
	Between 1 and 2 years	5,737	6	2,420		(36)	2,435	
	Between 2 and 3 years	2,799	4	1,524		(4)	2,741	
	Between 3 and 5 years	13,906	28	61		(1)	4,437	
	Between 5 and 10 years	21,019	60	838		(31)	7,868	
	Over 10 years	10,142	1			(1)	25,573	
	TOTAL	**80,190**	**384**	**10,037**	**52**	**(182)**	**43,918**	**55**
Italy	Less than 3 months						10	
	Between 3 months and 1 year						18	
	Between 1 and 2 years		9			(7)	711	
	Between 2 and 3 years			284			300	
	Between 3 and 5 years	702	89			(18)	262	
	Between 5 and 10 years	2,753	23	511		(8)	968	
	Over 10 years	639		56			3,128	
	TOTAL	**4,094**	**121**	**851**		**(33)**	**5,397**	
Portugal	Less than 3 months	16	93				1	
	Between 3 months and 1 year	319	16	128		(30)	46	
	Between 1 and 2 years	572					22	
	Between 2 and 3 years	43						
	Between 3 and 5 years	699		295			109	1
	Between 5 and 10 years	1,346					164	
	Over 10 years	629						
	TOTAL	**3,624**	**109**	**423**		**(30)**	**342**	**1**
France	Between 3 months and 1 year	97						
	Between 3 and 5 years	53					2	
	Between 5 and 10 years	1,911		259			9	
	Over 10 years			130			14	
	TOTAL	**2,061**		**389**			**25**	
US	Between 3 months and 1 year	16						
	Between 1 and 2 years	144						
	Between 3 and 5 years	334		2,424				
	TOTAL	**494**		**2,424**				
Japan	Between 3 months and 1 year	50						
	Between 1 and 2 years	120						
	Between 3 and 5 years	263						
	Between 5 and 10 years	342						
	TOTAL	**775**						
Other	Less than 3 months	4						
	Between 3 months and 1 year			2			2	
	Between 1 and 2 years						151	
	Between 2 and 3 years	39						
	Between 5 and 10 years	462					10	
	Over 10 years	76					3	
	TOTAL	**581**		**2**			**166**	
TOTAL COUNTRIES		**91,819**	**614**	**14,126**	**52**	**(245)**	**49,848**	**56**
Of which: Debt securities		70,109	614	14,126	6	(245)	49,848	56

FA: Financial assets; FL: Financial liabilities; FV: Fair value
(*) Compulsorily measured at fair value through profit or loss

SOVEREIGN RISK EXPOSURE - 31-12-2021
(Thousands of euros)

	GROUP (EXC. INSURANCE GROUP)					INSURANCE GROUP	
COUNTRY	FA AT COST AMORTIZED	FA HELD FOR TRADING	FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME	FA NOT INTENDED FOR TRADING*	FL HELD FOR TRADING - SHORT POSITIONS	FA AVAILABLE FOR SALE	FA HELD FOR TRADING - VRD
Spain	74,973	128	11,817	65	(120)	52,943	110
Italy	3,183	118	939		(119)	6,618	
Portugal	3,550		438			377	1
Other	1,216					54	
TOTAL COUNTRIES	**82,922**	**246**	**13,194**	**65**	**(239)**	**59,992**	**111**
Of which: Debt securities	63,106	246	13,194	5		59,992	111

FA: Financial assets; FL: Financial liabilities; FV: Fair value
(*) Compulsorily measured at fair value through profit or loss

3.2.5. 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 developers and developments, including developments carried out by non-developers (business in Spain):

FINANCING ALLOCATED TO CONSTRUCTION AND REAL ESTATE DEVELOPMENT
(Millions of euros)

	30-06-2022		31-12-2021	
	TOTAL AMOUNT	*OF WHICH: NON-PERFORMING*	TOTAL AMOUNT	*OF WHICH: NON-PERFORMING*
Gross amount	5,083	335	5,708	364
Allowances for impairment	(248)	(138)	(280)	(162)
CARRYING AMOUNT	**4,835**	**197**	**5,428**	**202**
Excess gross exposure over the maximum recoverable value of effective collateral	886	140	922	123
Memorandum items: Asset write-offs	1,925		1,999	
Memorandum items: Loans to customers, excluding government agencies (business in Spain) (carrying value)	297,173		293,289	

The following table shows the breakdown of financing for real estate developers and developments, including developments carried out by non-developers, by collateral:

FINANCING FOR REAL ESTATE DEVELOPERS AND DEVELOPMENTS BY COLLATERAL

(Millions of euros)

	GROSS AMOUNT	
	30-06-2022	31-12-2021
Without mortgage collateral	**582**	**621**
With mortgage collateral	**4,501**	**5,087**
Buildings and other completed constructions	3,092	3,429
Homes	2,058	2,313
Other	1,034	1,116
Buildings and other constructions under construction	1,055	1,240
Homes	904	1,100
Other	151	140
Land	354	418
Consolidated urban land	169	156
Other land	185	262
TOTAL	**5,083**	**5,708**

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)

	30-06-2022	31-12-2021
Value of collateral	**12,789**	**13,574**
Of which: guarantees non-performing risks	*752*	*758*
TOTAL	**12,789**	**13,574**

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

FINANCIAL GUARANTEES

(Millions of euros)

	30-06-2022	31-12-2021
Financial guarantees given related to real estate construction and development	322	446

Information regarding financing for home purchasing.

The breakdown on these dates for loans to households for the purchase of homes with a mortgage guarantee based on the percentage of total risk out of the amount of the last valuation available (LTV), business in Spain, is as follows:

HOME PURCHASE LOANS BY LTV *

(Millions of euros)

	30-06-2022		31-12-2021	
	GROSS AMOUNT	*OF WHICH: NON-PERFORMING*	GROSS AMOUNT	*OF WHICH: NON-PERFORMING*
Not real estate mortgage secured	**1,105**	***12***	**1,125**	***12***
Real estate mortgage secured, by LTV ranges (*)	**123,977**	***4,017***	**125,824**	***4,777***
LTV ≤ 40%	37,416	396	36,757	*405*
40% < LTV ≤ 60%	42,088	623	42,911	*653*
60% < LTV ≤ 80%	30,066	775	30,582	*863*
80% < LTV ≤ 100%	6,685	667	6,964	*833*
LTV > 100%	7,722	1,556	8,610	*2,023*
TOTAL	**125,082**	***4,029***	**126,949**	***4,789***

(*) LTV calculated as per the last valuations available . The ranges for non-performing transactions are updated in accordance with prevailing regulations.

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

FORECLOSED PROPERTIES - 30-06-2022 *

(Millions of euros)

	GROSS CARRYING AMOUNT	ALLOWANCES FOR IMPAIRMENT **	*OF WHICH: VALUE CORRECTION DUE TO IMPAIRMENT ****	NET CARRYING AMOUNT
Real estate acquired from loans to real estate constructors and developers	**1,157**	**(424)**	***(279)***	**733**
Buildings and other completed constructions	910	(304)	*(179)*	606
Homes	779	(249)	(144)	530
Other	131	(55)	(35)	76
Buildings and other constructions under construction	54	(26)	*(21)*	28
Homes	42	(21)	(16)	21
Other	12	(5)	(5)	7
Land	193	(94)	*(79)*	99
Consolidated urban land	93	(45)	(38)	48
Other land	100	(49)	(41)	51
Real estate acquired from mortgage loans to homebuyers	**3,052**	**(801)**	**(536)**	**2,251**
Other real estate assets or received in lieu of payment of debt	**1,004**	**(294)**	**(227)**	**710**
TOTAL	**5,213**	**(1,519)**	***(1,042)***	**3,694**

(*) Includes those foreclosed in the section "Tangible Assets - Real estate investments" with a net value of EUR 1,435 million. It also includes the right to bid on properties from auction with a net value of EUR 149 million. Does not include the foreclosed properties of Banco BPI, which have a total net book value of EUR 3 million, as this business is not in Spain.

(**) The total amount of cancelled debt associated with the foreclosed assets is EUR 7,181 million, and the total restructuring of this portfolio is EUR 3,487 euros, of which EUR 1,519 million is for value corrections recorded in the balance sheet

(***) From foreclosure

FORECLOSED REAL ESTATE ASSETS - 31-12-2021 *
(Millions of euros)

	GROSS CARRYING AMOUNT	ALLOWANCES FOR IMPAIRMENT **	*OF WHICH: VALUE CORRECTION DUE TO IMPAIRMENT ****	NET CARRYING AMOUNT
Real estate acquired from loans to real estate constructors and developers	**1,306**	**(455)**	***(287)***	**851**
Buildings and other completed constructions	1,054	(338)	*(192)*	716
Buildings and other constructions under construction	53	(24)	*(19)*	29
Land	199	(93)	*(76)*	106
Real estate acquired from mortgage loans to homebuyers	**3,340**	**(886)**	***(603)***	**2,454**
Other real estate assets or received in lieu of payment of debt	**1,095**	**(329)**	***(255)***	**766**
TOTAL	**5,741**	**(1,670)**	***(1,145)***	**4,071**

(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 1,616 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 176 million, net. Excludes foreclosed assets of Banco BPI, with a gross carrying amount of EUR 5 million, as this is not included in business in Spain.
(**) Cancelled debt associated with the foreclosed assets totalled EUR 7,946 million and total write-downs of this portfolio amounted to EUR 3,875 million, EUR 1,670 million of which are impairment allowances recognised in the balance sheet.
(***) From foreclosure

3.3. Liquidity risk

The following table presents a breakdown of the Group's liquid assets based on the criteria established for determining high-quality liquid assets to calculate the LCR (HQLA) numerator and assets available in facility not formed by HQLAs:

LIQUID ASSETS
(Millions of euros)

	30-06-2022		31-12-2021	
	MARKET VALUE	APPLICABLE WEIGHTED AMOUNT	MARKET VALUE	APPLICABLE WEIGHTED AMOUNT
Level 1 assets	160,541	160,535	166,473	166,466
Level 2A assets	129	110	182	155
Level 2B assets	1,611	806	1,338	669
TOTAL HIGH-QUALITY LIQUID ASSETS (HQLA) (1)	**162,281**	**161,451**	**167,993**	**167,290**
Available in facility not made up of HQLAs		1,396		1,059
TOTAL LIQUID ASSETS		**162,847**		**168,349**

(1) 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 total liquid assets stand at EUR 162,847 million on 30 June 2022, which is a decrease of EUR 5,502 million in the first half of 2022, due mostly to other movements (valuation adjustments of liquid assets, contribution of collaterals and dividend payments).

The balance drawn down from the ECB policy as at 30 June 2022 is EUR 80,752 million corresponding to TLTRO III.

It should be noted that both CaixaBank and BPI have seen positive net growth in eligible credit in the period October 2020 – December 2021, allowing both institutions to extend the application of a preferential rate to the TLTRO taken to the period June 2021 – June 2022 (deposit facility rate minus 50 basis points).

The Group's liquidity and financing ratios are set out below:

LCR AND NSFR
(Millions of euros)

	30-06-2022	31-12-2021
High-quality liquid assets – HQLA (numerator)	161,451	167,290
Total net cash outflows (denominator)	51,789	49,743
Cash outflows	67,173	62,248
Cash inflows	15,384	12,505
LCR (LIQUIDITY COVERAGE RATIO) (%) *	**312%**	**336%**
NSFR (NET STABLE FUNDING RATIO) (%) **	**150%**	**154%**

(*) According to Commission Delegated Regulations (EU) 2015/61 of 10 October 2014 (and its amendment in Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 and in Commission Delegated Regulations (EU) 2022/786 of 10 February 2022), to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions. The established regulatory limit for the LCR is 100%.

(**) 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 limit for the NSFR ratio at 100%.

CaixaBank's key credit ratings are displayed below:

CAIXABANK CREDIT RATINGS

	ISSUER RATING						
	LONG-TERM DEBT	SHORT-TERM DEBT	OUTLOOK	SENIOR PREFERRED DEBT	REVIEW DATE	*RATING* MORTGAGE COVERED BONDS	LAST REVIEW DATE OF MORTGAGE COVERED BONDS
S&P Global	A-	A-2	Stable	A-	25-04-2022	AA+	28-03-2022
Fitch Ratings	BBB+	F2	Stable	A-	30-06-2022		
Moody's	Baa1	P-2	Stable	Baa1	16-02-2022	Aa1	24-08-2021
DBRS	A	R-1(low)	Stable	A	29-03-2022	AAA	08-07-2022

3.4. Other risks

In relation to the market risk, in the first six months of the 2022 there were no significant changes to the risk policies or levels of the trading book.

The sensitivity of the balance sheet to the interest rate risk has gone up, in keeping with the increased uncertainty as to how interest rates and inflation will evolve, although for now it is within the risk appetite levels.

As for the operational risk, in a context of rapidly rising inflation due to higher energy costs and supply chain problems, the Group maintains the operability exhibited throughout 2020 and 2021, both through its network and on digital channels. The consolidation of digital transactionality remains ongoing for all purposes, both for the internal development of activity by employees, and in relations with customers and suppliers. Special attention and monitoring is being paid to the effects of the armed conflict in Ukraine on the supply chain, and in particular on the parts of the supply chain that are most dependent on transport.

As for the financial-actuarial risks of the insurance business, despite the conflict in Ukraine, the insurance activity has no relevant direct exposures to companies based in those countries and despite the existing uncertainty, this situation is not expected to have a significant effect on its financial situation.

4. Capital adequacy management

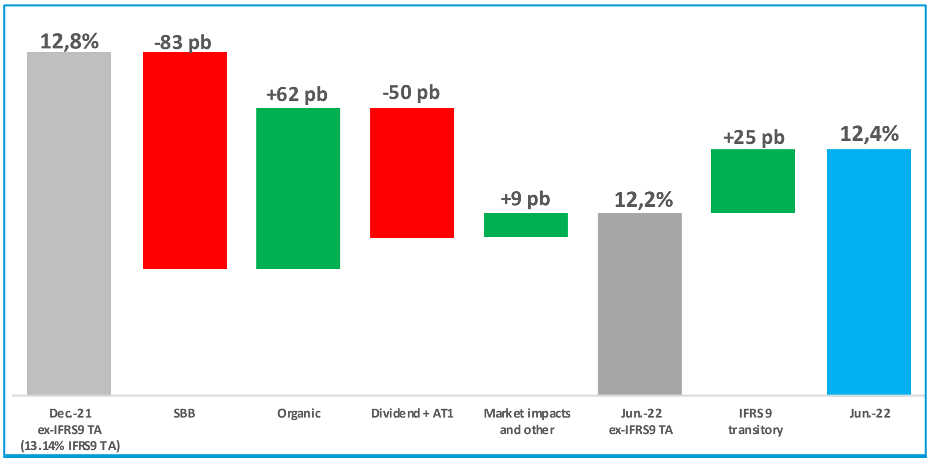
The composition of the Group's eligible own funds is as follows:

ELIGIBLE OWN FUNDS
(Millions of euros)

	30-06-2022		31-12-2021	
	AMOUNT	AS %	AMOUNT	AS %
Net equity	**34,843**		**35,425**	
Shareholders' equity	36,608		37,013	
Capital	8,061		8,061	
Profit/(loss)	1,573		5,226	
Reserves and other	26,974		23,726	
Minority interests and OCI	(1,765)		(1,588)	
Other CET1 instruments	**(1,466)**		**(601)**	
Adjustments applied to the eligibility of minority interests and OCI	291		63	
Other adjustments [1]	(1,757)		(664)	
CET1 Instruments	**33,377**		**34,824**	
Deductions from CET1	**(6,562)**		**(6,487)**	
Intangible assets	(3,466)		(3,856)	
Deferred tax assets	(2,173)		(2,074)	
Other deductions from CET1	(923)		(557)	
CET1	26,815	12.4%	28,337	13.1%
AT1 instruments	4,236		4,985	
AT1 Deductions			0	
TIER 1	31,051	14.4%	33,322	15.5%
T2 instruments	4,694		5,192	
T2 Deductions			0	
TIER 2	4,694	2.2%	5,192	2.4%
TOTAL CAPITAL	**35,744**	**16.6%**	**38,514**	**17.9%**
Other eligible subordinated instruments. MREL	10,979		10,628	
SUBORDINATED MREL	**46,724**	**21.7%**	**49,142**	**22.8%**
Other computable instruments. MREL	6,383		6,382	
MREL	**53,107**	**24.6%**	**55,524**	**25.7%**
RISK WEIGHTED ASSETS (RWA)	**215,521**		**215,651**	
Individual CaixaBank ratios:				
CET1		13.0%		13.9%
TIER 1		15.1%		16.4%
Total capital		17.4%		19.0%
RWAs	199,041		200,755	

[1] Includes primarily the outstanding amount of the share buyback programme up to the maximum amount (EUR 1,159 million), the dividend forecast and the IFRS 9 temporary adjustment.

A causal detail of the key aspects that influenced the Group's CET1 ratio in the first half of 2022 is shown below:



Changes in CET1

The *Common Equity Tier 1 (CET1)* ratio is **12.4%** (12.2% if IFRS 9 temporary exemption not applied), after the extraordinary impact of the share buyback programme (SBB) (-83 basis points, corresponding to the total deduction of the maximum authorised amount of EUR 1,800 million, see Note 5).

The organic evolution over the six months was +62 basis points, -50 points for the dividend forecast and payment of the AT1 coupon, and +9 basis points for market evolution and other aspects. The impact from phasing in IFRS 9 is +25 basis points.

The Group's current level of capital adequacy confirms that the applicable requirements would not lead to any automatic restrictions according to the capital adequacy regulations, regarding the distribution of dividends, variable remuneration, and the interests of holders of Additional Tier 1 capital securities.

The following chart sets out a summary of the minimum requirements of eligible own funds:

MINIMUM REQUIREMENTS
(Millions of euros)

	30-06-2022		31-12-2021	
	AMOUNT	AS %	AMOUNT	AS %
BIS III minimum requirements				
CET1 *	17,910	8.31%	17,651	8.19%
Tier 1	21,810	10.12%	21,553	9.99%
Total capital	27,009	12.53%	26,756	12.41%

(*) Includes the minimum requirement of Pillar I of 4.5%; the Pillar 2 requirement (supervisory review process) of 0.93%; the capital conservation buffer of 2.5%, the countercyclical buffer of 0.01% and the OEIS (Other Systemically Important Entity) buffer of 0.38%.

The following chart provides a breakdown of the leverage ratio:

LEVERAGE RATIO
(Millions of euros)

	30-06-2022	31-12-2021
Exposure	667,986	631,351
Leverage ratio (Tier 1/Exposure)	4.6%	5.3%

5. Shareholder remuneration and earnings per share

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.

Furthermore, on 16 May 2022, the Board of Directors, having received the pertinent regulatory authorisation, agreed to approve and commence the share buyback programme for a maximum amount of EUR 1,800 million, in order to bring the CET1 ratio closer to the internal target. In this respect, the Annual General Shareholders Meeting held on April 2022 approved the reduction of CaixaBank's share capital up to a maximum amount of 10% -subject to the appropriate regulatory authorisations- through the redemption of treasury shares acquired within the framework of the aforementioned share buy-back programme. The final capital reduction figure will be set by the Board of Directors, within the maximum limit specified, based on the final number of shares that is purchased (see Note 18).

For the purpose of calculating the regulatory capital, and in accordance with the applicable prudential regulation, CaixaBank deducts the maximum monetary amount of EUR 1,800 million from the time it receives approval from the supervisor (see Note 4).

As at 30 June 2022, operations were carried out for EUR 641 million, buying back a total of 190,664,468 own shares, equivalent to 35.6% of the maximum monetary amount (296.177.680 shares for EUR 947 million, representing 52.6% of the maximum amount, based on the most recent public information before the preparation of these condensed consolidated financial statements, as at 25 July 2022).

5.1. Shareholder remuneration

The following dividends were distributed in this year:

DIVIDENDS PAID IN 2022
(Millions of euros)

	EUROS PER SHARE	AMOUNT PAID IN CASH *	ANNOUNCEMENTDATE DATE	OF APPROVAL BY AGM	PAYMENT DATE
Dividend	0.1463	1,179	27-01-2022	08-04-2022	20-04-2022
TOTAL	**0.1463**	**1,179**			

(*) Includes the dividend of the treasury stock, which totals EUR 1 million.

5.2. Earnings per share

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

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE
(Millions of euros)

	30-06-2022	30-06-2021
Numerator	1,433	4,073
Profit attributable to the Parent	1,573	4,181
Less: Preference share coupon amount (AT1)	(140)	(108)
Denominator (millions of shares) (1)	8,018	7,056
Average number of shares outstanding (1)	8,018	7,056
Adjusted number of shares (basic earnings per share)	8,018	7,056
Basic earnings per share (in euros)	0.18	0.58
Diluted earnings per share (in euros) (2)	0.18	0.58

(1) Average number of shares in circulation (in millions), excluding the average number of own shares held in treasury stock during the period (see Note 18). Includes the retrospective adjustments set out in IAS 33.

(2) 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.

6. Business combinations, acquisition and disposal of ownership interests in subsidiaries

Annex 1 to the 2021 consolidated financial statements provides information pertaining to the subsidiary entities.

Business combinations – 2022

Sa Nostra, Compañía de Seguros de Vida, SA (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.

VidaCaixa will pay EUR 262 million to Caser, as agreed by the parties based on the stipulations contained in the contract of the SaNostra Vida shareholders. The acquisition is subject to obtaining the approvals of the Comisión Nacional de Mercados y Competencia and the Dirección General de Seguros y Fondos de Pensiones (the Spanish Directorate General for Insurance and Pension Funds and the Spanish Markets and Competition Commission, respectively).

Once this acquisition is complete, the reorganisation of Bankia's insurance businesses will be complete. 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 planned acquisition will not have any other significant impacts in the income statement or in the Group's solvency. As at 30 June 2022, CaixaBank owned the remaining 18.69% of the share capital of Sa Nostra Vida. This percentage is expected to be transferred to VidaCaixa such that it holds 100% of Sa Nostra Vida, before eventually being absorbed by merger.

Business combinations – 2021

Details of the following business combinations are included in Note 7 of the 2021 consolidated financial statements:

Bankia Group

On 17 September 2020, the Board of Directors of CaixaBank and Bankia entered a Shared Merger Project involving the takeover merger of Bankia (absorbed company) by CaixaBank (absorbent company).

The Joint Merger Plan was deposited in the Commercial Register of Valencia and approved at the General Shareholders' Meetings of CaixaBank and Bankia, which were held in early December 2020. Effective control was set for 23 March 2021, once all conditions precedent were met.

In the first quarter of 2021, the Group recorded a positive amount equivalent to the negative difference arising on consolidation of EUR 4,300 million under "Negative goodwill recognised in profit or loss" in the accompanying condensed interim consolidated statement of profit or loss (before and after tax). On 31 March 2022, the interim period for evaluating the PPA concluded, with no changes to the initial estimate.

Bankia Vida, SA

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. Thus, the Group has acquired the entire share capital, acquiring full control over that company. The acquisition date for accounting purposes was 31 December 2021.

The price for this transaction, materialised in cash, amounted to EUR 324 million and includes the termination costs foreseen under the agreements with Mapfre (10% of the value determined by the independent expert, 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).

Meanwhile, Mapfre and CaixaBank have 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 life business line as determined by the independent expert. The arbitration is still ongoing and a final resolution is not expected until the end of the 2022 financial year.

No adjustment has been made in the provisional registration of the business combination for the fair value of the assets and liabilities acquired. The acquisition revealed a first-time consolidation difference of EUR 404 million, which preliminarily for the close of FY 2021 and as at 30 June 2022, was assigned to "Intangible Assets - Goodwill". The Group is in the process of allocating the price paid (PPA), mainly linked to the estimation of the value of customer portfolios that meet the identifiability and separability criteria set out in IAS 38, based on the established Market Consistent Embedded Value (MCEV) methodology. A reallocation of the preliminary goodwill to "Intangible assets - Other intangible assets" is envisaged for this year, which will be recognised, where appropriate, retroactively to the date of the business combination and will be depreciable on the basis of useful life deemed applicable.

As part of its plan to rearrange the Group's insurance business, in March 2022, CaixaBank sold 100% of the share capital of BV to VidaCaixa. This had no impact on the Group's equity.

7. Remuneration of key management personnel

7.1. Remuneration of the Board of Directors

Note 9 of the notes to the Group's consolidated financial statements for the 2021 financial year provides details of the remuneration and other benefits to the members of the Board of Directors and Senior Management for 2021.

Details of remuneration and other benefits received by the members of the Board of Directors of CaixaBank for their membership in that body related to the periods in which they belonged to this group are shown below:

REMUNERATION OF THE BOARD OF DIRECTORS
(Thousands of euros)

	30-06-2022	30-06-2021
Remuneration for board membership	1,366	1,500
Non-variable remuneration	1,772	1,269
Variable remuneration	614	536
In cash	*233*	*203*
Share-based remuneration schemes	*381*	*333*
Other long-term provisions *	257	255
Other concepts **	177	142
Of which life insurance premiums	*173*	*137*
Other positions in Group companies	623	579
TOTAL	**4,809**	**4,281**
Remuneration received for representing the Company on Boards of Directors of listed companies and others in which the Company has a presence, outside of the consolidated group ***	14	65
TOTAL REMUNERATION	**4,823**	**4,346**
NUMBER OF PEOPLE AT END OF PERIOD	**15**	**15**

(*) Includes insurance premiums and discretionary pension benefits.
(**) Includes remuneration in kind (health and life insurance premiums paid in favour of Executive Directors), interest accrued on the cash of the deferred variable remuneration, other insurance premiums paid and other benefits.
(***) This remuneration is registered in the statement of profit or loss of the respective companies.

CaixaBank does not have any pension obligations with former or current members of the Board of Directors in their capacity as such.

7.2. Remuneration of Senior Management

The total remuneration paid to Senior Management of CaixaBank (Excluding those who are members of the Board of Directors) for the period during which they belonged to this group is set out in the table below. This remuneration is recognised in "Personnel expenses" in the Group's statement of profit or loss.

REMUNERATION OF SENIOR MANAGEMENT
(Thousands of euros)

	30-06-2022	30-06-2021
Salary (1)	5,409	5,578
Post-employment benefits (2)	814	915
Other long-term benefits (3)	65	581
Other positions in Group companies	503	488
TOTAL	**6,791**	**7,562**
Remuneration received for representing the bank on Boards of Directors of listed companies and others in which the bank has a presence, outside of the consolidated group (4)	73	77
TOTAL REMUNERATION	**6,864**	**7,639**
Composition of Senior Management	13	13
General Managers	*2*	*3*
Managers	*10*	*9*
General Secretary and Secretary to the Board of Directors	*1*	*1*

(1) This amount includes fixed remuneration, remuneration in kind and total variable remuneration received by members of the Senior Management.
(2) Includes insurance premiums and discretionary pension benefits.
(3) This item corresponds to the amount of the Risk Policy whose change is not caused by the remuneration policy, but by changes in the technical variables that determine the premiums.
(4) Registered in the statement of profit or loss of the respective companies.

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)

	30-06-2022	31-12-2021
Post-employment commitments	16,585	18,241

8. Financial assets

8.1. 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)

	30-06-2022	31-12-2021
Equity instruments	**1,920**	**1,646**
Shares in listed companies	1,261	1,002
Shares in non-listed companies	659	644
Debt securities *	**15,439**	**14,757**
Spanish government debt securities	10,037	11,817
Foreign government debt securities	4,089	1,377
Issued by credit institutions	420	565
Other Spanish issuers	40	55
Other foreign issuers	853	943
TOTAL	**17,359**	**16,403**

(*) In the first six months of 2022, a fixed-income portfolio was sold for a nominal amount of EUR 660 million, which generated no significant income.

Equity instruments

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

MOVEMENTS OF EQUITY INSTRUMENTS - 30-06-2022
(Millions of euros)

	31-12-2021	ACQUISITIONS AND CAPITAL INCREASES	DISPOSALS AND CAPITAL DECREASES	GAINS (-) / LOSSES (+) TRANSFERED TO RESERVES	ADJUSTMENTS TO MARKET VALUE AND EXCHANGE DIFFERENCES	TRANSFERS AND OTHER	30-06-2022
Telefónica, SA *	1,000				262		1,262
Banco Fomento de Angola (BFA)	321				36		357
Other	325		(2)	(1)	(20)	(1)	301
TOTAL	**1,646**		**(2)**	**(1)**	**278**	**(1)**	**1,920**

(*) Telefónica's holdings on 30 June 2022 and 31 December 2021 were 4.50%. As at 30 June 2022, CaixaBank has purchased on the market a fair value hedge for 1.95% of the capital of Telefónica.

The estimation of the fair value of Banco Fomento de Angola is based on a dividend discount methodology (DDM), subsequently cross-checked with comparable multiples methodologies. The main assumptions used in the dividend discount model are set out below:

ASSUMPTIONS USED - BFA
(Percentage)

	30-06-2022	31-12-2021
Forecast periods	5 years	4 years
Discount rate *	21.8%	17.5%
Objective capital ratio	20%	15%

(*) This is calculated using the interest rate of the US treasury bond plus a country risk premium and another market risk

Debt securities

The breakdown of the net balances under this heading is as follows:

BREAKDOWN OF DEBT SECURITIES
(Millions of euros)

	30-06-2022	31-12-2021
Spanish government debt securities	59,216	55,623
Of which: Senior debt - SAREB	*18,923*	*19,160*
Other Spanish issuers	164	125
Other foreign issuers	16,839	12,458
TOTAL	**76,219**	**68,206**

Loans and advances to customers

The breakdown of guarantees received in the approval of the Group's lending transactions is as follows:

GUARANTEES RECEIVED *
(Millions of euros)

	30-06-2022	31-12-2021
Value of collateral	490,375	479,176
Of which: guarantees watch-list risks	41,437	37,094
Of which: guarantees non-performing risks	20,674	15,291

(*) Reflects the maximum amount of the effective collateral that can be considered for the purposes of the impairment calculation, i.e. the estimated fair value of real estate properties based on their latest available valuation or an update of that valuation based on the applicable standard in force. In addition, the remaining collaterals are included as the current value of the collateral that has been pledged to date, not including personal guarantees.

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)

	30-06-2022					31-12-2021				
				POCI*					POCI*	
	STAGE 1	STAGE 2	STAGE 3	NOT FULFILLING THE DEFINITION OF IMPAIRED	FULFILLING THE DEFINITION OF IMPAIRED	STAGE 1	STAGE 2	STAGE 3	NOT FULFILLING THE DEFINITION OF IMPAIRED	FULFILLING THE DEFINITION OF IMPAIRED
Gross carrying amount	322,050	29,397	11,104	2	642	308,369	31,439	12,279	1	688
Impairment allowances	(1,472)	(1,214)	(4,843)		(222)	(967)	(1,632)	(5,571)		(82)
TOTAL	**320,578**	**28,183**	**6,261**	**2**	**420**	**307,402**	**29,807**	**6,708**	**1**	**606**

(*) POCIs (*Purchased or Originated Credit Impaired*) derived from the combination of businesses with Bankia in 2021.

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 - 2022
(Millions of euros)

	TO STAGE 1:	TO STAGE 2:	TO STAGE 3:	TOTAL
Opening balance	**308,369**	**31,439**	**12,279**	**352,087**
Transfers	(1,036)	440	596	0
From stage 1:	(8,387)	7,954	433	0
From stage 2:	7,301	(8,397)	1,096	0
From stage 3:	50	883	(933)	0
New financial assets	43,599	881	286	44,766
Financial asset disposals (other than write-offs)	(28,882)	(3,363)	(880)	(33,125)
Write-offs			(1,177)	(1,177)
CLOSING BALANCE	**322,050**	**29,397**	**11,104**	**362,551**

The hedging movement is as follows:

CHANGES IN IMPAIRMENT ALLOWANCES OF LOANS AND ADVANCES TO CUSTOMERS - 2022
(Millions of euros)

	TO STAGE 1:	TO STAGE 2:	TO STAGE 3:	TOTAL
Opening balance	**967**	**1,632**	**5,571**	**8,170**
Net allowances	505	(418)	(24)	63
From stage 1:	427	(203)	119	343
From stage 2:	(9)	(228)	(632)	(869)
From stage 3:	(5)	(10)	466	451
New financial assets	105	34	64	203
Disposals	(13)	(11)	(41)	(65)
Amounts used			(720)	(720)
Transfers and other			16	16
CLOSING BALANCE	**1,472**	**1,214**	**4,843**	**7,529**

8.3. Asset write-offs

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 memorandum accounts:

CHANGES IN WRITTEN-OFF ASSETS
(Millions of euros)

	30-06-2022
OPENING BALANCE	**18,534**
Additions	**752**
Disposals:	**(687)**
Cash recovery of principal	(69)
Disposal of written-off assets	(46)
Due to expiry of the statute-of-limitations period, forgiveness or any other cause	(572)
CLOSING BALANCE	**18,599**

9. Assets and liabilities under the insurance business

The breakdown of the balances linked to the insurance business is as follows:

ASSETS AND LIABILITIES UNDER THE INSURANCE BUSINESS
(Millions of euros)

	30-06-2022		31-12-2021	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Financial assets under the insurance business	**71,819**		**83,464**	
Financial assets held for trading	56		111	
Debt securities	56		111	
Financial assets designated at fair value through profit or loss *	19,269		20,557	
Equity instruments	11,001		13,159	
Debt securities	8,194		7,316	
Loans and advances - Credit institutions	74		82	
Available-for-sale financial assets	52,213		62,480	
Equity instruments	78		171	
Debt securities	52,135		62,309	
Loans and receivables	135		196	
Debt securities	56		133	
Loans and advances - Credit institutions	79		63	
Assets under insurance and reinsurance contracts	146		120	
Liabilities under the insurance business		**69,292**		**79,834**
Contracts designated at fair value through profit or loss		18,530		19,365
Liabilities under insurance contracts		50,762		60,469
Unearned premiums		13		9
Mathematical provisions		49,288		59,024
Claims		1,407		1,357
Bonuses and rebates		54		79

(*) Includes i) the investments linked to the operations of life insurance products when the risk of the investment is assumed by the policyholder, called unit-linked, as well as ii) the investments under the product Immediate Flexible Life Annuity, in which part of the commitments with the policyholders are calculated by referencing the fair value of the affected assets, the nature of which is similar to unit-linked operations.

9.1. Available-for-sale financial assets

The breakdown of the balances of this section is as follows:

BREAKDOWN OF AVAILABLE-FOR-SALE FINANCIAL ASSETS
(Millions of euros)

	30-06-2022	31-12-2021
Equity instruments	**78**	**171**
Shares in listed companies	78	171
Debt securities	**52,135**	**62,309**
Spanish government debt securities	43,918	52,943
Foreign government debt securities	5,930	7,049
Other issuers	2,287	2,317
TOTAL	**52,213**	**62,480**

10. Derivatives - Hedge accounting (assets and liabilities)

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

BREAKDOWN OF HEDGING DERIVATIVES

(Millions of euros)

	30-06-2022		31-12-2021	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Micro-hedge	13	172	62	54
Macro-hedge	438	43	973	66
TOTAL FAIR VALUE HEDGES	451	215	1,035	120
Micro-hedge	12	992	3	726
Macro-hedge	25	338		114
TOTAL CASH FLOW HEDGES	37	1,330	3	840
TOTAL	**488**	**1,545**	**1,038**	**960**

In the fair value macrohedges, the valuation differences in the elements hedged attributable to the interest rate risk are recorded directly in the income statement, but the offsetting entry, instead of being registered in the sections where the hedged elements are recorded, are recorded in the sections on "Asset - Changes in the fair value of the hedged elements of a portfolio with interest rate risk hedging" or "Liability - Changes in the fair value of the hedged elements of a portfolio with interest rate risk hedging", depending on the nature of the hedged element.

11. Investments in joint ventures and associates

Appendices 2 and 3 to the 2021 consolidated annual accounts specify the investments in joint ventures and associate companies.

The changes in investments in joint ventures and associates in 2022 are as follows:

CHANGES IN INVESTMENTS - 2022
(Millions of euros)

	31-12-2021		ACQUISITIONS AND CAPITAL INCREASES	DISPOSALS AND CAPITAL DECREASES	MEASURED USING THE EQUITY METHOD	TRANSFERS AND OTHER	30-06-2022	
	CARRYING AMOUNT	*STAKE%*					CARRYING AMOUNT	*STAKE%*
UNDERLYING CURRENT AMOUNT	2,153				31	(84)	2,100	
Coral Homes	632	*20.00%*			(6)	(70)	556	*20.00%*
SegurCaixa Adeslas	893	*49.92%*			55	(1)	947	*49.92%*
Other	628				(18)	(13)	597	
GOODWILL	381						381	
SegurCaixa Adeslas	300						300	
Other	81						81	
IMPAIRMENT ALLOWANCES	(44)						(44)	
Other	(44)						(44)	
TOTAL ASSOCIATES	**2,490**				**31**	**(84)**	**2,437**	
UNDERLYING CURRENT AMOUNT	44				(2)		42	
Other	44				(2)		42	
TOTAL JOINT VENTURES	**44**				**(2)**		**42**	

Allowances for impairment of associates and joint ventures

The Group has a methodology in place (described in Note 16 to the consolidated annual financial statements for 2021) for assessing recoverable amounts and potential impairment of its investments in associates and joint ventures.

The Group carries out, at least annually, a verification of the value of shares by updating the projected cash flows, with a sensitivity analysis on the most significant variables. At the closing date of the balance sheet, and considering the exceptional nature arising from the current economic environment (see Note 3.1), an assessment of signs of impairment has been carried out on the most significant shares, contrasting certain indicators with external and internal sources, using the assessment methodology and hypotheses (discount rate and growth rate), consistent with those of 2021. If there was a sign significantly and persistently calling into questioning the fundamental indicators of these shares, the Group would estimate the recoverable value of the assets.

As at 30 June 2022, there are no indications that the recoverable amount of the shares exceeds their accounting value.

12. Tangible assets

This heading in the accompanying condensed interim consolidated balance sheet includes the acquired properties held to earn rentals or for own use.

In the first six months of FY 2022, no individually significant profit/loss resulted from sales.

As at 30 June 2022, the Group held no relevant commitments to purchase PPE.

In addition, property, plant and equipment for own use are primarily allocated to the banking business cash-generating unit (CGU) (see Note 13).

13. Intangible assets

There were no relevant movements in this section in the first half of FY 2022.

As set out in Note 19 to the 2021 consolidated financial statements, the Group carries out, at least annually, a verification of the value of the fixed assets assigned to the CGU of the Banking Business and insurance business by updating the projected cash flows, with a sensitivity analysis on the most significant variables.

The projections are determined using assumptions based on the macroeconomic data applicable to the Group's activity, contrasted by means of renowned external sources and the entities' internal information. The ranges of assumptions used, as well as the contrast sensitivity ranges of the last analysis, done on 30 June 2022, are summarised below:

ASSUMPTIONS USED AND BANKING BUSINESS CGU SENSITIVITY SCENARIOS
(Percentage)

	30-06-2022	31-12-2021	SENSITIVITY
Discount rate (after tax) *	8.0%	7.6%	[-0.5%; + 2.5%]
Growth rate **	1.0%	1.0%	[-0.5%; + 1.0%]
Net interest income over average total assets (NII) ***	[0.93% - 1.29%]	[0.92% - 1.28%]	[-0.05%; + 0.05%]
Cost of risk (CoR)	[0.23% - 0.39%]	[0.24% - 0.39%]	[-0.1%; + 0.1%]

(*) Calculated on the yield for the German 10-year bond, plus a risk Premium. The pre-tax discount rate on 30 June 2022 and on 31 December 2021 was 11.4% and 10.9%, respectively.
(**) Corresponds to the normalised growth rate used to calculate the net carrying value.
(***) Net interest income over average total assets, reduced by persistence of low rates.

On 30 June 2022, the test of existing impairment was reviewed using the information available, and in particular the exceptional conditions resulting from the current economic situation (see Note 3.1). The existence of possible impairments was also assessed using sensitivity scenarios.

As a result of this analysis, although some assumptions and certain expected future flows were modified as a result of the aforementioned exceptional circumstances, it was deemed that there was no need to perform any impairments. The effects on the estimates that take place as a result of new information available in the future will be reviewed prospectively and continually on future closing dates.

ASSUMPTIONS USED AND INSURANCE BUSINESS CGU SENSITIVITY SCENARIOS
(Percentage)

	30-06-2022	31-12-2021	SENSITIVITY
Discount rate (after tax)	8.7%	8.7%	[-0.5%; + 0.5%]
Growth rate *	1.5%	1.5%	[-0.5%; + 0.5%]

(*) Corresponds to the normalised growth rate used to calculate the fair value.

14. Other assets and other liabilities

The breakdown of these items in the balance sheet is as follows:

BREAKDOWN OF OTHER ASSETS AND OTHER LIABILITIES
(Millions of euros)

	30-06-2022	31-12-2021
Inventories	120	96
Other assets	2,948	2,041
Prepayments and accrued income	1,226	1,035
Ongoing transactions	563	362
Dividends on equity securities accrued and receivable	57	349
Net pension plan assets	702	62
Other	400	233
TOTAL OTHER ASSETS	**3,068**	**2,137**
Prepayments and accrued income	1,880	1,410
Ongoing transactions	879	478
Other	319	227
TOTAL OTHER LIABILITIES	**3,078**	**2,115**

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 will be 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 recorded in December 2021 as "Other assets". This income accrues in the section "Commissions" and the expenses of the part of the compensation received are being recorded in the section "Other operating expenses" in the income statement.

15. Non-current assets and disposal groups classified as held for sale

The profit/loss for sales of "Non-current assets and disposal groups classified as held for sale" during the first six months of 2022 does not include operations that are individually significant.

The movements in the first half of 2022 result from normal business operations, there being no additional individual operation for any significant amount.

16. Financial liabilities

The emissions placed on the market and the buybacks made in the first six months of 2022 are shown below:

ISSUANCES CARRIED OUT - 2022
(Million euros / Million pounds sterling / Million yens)

ISSUANCE	AMOUNT	CURRENCY	ISSUE DATE	MATURITY	COST *
Preferred senior debt	1,000	EUR	January 2022	6 years	0.673% (mid-swap +0.62%)
Senior non-preferred debt	500	GBP	April 2022	6 years	3.5% (UKT + 2.10%)
Senior non-preferred debt	1,000	EUR	April 2022	4 years	1.625% (mid-swap + 0.80%)
Senior non-preferred debt	4,000	JPY	June 2022	4 years and 4 months	0.83%

(*) Meaning the yield on issuance, calculated at the date of issuance.

EARLY AMORTISATION OF ISSUES * - 2022
(Millions of euros)

ISSUE	ISSUE AMOUNT	DATE EARLY AMORTISATION	AMOUNT REPAID	MATURITY	PRICE EARLY AMORTISATION
Subordinated debt	510	February 2022	510	February 2027	100.00%
Subordinated debt	500	March 2022	500	March 2027	100.00%

(*) These early amortisations had no impact on the income statement.

17. Provisions

The nature of the provisions recorded is detailed in Note 23 of the 2021 Consolidated Financial Statements. The breakdown of the changes of the balance under this heading is as follows:

MOVEMENT OF PROVISIONS - 2022

(Millions of euros)

	PENSIONS AND OTHER POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS	OTHER LONG-TERM EMPLOYEE BENEFITS	PENDING LEGAL ISSUES AND TAX LITIGATION		COMMITMENTS AND GUARANTEES GIVEN		OTHER PROVISIONS
			LEGAL CONTINGENCIES	PROVISIONS FOR TAXES	CONTINGENT RISKS	CONTINGENT COMMITMENTS	
BALANCE AT 31-12-2021	**806**	**3,452**	**774**	**393**	**360**	**101**	**649**
With a charge to the statement of profit or loss	3	(42)	93	6	(5)	(10)	49
Actuarial (gains)/losses	(150)						
Amounts used	(26)	(369)	(140)	(10)			(115)
Transfers and other		(82)	14	(4)	5	(15)	(6)
BALANCE ON 30-06-2022	**633**	**2,959**	**741**	**385**	**360**	**76**	**577**

17.1. Pensions and other post-employment defined benefit obligations

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

The assumptions used in the calculations referring to businesses in Spain are as follows:

ACTUARIAL ASSUMPTIONS IN SPAIN

	30-06-2022	31-12-2021
Discount rate (1)	3.04%	0.84%
Mortality tables (2)	PERM-F/2000 - P	PERM-F/2000 - P
Annual pension review rate (3)	0.35%	0.35%
Annual cumulative CPI (4)	2.58%	2.56%
Annual salary increase rate	0.75% 2022; 1% 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 assumptions used in the calculations regarding BPI's business in Portugal are as follows:

ACTUARIAL ASSUMPTION IN PORTUGAL

	30-06-2022	31-12-2021
Discount rate (1)	3.41%	1.26%
Mortality tables for males	TV 88/90 - 1 year	TV 88/90 - 1 year
Mortality tables for females	TV 90/01 - 2 years	TV 90/01 - 2 years
Annual pension review rate	0.40%	0.40%
Salary growth rate (2)	[0.9 - 1.9]%	[0.9 - 1.9]%

(1) Rate obtained by using a rate curve based on high-rated corporate bonds, with the same currency and terms as the commitments assumed.
(2) Additionally, when calculating the obligation, a 2% increase was considered for FY 2023 for the wage growth.

Litigiousness in the field of banking and financial products is subject to comprehensive monitoring and control to identify risks that may lead to the outflow of funds from the entity, making the necessary allocations and taking the appropriate measures in terms of adaptation and improving procedures, products and services. FY 2020 was marked by some highly irregular flows that were conditioned by the effect that the health crisis and State of Alarm caused on the normal operation of the justice system, though its operation could be deemed to have returned to normal in 2021 and 2022.

The dynamic nature of litigiousness and the high disparity of judicial criteria frequently drive changes in scenarios, without prejudice to which the Group has established monitoring mechanisms to control the progress of claims, actions and different judicial sensitivities on the contentious matters that make it possible to identify, define and estimate risks, based on the best information available at any given time.

In the case of disputes under general conditions, generally linked to the granting of mortgage loans to consumers (e.g. floor clauses, multi-currency clauses, mortgage expenses, advance maturity, etc.), the necessary provisions are held and the Group maintains ongoing dialogue with customers in order to explore agreements on a case-by-case basis. Similarly, CaixaBank leads the adherence to extrajudicial dispute resolution systems promoted by certain judicial bodies that resolve these matters, in order to promote amicable solutions that avoid litigating with customers and help alleviate the judicial burden.

In the same way, CaixaBank and its Group has adapted its provisions to the risk of ongoing actions arising from claims for the amounts of payments on account for the purchase of off-plan housing, banking, financial and investment products, excessive and abnormal price of interest rates, right to reputation or statements of subsidiary civil liability arising from the potential conduct of persons with employment links.

Lastly, a criterion of prudence is adopted for constituting provisions for possible punishable administrative procedures, for which hedging is allocated in accordance with the economic criteria that may be laid down by the specific administration regarding the procedure, without prejudice to the full exercise of the right of defence in instances, where applicable, in order to reduce or annul the potential sanction.

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

IRPH (Mortgage Loan Reference Index)

In relation to the official reference rate for mortgages in Spain (IRPH), the judgment issued by the Court of Justice of the European Union (CJEU) on 3 March 2020, and the set of judgments issued by the First Chamber of the Spanish High Court on 6 and 12 November 2020 provide clarity to the prosecution of claims that question the lack of transparency in the marketing of mortgage loans that include such an index.

The chief legal conclusion of the current judicial framework and without prejudice to its eventual change, is the validity of mortgage loans that include such an index.

On the one hand, in mortgage loans where the IRPH had been included in the context of Public Agreements in order to facilitate access to social housing, the Spanish High Court deems that there was transparency in the procurement; The core elements relating to the calculation of the variable interest laid down in the contract were easily accessible, the consumer adhered to a financing system established and regulated by a regulatory rule, regularly reviewed by successive Councils of Ministers, the clause expressly referred to this regulation and these agreements and both the former and the latter enjoy publicity arising from their publication in the Official State Gazette (BOE).

In cases not covered by the abovementioned scenario, pre-contractual and contractual information provided to consumers of mortgage loans including such an index should be examined on a case-by-case basis, in order to determine whether or not they suffer from lack of transparency, since there are no assessed means of testing material transparency. In any case, the important thing is that any declaration of lack of transparency requires the Spanish High Court —according to repeated legal principle of the CJEU— to make a judgment of abuse, and such abuse —due to the existence of bad faith and major imbalance— has no place in such cases. In the opinion of the Spanish High Court, on the one hand, good faith is not infringed when offering an official index, recommended by the Bank of Spain since the end of 1993 as one of the rates that could be used for mortgage lending operations and when the central Government and several autonomous governments —through various regulatory provisions— had established the IRPH index as a reference for financing (borrowing) for the purchase of social housing. On the other hand, there is also no significant imbalance at the time of procurement, since the subsequent evolution is irrelevant and it cannot be ignored that hypothetically, by replacing the Savings Banks IRPH or Banks IRPH with the index proposed by the CJEU as a replacement in case of abuse and lack of agreement, the Entities IRPH would be applied as the supplementary legal index, which presents virtually no differences with the Savings Banks IRPH or Banks IRPH.

This criterion of the SC has recently 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 recently raised another new question for a preliminary ruling.

In conclusion, we consider that the full validity of the contract and the absence of risk of a possible outflow of resources as a result of a possible declaration of lack of transparency have been clarified, in accordance with the current state of the case law.

The Group, in accordance with the current legal basis and reasonableness of the foregoing, as well as the best available information to date, does not hold provisions for this item.

As at 30 June 2022, the total up-to-date mortgage loans indexed to IRPH with individuals is approximately EUR 5,210 million (most of them 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 High Court Judgment dated 04.03.2020.

The Spanish High Court gave a sector-relevant judgment on the contracts of revolving cards and/or deferred-payment cards. The ruling determines i) that the revolving cards are a specific market within credit facilities, ii) that the Bank of Spain publishes a specific interest rate of reference for this product in its Statistical Bulletin, which serves as a compulsory reference to determine the "normal interest rate", iii) that "the average rate of interest of credit operations using credit cards and revolving cards according to the statistics of the Bank of Spain (…) was slightly above 20%" and iv) that an APR such as the one analysed in the particular case, between 26.82%/27.24%, is a "manifestly disproportionate" rate, which entails the invalidity of the contract and the refund of the interest paid. 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 favours a significant amount of litigation and high disparity in judicial criteria, the specific effects of which cannot be determined at current and are subject to specific monitoring and oversight. 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.

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. 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 Group 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, in the event they are produced, 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.

Investigation in progress in Central Investigating Court No 2 (DDPP 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 recently 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.

Investigation in progress in Central Investigating Court No 6 (DDPP 96/17) Separate piece 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 understands that the decision to close the case is 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 bank. This decision is currently being appealed.

Without prejudice to the reputational damage caused by a judicial inquiry in the public spotlight, we believe the Court will confirm the dismissal, and that there is no risk to the Group's assets as a result of this criminal case.

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.

Recently, 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. In another judgment handed down later, however, the SC understood that the decision to subscribe the shares was not based on the information in the prospectus, and therefore considered the dismissal of the claim to be justified.

The Group maintains provisions to cover the risk arising from this litigation.

Abridged proceedings 1/2018 (originating in previous proceedings No. 59/2012) followed before the Criminal Chamber of the National Court.

Criminal procedure whereby the Court agreed to admit the claim filed by Unión Progreso y Democracia against Bankia, BFA Tenedora de acciones, SAU 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 23 November 2018, within the part of the proceeding concerning civil liability, bail was set at EUR 38.3 million. As of today, there are bail applications pending for the Court for approximately EUR 5.8 million.

The judge of the Central Investigation Office no. 4 of the National Court terminated the investigation, by means of a conversion order dated 11 May 2017. On 17 November 2017, the Central Investigation Office no. 4 of the National court issued an Order opening the oral trial phase. The Order agreed on the opening of an oral trial for offences of falsehood in the annual accounts, established under article 290 of the Criminal Code and investor scam under article 282 bis of the Criminal Code against certain former directors and officers and former officers of Bankia and BFA, the External Auditor at the time of the rights offering and against BFA and Bankia as legal persons. In their briefs, the Prosecutor and the FROB requested the dismissal of the criminal case in respect of BFA and Bankia. The FROB did not claim the secondary civil liability of Bankia or BFA.

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— have formalised the corresponding appeal for cassation before the Criminal Chamber of the Spanish High Court against that judgment of 29 September 2020.

The Group has treated the litigation filed in Abridged proceedings 1/2018 (originating in previous proceedings No. 59/2012) as a contingent liability the final result of which is uncertain.

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. Accordingly, via a ruling dated 6 June 2016, Central Investigating Court No 1 of the National Court agreed to consolidate with DP 65/2013-10 a new suit filed by the shareholders of the Banco de Valencia against various directors of the Banco de Valencia, the external auditor and Bankia, S.A. ("in the stead of Bancaja") due to the corporate crime of falsifying accounts, as defined 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 1 June 2017, Apabankval comprised approximately 351 injured persons. Similarly, according to the Order of 8 January 2018, the Central Investigation Office no. 1 has so far identified 89 other persons as being injured, unifying their representation and defence in the Apabankval association, in accordance with article 113 of the Criminal Procedure Act.

On 6 September 2017, a new claim was filed by an individual for an offence of accounting falsehood under article 290.2 of the Criminal Code. The complaint is addressed on this occasion against former directors as natural persons responsible for criminal matters and against Bankia solely as the civilly liable party (in addition to Valenciana de Inversiones Mobiliarias and the External Auditor also as civilly liable parties).

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. BFA filed an appeal for the court to review its ruling – which was dismissed by the Order of 13 December 2017 – and appealed the decision to a higher court, which it withdrew, not because BFA has acquiesced to the abovementioned resolution, but because it reserves for a later procedural moment the resubmission of the exposed arguments that it considers to be solid and founded.

On 19 October 2018, an Order was issued to dismiss the appeal of the FROB – to which BFA acceded – against the Order sustaining BFA's secondary civil liability, with a dissenting vote that understood that the FROB – a public body – cannot be brought to the proceedings, as the secondary civil liability of BFA – which it wholly owns – is imposed.

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. and Valenciana de Inversiones Mobiliarias, S.L. The accusations have been presented by the prosecution, and the proceedings are now pending the order to proceed to a public trial.

The National High Court has had CaixaBank as the successor in Bankia's position as a consequence of the merger of Bankia (acquired company) with CaixaBank (acquiring company).

The Group has treated this contingency as a contingent liability the final result of which is uncertain.

17.3. Other provisions

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

Class action brought by the ADICAE association (floor clauses)

The legal case through which a class-action suit was brought by the Asociación de Usuarios de Bancos, Cajas y Seguros (ADICAE) due to the application of the minimum interest rate clause that is present in some of the Group's mortgages, is currently being appealed on procedural grounds to the Supreme Court. A ruling dated 29 June 2022 agreed to raise several issues for preliminary rulings in which the Supreme Court considers if, as part of a class-action suit as complex as this one, it is possible to analyse separately the transparency of how minimum-rate clauses are marketed, keeping in mind the need to evaluate any concurrent circumstances at the time the mortgage is signed, as well as other parameters, such as the evolution of the average consumer. The Group does not anticipate any changes to the risk in this matter, nor an adverse material impact, as a result of asking for these preliminary rulings.

With the available information, the risk derived from the disbursements that could arise due to these litigation proceedings is reasonably covered by the corresponding provisions.

18. Equity

18.1. Shareholders' equity

Share capital

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

INFORMATION ABOUT SHARE CAPITAL

	30-06-2022	31-12-2021
Number of fully subscribed and paid up shares (units) *	8,060,647,033	8,060,647,033
Par value per share (euros)	1	1
Closing price at year-end (euros)	3.317	2.414
Market cap at year end, excluding treasury shares (million euros) **	26,079	19,441

(*) All shares have been recognised by book entries and provide the same rights.
(**) CaixaBank's shares are traded on the continuous electronic trading system, forming part of the Ibex-35.

Treasury shares

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

CHANGES IN TREASURY SHARES - 2022
(Number of shares / Million euros)

	31-12-2021	ACQUISITION AND OTHER *	DISPOSAL AND OTHER	30-06-2022
Number of treasury shares	7,218,511	196,472,896	(5,274,479)	198,416,928
% of share capital	0.090%	2.437%	(0.065%)	2.462%
Cost / Sale	19	659	(14)	664

(*) Of which 190,664,468 shares correspond to the own-stock buyback programme (see Note 5).

18.2. Accumulated other comprehensive

The main movements in Accumulated other comprehensive income are specified in the Statement of other comprehensive income.

19. Tax position

19.1. Tax consolidation

The consolidated tax group for Corporation Tax includes CaixaBank, as the parent, and subsidiaries include Spanish companies in the commercial group that comply with the requirements for inclusion under regulations, including the ”la Caixa” Banking Foundation and CriteriaCaixa. The companies that were part of the tax group whose parent company was Bankia were integrated in CaixaBank's fiscal group.

The other companies in the commercial group file taxes in accordance with applicable tax legislation.

Similarly, CaixaBank and some of its subsidiaries have been part of the VAT tax consolidation group since 2008, with CaixaBank being the parent company and into which a subsidiary of Bankia's VAT group was integrated.

19.2. Deferred tax assets and liabilities

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

BREAKDOWN OF DEFERRED TAX ASSETS - 2022
(Millions of euros)

	31-12-2021	REGULARISATIONS	ADDITIONS DUE TO CHANGES IN THE PERIOD	DISPOSALS DUE TO CHANGES IN THE PERIOD	30-06-2022
Pension plan contributions	880		2	(5)	877
Allowances for credit losses	9,354			(46)	9,308
Early retirement obligations	3			(2)	1
Provision for foreclosed property	2,668			(12)	2,656
Origination fees for loans and receivables	3				3
Unused tax credits	822			(98)	724
Tax loss carryforwards	2,045		9		2,054
Assets measured at fair value through equity	130		152		282
Other deferred tax assets arising on business combinations	659			(110)	549
Other *	2,929		140	(990)	2,079
TOTAL	**19,493**	**0**	**303**	**(1,263)**	**18,533**
Of which: monetisable	12,905		2	(65)	12,842

(*) 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.

BREAKDOWN OF DEFERRED TAX LIABILITIES - 2022
(Millions of euros)

	31-12-2021	REGULARISATIONS	ADDITIONS DUE TO CHANGES IN THE PERIOD	DISPOSALS DUE TO CHANGES IN THE PERIOD	30-06-2022
Revaluation of property on first time adoption of IFRS	173	127		(3)	297
Assets measured at fair value through equity	150			(142)	8
Intangible assets generated in business combinations	96			(31)	65
Mathematical provisions	210		1		211
Other deferred tax liabilities arising on business combinations	246			(37)	209
Other	1,273	(127)		(626)	520
TOTAL	**2,148**	**0**	**1**	**(839)**	**1,310**

On 30 June 2022, the CaixaBank Group had a total of EUR 3,121 million in tax-deferred assets due to unregistered tax credits, of which 2,907 million euros correspond to tax losses and EUR 214 million to deductions.

Every six months the Group, in collaboration with an independent expert, evaluates the recoverability of the tax assets recognised in the balance sheet on the basis of a six-year budget with the projected results used to estimate the recoverable value of the Banking CGU (see Note 13) and projected, applying a sustainable margin of interest to the average total assets (NIM) and a normalised risk cost of 1.30% and 0.39%, respectively.

The type of deferred tax assets segregated by jurisdiction of origin are set out below:

NATURE OF THE TAX-DEFERRED ASSETS RECOGNISED IN THE BALANCE SHEET - 30-06-2022
(Millions of euros)

	TIMING DIFFERENCES	*OF WHICH: MONETISABLE* *	TAX LOSS CARRYFORWARDS	UNUSED TAX CREDITS
Spain	15,585	12,805	2,028	724
Portugal	170	37	26	
TOTAL	**15,755**	**12,842**	**2,054**	**724**

(*) These correspond to monetisable timing differences with the right to conversion into a credit with the Treasury.

Following the business combination with Bankia, the implementation of the restructuring plans conducted by CaixaBank has led to the recognition of tax assets that are expected to lead to the generation of tax loss carryforwards. In keeping with the joint projections and considering the implementation of the synergy plans, the maximum timeline for recovering the tax assets in their entirety remains below 15 years.

In view of the existing risk factors (see Note 3.1) and the relative adherence with the estimates that were used to prepare the budgets, the Administrators believe that despite the limitations on applying temporary monetisable differences, tax losses and outstanding deductions, it is still likely that all the tax credits claimed will be recovered, with future tax benefits.

20. Related-party transactions

The table below shows the most significant balances between CaixaBank and subsidiaries, joint ventures and associates, and with CaixaBank Directors, Senior Management and other related parties (relatives and companies with links to "key management personnel") and those with other related parties, as well as with the employee pension plan. Details are also provided of the amounts recognised in the statement of profit or loss from transactions carried out. All transactions between related parties form part of the ordinary course of business and are carried out under normal market conditions.

RELATED PARTY BALANCES AND OPERATIONS
(Millions of euros)

	SIGNIFICANT SHAREHOLDER (1)		ASSOCIATES AND JOINT VENTURES		DIRECTORS AND SENIOR MANAGEMENT (2)		OTHER RELATED PARTIES (3)		EMPLOYEE PENSION PLAN	
	30-06-2022	31-12-2021	30-06-2022	31-12-2021	30-06-2022	31-12-2021	30-06-2022	31-12-2021	30-06-2022	31-12-2021
ASSETS										
Financial assets at amortised cost - Loans and advances	35	36	584	583	10	9	25	25		
Mortgage loans	*17*	*18*		*3*	*10*	*9*	*11*	*11*		
Other	*18*	*18*	*584*	*580*			*14*	*14*		
Of which: valuation adjustments			*(1)*	*(2)*						
Financial assets at amortised cost - Debt securities	18,924	1								
TOTAL	**18,959**	**37**	**584**	**583**	**10**	**9**	**25**	**25**		
LIABILITIES										
Financial liabilities at amortised cost - Customer deposits	453	307	910	1,069	14	13	18	18	550	119
TOTAL	**453**	**307**	**910**	**1,069**	**14**	**13**	**18**	**18**	**550**	**119**
PROFIT OR LOSS										
Interest income			8	16						
Interest expense			(1)	(1)						
Fee and commission income			168	169						
Fee and commission expenses			(7)	(17)						
TOTAL			**168**	**167**						
OTHER										
Financial guarantees and other commitments given	13	1	50	40						
Loan commitments given	1	1	762	773	1	3	1	1		
Assets under management (AUMs) and assets under custody (4)	26,102	23,623	1,253	1,489	30	28	16	21	1,348	1,396

(1) As at 30 June 2022, this refers to balances and operations carried out with the ”la Caixa” Foundation, CriteriaCaixa, BFA Tenedora de Acciones, S.A.U., the FROB and their subsidiaries. As at 30 June 2022 and 31 December 2021, CriteriaCaixa and BFA Tenedora de Acciones, S.A.U. held 30.01% and 16.12 of CaixaBank, respectively.
(2) Directors and Senior Management of CaixaBank.
(3) Family members and entities related to members of the Board of Directors and Senior Management of CaixaBank.
(4) Includes collective investment institutions, insurance contracts, pension funds and securities depositary.

There are no Related Transactions, as this term is defined in Article 529.20 of the LSC, that exceeded, individually or as a group, the itemisation threshold.

On 5 April 2022, the Fund for Orderly Bank Restructuring (FROB), the sole shareholder of BFA Tenedora de Acciones, SAU, took control of Sareb, constituting it as a related company insofar as it forms part of the decision-making unit of the significant shareholder BFA Tenedora de Acciones, SAU. As at 30 June 2022, the Group has fixed income from Sareb, registered in "Financial assets at amortised cost - Debt securities" for a value of EUR 18,923 million (see Note 8) and 12.24% of its share capital.

The most significant operations carried out during the first six months of 2022 between group companies are as follows:

- In March 2022 CaixaBank sold its stake in Bankia Vida to VidaCaixa SAU de Seguros y Reaseguros. The transaction has no equity impact for the Group.
- In April 2022, the stakes in Redsys (4.2%), Servired (19.2%), Bizum (1.1%), Sistema de tarjetas y medios de pago (2.5%), Euro 6000 (10.3%) and Visa (15,141 class C shares) owned by CaixaBank, from the business combination with Bankia in 2021, were transferred to CaixaBank Payments & Consumer through a contribution from shareholders, with an approximate valuation of EUR 30 million. This transaction has no equity impact for the Group.

21. Segment information

The objective of business segment reporting is to allow internal supervision and management of the Group's activity and profits. The information is broken down into several lines of business according to the Group's organisation and structure. The segments are defined and segregated taking into account the inherent risks and management characteristics of each one, based on the basic business units which have accounting and management figures.

The following is applied to create them: i) the same presentation principles are applied as those used in Group management information, and ii) the same accounting principles and policies as those used to prepare the financial statements.

In 2022, the business segments have been reconfigured and the 2021 information has been restated to facilitate comparisons. As a result, the Group is made up of the following business segments:

- **Banking and insurance:** shows earnings from the Group's banking, insurance, asset management, real estate and ALCO's activity mainly in Spain.

  Most of the activity and results generated by Bankia are included in this business. The recognition date take of the merger for accounting purposes is 31 March 2021, the date on which the financial statements included Bankia's assets and liabilities at fair value. As of the second quarter of 2021, the generated results are included in the various lines of the income statement.

- **BPI**: covers the income from the BPI's domestic banking business, essentially in Portugal. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination.

- **Corporate centre:** includes the investees allocated to the equity investments business in the segmentation effective until 2021, that is, Telefónica, BFA, BCI, Coral Homes and Gramina Homes, as well as Erste Group Bank until its divestment in the fourth quarter of 2021. This line of business shows earnings from the stakes net of funding expenses.

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

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

The performance of the Group by business segment is shown below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF CAIXABANK GROUP - BY BUSINESS SEGMENT
(Millions of euros)

	BANKING AND INSURANCE BUSINESS				BPI		CORPORATE CENTRE		CAIXABANK GROUP	
	JANUARY-JUNE				JANUARY-JUNE		JANUARY-JUNE		JANUARY-JUNE	
	2022		2021							
		OF WHICH: VIDACAIXA INSURANCE		OF WHICH: VIDACAIXA INSURANCE	2022	2021	2022	2021	2022	2021
NET INTEREST INCOME	2,920	186	2,621	160	232	224	4	(18)	3,156	2,827
Dividend income and share of profit/(loss) of entities accounted for using the equity method	90	85	113	93	15	12	138	232	243	357
Net fee and commission income	1,849	(59)	1,510	(39)	145	130			1,994	1,640
Gains/(losses) on financial assets and liabilities and others	209	22	65	3	18	13	20	2	247	80
Income and expenses under insurance and reinsurance contracts	410	410	318	321					410	318
Other operating income and expense	(347)		(300)		(41)	(31)	(7)	(8)	(395)	(339)
GROSS INCOME	5,131	644	4,327	538	369	348	155	208	5,655	4,883
Administrative expenses	(2,423)	(86)	(4,185)	(58)	(190)	(189)	(28)	(29)	(2,641)	(4,403)
Depreciation and amortisation	(357)	(37)	(279)	(12)	(36)	(35)	(1)	(1)	(394)	(315)
PRE-IMPAIRMENT INCOME	2,351	521	(137)	468	143	124	126	178	2,620	165
Impairment losses on financial assets and other provisions	(492)		(486)		27	2			(465)	(484)
NET OPERATING INCOME/(LOSS)	1,859	521	(623)	468	170	126	126	178	2,155	(319)
Gains/(losses) on disposal of assets and others	(36)		4,285		1				(35)	4,285
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	1,823	521	3,662	468	171	126	126	178	2,120	3,966
Income tax	(499)	(132)	233	(109)	(47)	(31)		13	(546)	215
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	1,324	389	3,895	359	124	95	126	191	1,574	4,181
Profit/(loss) attributable to minority interests	1								1	
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**1,323**	**389**	**3,895**	**359**	**124**	**95**	**126**	**191**	**1,573**	**4,181**
Total assets	655,614	76,765	628,043	79,442	43,034	39,552	5,857	6,493	704,505	674,088

The banking and insurance businesses have an integrated Banking-Insurance management model. Under a regulatory framework with similar accounting and supervision objectives, sales and risks are managed jointly, as the model is integrated. The results of the Banking-Insurance business are presented as a single business segment in the segment reporting because of this integrated Banking-Insurance management model.

The income of the Group by segment, geographical area and distribution of ordinary income is as follows:

DISTRIBUTION OF INTEREST AND SIMILAR INCOME BY GEOGRAPHICAL AREA
(Millions of euros)

	JANUARY-JUNE			
	CAIXABANK		CAIXABANK GROUP	
	2022	2021	2022	2021
Domestic market	**2,717**	**2,367**	**3,856**	**3,457**
International market	**82**	**37**	**352**	**284**
European Union	79	34	349	281
Eurozone	33	19	303	266
Non-eurozone	46	15	46	15
Other	3	3	3	3
TOTAL	**2,799**	**2,404**	**4,208**	**3,741**

DISTRIBUTION OF ORDINARY INCOME *
(Millions of euros)

	JANUARY-JUNE					
	ORDINARY INCOME FROM CUSTOMERS		ORDINARY INCOME BETWEEN SEGMENTS		TOTAL ORDINARY INCOME	
	2022	2021	2022	2021	2022	2021
Banking and insurance	7,128	6,351	47	33	7,175	6,384
Spain	6,928	6,241	47	33	6,975	6,274
Other countries	200	110			200	110
BPI	435	405	36	24	471	429
Portugal/Spain	431	401	36	24	467	425
Other countries	4	4			4	4
Corporate centre	145	227	33	7	178	234
Spain	33	49	27	6	60	55
Other countries	112	178	6	1	118	179
Ordinary adjustments and eliminations between segments			(116)	(64)	(116)	(64)
TOTAL	**7,708**	**6,983**	**0**	**0**	**7,708**	**6,983**

(*) Corresponding to the following items in the Group's public statement of profit or loss.

1. Interest income
2. Dividend income
3. Share of profit/(loss) of entities accounted for using the equity method
4. Fee and commission income
5. Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
6. Gains/(losses) on financial assets and liabilities held for trading, net
7. Gains/(losses) on assets not designated for trading compulsorily measured at fair value through profit or loss, net
8. Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net
9. Gains/(losses) from hedge accounting, net
10. Other operating income
11. Income from assets under insurance and reinsurance contracts

22. Average workforce and number of branches

The following table shows the breakdown of average headcount by gender:

AVERAGE NUMBER OF EMPLOYEES *
(Number of employees)

	30-06-2022		30-06-2021	
	CAIXABANK	CAIXABANK GROUP	CAIXABANK	CAIXABANK GROUP
Male	16,053	20,052	16,752	20,630
Female	21,390	25,832	20,931	25,260
TOTAL	**37,443**	**45,884**	**37,683**	**45,890**

(*) As at 30 June 2022, there were 567 employees with a disability of at least 33% (602 employees as at 30 June 2021).

The branches of the Group are specified below:

BRANCHES OF THE GROUP

(No. of branches)

	30-06-2022	31-12-2021
Spain	4,206	4,970
Abroad	345	355
TOTAL	**4,551**	**5,325**

23. Guarantees and contingent commitments given

The breakdown of the balance of this heading in the accompanying condensed interim consolidated balance sheet is as follows:

DETAIL OF EXPOSURES AND HEDGES ON GUARANTEES AND CONTINGENT COMMITMENTS - 30-06-2022
(Millions of euros)

	OFF-BALANCE-SHEET EXPOSURE			HEDGING		
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3
Financial guarantees given	9,848	610	171	(17)	(23)	(20)
Loan commitments given	102,381	3,700	337	(50)	(11)	(15)
Other commitments given	31,702	947	495	(16)	(37)	(247)

BREAKDOWN OF EXPOSURE AND HEDGING ON GUARANTEES AND CONTINGENT COMMITMENTS at 31-12-2021
(Millions of euros)

	OFF-BALANCE-SHEET EXPOSURE			HEDGING		
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3
Financial guarantees given	7,788	800	247	(7)	(11)	(57)
Loan commitments given	97,870	3,696	353	(75)	(17)	(9)
Other commitments given	32,207	1,050	406	(13)	(27)	(245)

The provisions relating to contingent liabilities and commitments are recognised under "Provisions" in the accompanying consolidated balance sheet (see Note 17).

24. Information on the fair value

Note 40 of the Group's consolidated annual accounts for FY 2021 describes the criteria for classifying the fair value of financial instruments by levels based on the methodology employed to obtain their fair value. There were no significant changes in the first six months of 2022 with regard to the criteria described in the consolidated annual accounts for the previous year.

24.1. Fair value of assets and liabilities measured at fair value

The fair value of financial instruments measured at fair value recorded on the balance sheet, together with their breakdown by level and carrying amount, is presented below:

FAIR VALUE OF FINANCIAL ASSETS (FV)
(Millions of euros)

	30-06-2022					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
Financial assets held for trading	**8,488**	**8,488**	**1,027**	**7,421**	**40**	**10,925**	**10,925**	**637**	**10,259**	**29**
Derivatives	7,502	7,502	45	7,421	36	10,319	10,319	35	10,259	25
Equity instruments	179	179	179			187	187	187		
Debt securities	807	807	803		4	419	419	415		4
Non-marketable financial assets mandatorily valued at fair value through profit or loss	**192**	**192**	**42**	**4**	**146**	**237**	**237**	**47**	**5**	**185**
Equity instruments	132	132	42	4	86	165	165	47	5	113
Debt securities	6	6			6	5	5			5
Loans and advances	54	54			54	67	67			67
Financial assets at FV with changes in other comprehensive income	**17,359**	**17,359**	**16,619**	**81**	**659**	**16,403**	**16,403**	**15,630**	**129**	**644**
Equity instruments	1,920	1,920	1,261		659	1,646	1,646	1,002		644
Debt securities	15,439	15,439	15,358	81		14,757	14,757	14,628	129	
Derivatives - Hedge accounting	**488**	**488**		**488**		**1,038**	**1,038**		**1,038**	
Assets under the insurance business	**71,538**	**71,538**	**71,350**	**35**	**153**	**83,148**	**83,148**	**82,969**	**34**	**145**
Financial assets held for trading	**56**	**56**	**56**			**111**	**111**	**111**		
Financial assets designated at FV through profit or loss	**19,269**	**19,269**	**19,110**	**35**	**124**	**20,557**	**20,557**	**20,423**	**34**	**100**
Equity instruments	11,001	11,001	11,001			13,159	13,159	13,159		
Debt securities	8,194	8,194	8,095	35	64	7,316	7,316	7,252	34	30
Loans and advances - Credit institutions	74	74	14		60	82	82	12		70
Available-for-sale financial assets	**52,213**	**52,213**	**52,184**		**29**	**62,480**	**62,480**	**62,435**		**45**
Equity instruments	78	78	78			171	171	171		
Debt securities	52,135	52,135	52,106		29	62,309	62,309	62,264		45

FAIR VALUE OF FINANCIAL LIABILITIES (FL) MEASURED AT FAIR VALUE (FV)
(Millions of euros)

	30-06-2022					31-12-2021				
	CARRYING	FAIR VALUE				CARRYING	FAIR VALUE			
	AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Financial liabilities held for trading	**4,272**	**4,272**	**347**	**3,891**	**35**	**5,118**	**5,118**	**323**	**4,773**	**22**
Derivatives	3,989	3,989	64	3,890	35	4,838	4,838	43	4,773	22
Short positions	283	283	283			280	280	280		
Derivatives - Hedge accounting	**1,545**	**1,545**		**1,545**		**960**	**960**		**960**	
Liabilities under the insurance business	**18,530**	**18,530**	**18,530**			**19,365**	**19,365**	**19,365**		
Contracts designated at FV through profit or loss	18,530	18,530	18,530			19,365	19,365	19,365		

There were no significant transfers between levels in the first half of 2022. The change that took place in the Level 3 balance, on instruments recognised at fair value, is detailed below:

MOVEMENTS IN LEVEL-3 FINANCIAL INSTRUMENTS - 30-06-2022 **
(Millions of euros)

	FA NOT DESIGNATED FOR TRADING *		FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME		ASSETS UNDER THE INSURANCE BUSINESS
	DEBT SEC.	EQUITY INSTRUMENTS	DEBT SEC.	EQUITY INSTRUMENTS	AVAILABLE-FOR-SALE FA - DEBT SEC.
OPENING BALANCE	**5**	**113**		**644**	**45**
Total gains/(losses)		(13)		15	(1)
To reserves				(1)	
In the statement of profit or loss		(13)			
To equity valuation adjustments				16	(1)
Settlements and other	1	(14)			(15)
BALANCE ON 30-06-2022	**6**	**86**		**659**	**29**

FA: Financial assets; DEBT SEC.: Debt securities; FV: Fair value
(*) Compulsorily measured at fair value through profit or loss.
(**) No significant impacts have materialised as a result of the sensitivity analyses carried out on the level 3 financial instruments.

The following table shows the fair value at the end of the year, differentiating between assets with cash flows that would solely represent payments of principal and interest (SPPI) in accordance with IFRS 9, and those managed by their fair value (non-SPPI):

FAIR VALUE - 30-06-2022
(Millions of euros)

	SPPI*	NON-SPPI *	TOTAL
Financial assets not held for trading and not managed by their fair value	52,213		52,213

AMOUNT OF THE CHANGE IN FAIR VALUE DURING 2022
(Millions of euros)

	SPPI*	NON-SPPI *	TOTAL
Financial assets not held for trading and not managed by their fair value	(10,267)		(10,267)

(*) The insurance companies use a combination of financial instruments in the financial immunisation strategies to cover the risks to which their activities are exposed. For these purposes, in the investment operations of the Group's insurance business, different fixed-income securities include financial swaps which, in accordance with the sector practice and the applicable monitoring criteria, are recognised jointly, whether it is in "Available-for-sale financial assets" or in the amortised cost portfolio, and the fair value is shown in the top table.

These financial swaps individually assessed only taking into account their legal form will not pass the SPPI test considered in IFRS 9. Following on from this, within the framework of the project to implement IFRS 9 which is ongoing in the insurance companies, the Group has analysed the different accounting alternatives considered in the regulatory framework (including hedge accounting) jointly with the main changes that will be introduced by IFRS 17 Insurance Contracts in the assessment of technical provisions; the ultimate aim of all the foregoing is to avoid asymmetries in the income statement and assets of the Group.

As regards the fixed-income instruments, the insurance companies have not estimated as 'material' the expected loss which, in the first adoption of IFRS 9, would be recorded under reserves.

24.2. Fair value of assets and liabilities measured at amortised cost

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 MEASURED AT AMORTISED COST
(Millions of euros)

	30-06-2022					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
Financial assets measured at amortised cost	**440,837**	**451,805**	**42,188**	**21,411**	**388,206**	**420,599**	**443,797**	**37,734**	**22,390**	**383,673**
Debt securities	76,219	72,124	41,598	20,280	10,246	68,206	68,460	37,195	21,354	9,911
Loans and advances	364,618	379,692	590	1,131	377,971	352,393	375,337	539	1,036	373,762
Assets under the insurance business	**135**	**135**	**1**	**81**	**53**	**196**	**196**	**1**	**96**	**99**
Loans and receivables	**135**	**135**	**1**	**81**	**53**	**196**	**196**	**1**	**96**	**99**
Debt securities	56	56	1	2	53	133	133	1	96	36
Loans and advances - Credit institutions	79	79		79		63	63			63

FAIR VALUE OF FINANCIAL LIABILITIES AT AMORTISED COST
(Millions of euros)

	30-06-2022					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
Financial liabilities at amortised cost	**587,479**	**568,369**	**50,436**	**1,913**	**516,020**	**547,025**	**542,816**	**58,337**	**2,026**	**482,453**
Deposits	526,540	510,414	5,558		504,856	486,529	481,046	6,433		474,613
Debt securities issued	52,061	49,342	44,650	1,897	2,795	53,684	55,200	51,904	2,026	1,270
Other financial liabilities	8,878	8,613	228	16	8,369	6,812	6,570			6,570

25. 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 issues 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.

The information for 30 June 2022 and 31 December 2021, as per the applicable regulation for that date, is provided below. The above notwithstanding, on 8 July 2022, Royal Decree/Law 24/2021 of 2 November went into effect, on the transposition of, among others, Directive (EU) 2019/2162 of the European Parliament and Council of 27 November 2019, on the issue of covered bonds and covered bond public supervision, and repealing, among other dispositions, Law 2/1981 of 25 March, regulating the mortgage market.

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 ISSUES
(Millions of euros)

	30-06-2022	31-12-2021
Mortgage covered bonds issued in public offers (debt securities)	**0**	**0**
Mortgage covered bonds not issued in public offers (debt securities)	**64,100**	**62,024**
Residual maturity up to 1 year	11,640	10,140
Residual maturity between 1 and 2 years	7,150	9,250
Residual maturity between 2 and 3 years	6,500	3,900
Residual maturity between 3 and 5 years	19,945	21,914
Residual maturity between 5 and 10 years	14,860	12,835
Residual maturity over 10 years	4,005	3,985
Deposits	**5,088**	**5,638**
Residual maturity up to 1 year	452	1,003
Residual maturity between 1 and 2 years	625	625
Residual maturity between 2 and 3 years	1,405	0
Residual maturity between 3 and 5 years	1,280	1,405
Residual maturity between 5 and 10 years	1,326	2,605
TOTAL MORTGAGE COVERED BONDS	**69,188**	**67,662**
Of which: recognised under liabilities	*23,178*	*26,050*
Mortgage participations issued in public offers		
Mortgage participations not issued in public offers *	3,192	3,544
TOTAL MORTGAGE PARTICIPATIONS	**3,192**	**3,544**
Mortgage transfer certificates issued in public offers		
Mortgage transfer certificates not issued in public offers **	21,537	22,884
TOTAL MORTGAGE TRANSFER CERTIFICATES	**21,537**	**22,884**

(*) The average weighted maturity on 30 June 2022 is 156 months (159 months on 31 December 2021).
(**) The average weighted maturity on 30 June 2022 is 201 months (207 months on 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)

	30-06-2022	31-12-2021
Total loans	**163,350**	**167,687**
Mortgage participations issued	**3,192**	**3,544**
Of which: On balance sheet loans	*3,192*	*3,544*
Mortgage transfer certificates issued	**22,597**	**24,036**
Of which: On balance sheet loans	*21,537*	*22,884*
Loans backing mortgage bonds issuances and covered bond issuances	**137,561**	**140,107**
Non-eligible loans	32,097	34,450
Meet eligibility requirements, except for limits established in article 5.1. of Royal Decree 716/2009 of 24 April	15,940	16,821
Other	16,157	17,629
Eligible loans	105,464	105,657
Loans suitable for backing mortgage bond issuances	105,464	105,657
Non-computable amounts	156	148
Computable amounts	105,308	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)

	30-06-2022		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
By source	**137,561**	**105,464**	**140,107**	**105,657**
Originated by the Entity	137,466	105,391	140,006	105,580
Assumed from other entities	95	73	101	77
By currency	**137,561**	**105,464**	**140,107**	**105,657**
Euro	137,062	105,185	139,554	105,340
Other	499	279	553	317
By payment situation	**137,561**	**105,464**	**140,107**	**105,657**
Business as usual	130,780	104,142	132,170	104,214
Past-due	6,781	1,322	7,937	1,443
By average residual maturity	**137,561**	**105,464**	**140,107**	**105,657**
Up to 10 years	28,037	21,399	28,810	21,531
From 10 to 20 years	60,529	49,928	62,456	50,977
From 20 to 30 years	42,674	33,543	41,652	32,353
Over 30 years	6,321	594	7,189	796
By type of interest rate	**137,561**	**105,464**	**140,107**	**105,657**
Fixed	35,512	30,782	31,415	27,215
Variable	102,049	74,682	108,692	78,442
Mixed				
By holder	**137,561**	**105,464**	**140,107**	**105,657**
Legal entities and entrepreneurs	23,168	12,085	24,479	12,527
Of which: Real estate developers	4,400	1,966	*4,996*	*2,179*
Other individuals and not-for-profit institutions	114,393	93,379	115,628	93,130
By collateral	**137,561**	**105,464**	**140,107**	**105,657**
Assets / completed buildings	**133,667**	**103,776**	**135,854**	**103,934**
Homes	118,271	96,069	119,896	96,000
Of which: Subsidised housing	2,978	2,653	3,156	2,775
Commercial	6,722	3,088	7,034	3,183
Other	8,674	4,619	8,924	4,751
Assets / buildings under construction	**2,995**	**1,279**	**3,142**	**1,292**
Homes	1,918	893	2,128	907
Of which: Subsidised housing	21	8	23	9
Commercial	253	83	231	96
Other	824	303	783	289
Land	**899**	**409**	**1,111**	**431**
Built	357	207	349	207
Other	542	202	762	224

The table below shows the breakdown of eligible mortgage loans and credits tied to CaixaBank's mortgage covered bond issuances, according to the principal amount receivable on the loans and credits divided by the latest fair value of the corresponding collateral (LTV):

ELIGIBLE MORTGAGE LOANS AND CREDITS
(Millions of euros)

	30-06-2022	31-12-2021
Mortgage on homes	**96,963**	**96,907**
Transactions with LTV below 40%	42,091	42,097
Transactions with LTV between 40% and 60%	34,343	35,229
Transactions with LTV between 60% and 80%	20,529	19,581
Other assets received as collateral	**8,501**	**8,750**
Transactions with LTV below 40%	5,160	5,363
Transactions with LTV between 40% and 60%	3,172	3,238
Transactions with LTV over 60%	169	149
TOTAL	**105,464**	**105,657**

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

MORTGAGE LOANS AND CREDITS CHANGES IN FACE VALUES - 2022
(Millions of euros)

	ELIGIBLE LOANS	NON-ELIGIBLE LOANS
Opening balance	**105,657**	**34,450**
Reductions in the year	**8,004**	**5,863**
Cancellations on maturity	24	29
Early cancellation	111	408
Assumed by other entities	266	23
Other	7,603	5,403
Additions in the year	**7,811**	**3,510**
Originated by the Entity	5,888	2,916
Other	1,923	594
Closing balance	**105,464**	**32,097**

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)

	30-06-2022	31-12-2021
Potentially eligible	16,887	17,172
Other	3,866	3,916
TOTAL	**20,753**	**21,088**

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)

		30-06-2022	31-12-2021
Non-registered mortgage covered bonds		64,100	62,024
Registered mortgage covered bonds placed as customer deposits		5,088	5,638
MORTGAGE COVERED BONDS ISSUED	**(A)**	**69,188**	**67,662**
Total outstanding mortgage loans and credits*		163,350	167,687
Mortgage participations issued		(3,192)	(3,544)
Mortgage transfer certificates issued		(22,597)	(24,036)
PORTFOLIO OF LOANS AND CREDIT COLLATERAL FOR MORTGAGE COVERED BONDS	**(B)**	**137,561**	**140,107**
COLLATERALISATION:	**(B)/(A)**	**199%**	**207%**
OVERCOLLATERALISATION:	**[(B)/(A)]-1**	**99%**	**107%**

(*) Includes on- and off-balance-sheet portfolio

Appendix I. Balance sheet of CaixaBank, SA

BALANCE SHEET - CAIXABANK, SA
ASSETS
(Millions of euros)

	30-06-2022
Cash and cash balances at central banks and other demand deposits	**116,287**
Financial assets held for trading	**14,972**
Derivatives	13,993
Equity instruments	177
Debt securities	802
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	**102**
Equity instruments	49
Loans and advances	53
Customers	53
Financial assets at fair value with changes in other comprehensive income	**15,661**
Equity instruments	1,391
Debt securities	14,270
Financial assets measured at amortised cost	**417,236**
Debt securities	71,057
Loans and advances	346,179
Central banks	58
Credit institutions	9,763
Customers	336,358
Derivatives - Hedge accounting	**445**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**(167)**
Investments in subsidiaries, joint ventures and associates	**9,824**
Group entities	9,764
Associates	60
Tangible assets	**5,668**
Property, plant and equipment	5,619
For own use	5,619
Investment property	49
Intangible assets	**753**
Goodwill	18
Other intangible assets	735
Tax assets	**17,716**
Current tax assets	1,890
Deferred tax assets	15,826
Other assets	**4,594**
Insurance contracts linked to pensions	2,538
Inventories	6
Remaining other assets	2,050
Non-current assets and disposal groups classified as held for sale	**881**
TOTAL ASSETS	**603,972**
Memorandum items	
Loan commitments given	81,504
Financial guarantees given	10,848
Other commitments given	31,351
Financial instruments loaned or delivered as collateral with the right of sale or pledge	
Financial assets held for trading	244
Financial assets at fair value with changes in other comprehensive income	11,749
Financial assets measured at amortised cost	30,960
Tangible assets acquired under a lease	1,519
Investment property, leased out under operating leases	49

BALANCE SHEET - CAIXABANK, SA
LIABILITIES
(Millions of euros)

	30-06-2022
Financial liabilities held for trading	**10,764**
Derivatives	10,481
Short positions	283
Financial liabilities at amortised cost	**556,860**
Deposits	499,656
Central banks	76,101
Credit institutions	15,899
Customers	407,656
Debt securities issued	49,234
Other financial liabilities	7,970
Derivatives - Hedge accounting	**1,538**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**(3,296)**
Provisions	**5,344**
Pensions and other post-employment defined benefit obligations	631
Other long-term employee benefits	2,921
Pending legal issues and tax litigation	990
Commitments and guarantees given	385
Other provisions	417
Tax liabilities	**1,054**
Current tax liabilities	67
Deferred tax liabilities	987
Other liabilities	**2,076**
TOTAL LIABILITIES	**574,340**
Memorandum items	
Subordinated liabilities	
Financial liabilities at amortised cost	9,287

EQUITY
(Millions of euros)

	30-06-2022
SHAREHOLDERS' EQUITY	31,395
Capital	8,061
Share premium	15,268
Other equity items	35
Retained earnings	11,090
Other reserves	(3,812)
(-) Treasury shares	(663)
Profit/(loss) for the period	1,416
ACCUMULATED OTHER COMPREHENSIVE INCOME	(1,763)
Items that will not be reclassified to profit or loss	(1,381)
Actuarial gains or (-) losses on defined benefit pension plans	(48)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income	(1,333)
Failed fair value hedges of equity instruments measured at fair value with changes in other comprehensive income	0
Fair value changes of equity instruments measured at fair value with changes other comprehensive income [hedged instrument]	89
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income [hedging instrument]	(89)
Items that may be reclassified to profit or loss	(382)
Foreign currency exchange	1
Hedging derivatives. Reserve of cash flow hedges [effective portion]	(323)
Fair value changes of debt securities measured at fair value with changes in other comprehensive income	(60)
TOTAL EQUITY	**29,632**
TOTAL LIABILITIES AND EQUITY	**603,972**

Interim Consolidated Management Report

January – June 2022

Legal notice

This document is for information purposes only, and does not claim to provide a service of financial consultancy, offer of sale, exchange, purchase or invitation to purchase any kind of securities, products or financial services of CaixaBank, S.A., or any other company mentioned herein. The information contained in this document refers to the CaixaBank Group (hereinafter, "CaixaBank" or "the Entity"); where there is a different scope for data or information, this will be specified. 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 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 income statement and the consolidated balance sheet and the corresponding breakdowns of those statements provided in this report, are presented under management criteria, but have still been prepared in accordance with International Financial Reporting Standards (IFRS-EU) as adopted by the European Union under the terms of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, as subsequently amended. In preparing these statements, Circular 4/2017 of the Bank of Spain of 6 December, as subsequently modified, has also been taken into due account in that it adapts IFRS-EU to Spanish credit institutions.

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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 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. 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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Figures are presented in millions of euros unless the use of another monetary unit is stated explicitly, and may be expressed as either million euros or € million.

Contents

The Consolidated Interim Management Report, in accordance with Circular 3/2018 of the CNMV, must incorporate the most important events during the interim period, as well as a description of the main risks and uncertainties regarding that half of the year, which significantly alter any of the messages contained in the Consolidated Management Report drawn up in the previous financial year. For this reason, and in order to understand the information properly, it is important to read this document together with the 2021 Consolidated Management Report written by the Board of Directors on 17 February 2022.

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

From 1 January 2022 until the time that this report was written, no significant events took place in terms of the development of the Group, not mentioned herein.

CaixaBank in June 2022

>> CUSTOMERS

Spain's #1 bank with a solid position in Portugal

20.4m
funds

11.1m
digital customers

4,539
branches

Best Bank in Spain 2022 and Best Bank in Western Europe 2022 by Global Finance

Best Bank in Spain and Portugal 2022, by Euromoney

>> SHAREHOLDERS AND INVESTORS

Resilient income

€1,573m
attributable profit

€5,649m
Core income

7.9%
12-month ROTE
ex M&A impacts

Solid capital position

12.4%
CET1 with IFRS9 transitional adjustments

Stability in credit-quality metrics

3.2%
Non-performing ratio

0.23%
Cost of risk
12 months

Greater shareholder remuneration

>50%
pay-out
IN CASH

€0.1463
earnings per share

€641m
SHARE BUYBACK PROGRAMME

>> EMPLOYEES

Commitment to diversity

45,022
Employees

56.5%
Female

43.5%
Male

41.3%
women in CaixaBank, S.A. managerial positions

Certificate with excellence level A

>> ENVIRONMENT AND CLIMATE

OUR 2024 COMMITMENT

to mobilise
€64,000m
in sustainable financing

413,300
MicroBank beneficiaries

€3,582m
of own green bonds issued
between 2019–2022

Founding member of the Net-Zero Banking Alliance (NZBA)

CaixaBank named "Best Bank for Sustainable Finance in Spain 2022" by Global Finance magazine

>> SOCIETY

Committed to the senior collective

Certified by AENOR as "organisation committed to the elderly"

€4,000m
of own social bonds issued
between 2019-2022

>€48,000m
Assets managed with a high sustainability rating according to SFRD (articles 8 and 9)

Milestones of the first six months of the year

>> JANUARY

CaixaBank issues a new social **bond for 1,000 million euros** to fund loans to families, self-employed workers and SMEs in Spain

CaixaBank exceeds **6 million users** registered with Bizum

>> FEBRUARY

CaixaBank consolidates its specialised division for technology companies and innovative companies by opening **three new DayOne centres**

CaixaBank, '*Best shareholder service by listed company 2021*' in the Rankia Stock Exchange Awards

>> MARCH

CaixaBank has issued **6 million 100%-recycled cards** in Spain

CaixaBank successfully places its **second bond in pounds** valued at 500 million

>> APRIL

Takes the leap into the metaverse becoming the first European fintech company in the virtual world

CaixaBank posts an attributable profit of **707 million euros** in the first quarter, up 37.6% on a like-for-like basis

>> MAY

[Presentation of the 2022–2024 Strategic Plan] CaixaBank makes service quality a pillar of its Strategic Plan and aims to achieve profitability of over 12%

the Board of Directors resolved to approve and initiate a **share buyback program for a maximum of €1,800m**

>> JUNE

Imagin integrates a **calculator** into its app so that users can measure their **carbon footprint**

CaixaBank, named "*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)

1. Our identity

CaixaBank is a financial group with a socially responsible universal banking model, with a long-term vision based on quality, proximity and specialisation, which offers a value proposal 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 the Company

Our mission.
To contribute to our customers' financial well-being and the progress of 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.

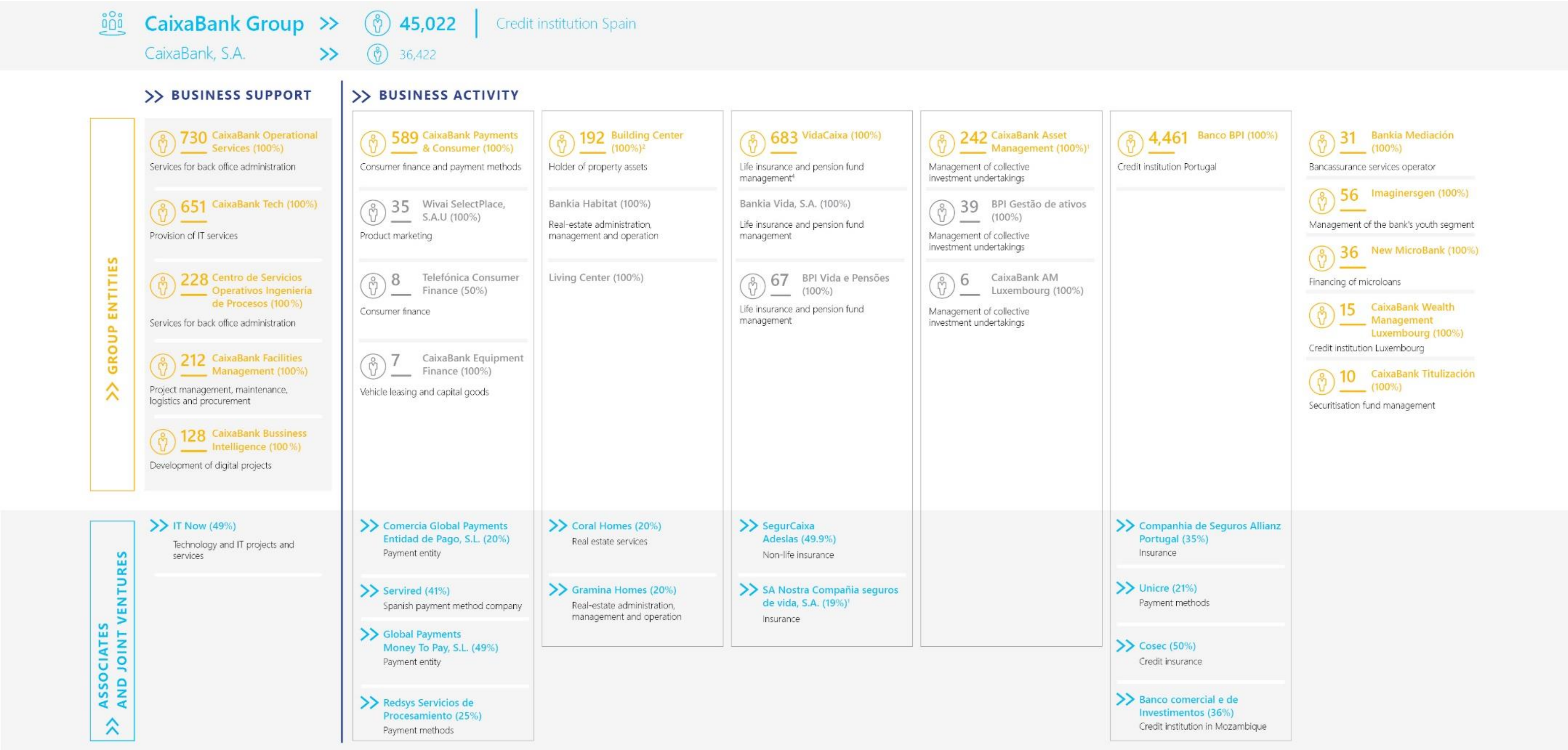
>> WE DO THIS WITH:

- specialized advice,
- personal finance simulation and monitoring tools.
- comfortable and secure payment methods,
- a broad range of saving, pension and insurance products,
- responsibly-granted loans,
- and, 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 Group structure



—— Company subgroups. (%) Percentage of stake at 30 June 2022.

XX Number of employees.

N.B.: The most significant entities are included according to their contribution to the Group, excluding shareholder operations (dividends), extraordinary operations and non-core activities: Inversiones Inmobiliarias Teguise Resort S.L. (18 employees), Lideres de Empresa Siglo XXI, S.L. (25) and Credifimo, EFC, S.A. (16 employees), among others.

[1] On June 27, 2022, CaixaBank has reached an agreement with CASER for its subsidiary VidaCaixa to buy its 81.31% stake in the share capital of Sa Nostra Vida, a company dedicated to life insurance and pension plans that operates in the Balearic Islands.

2. Corporate Strategy

2.1 Context and prospects

Economic context

Overall evolution

During the first half of the year, the economic context was marked by the war in Ukraine and the implementation in China of the zero-COVID policy as well as the monetary policy tightening. The overall economic activity exhibited some resilience despite the context of high uncertainty thanks to the good performance of the service sector due to the lifting of restrictions, to the continued solidity that the labour market is showing in many countries, and to the excess savings accumulated in the past two years. Nevertheless, the performance was mixed. While the US economy suffered a fall in GDP of 0.4 % quarter on quarter in Q1, the eurozone managed to grow by 0.6 % quarter on quarter. China experienced a marked decline in the second quarter.

Lockdowns in China and the festering conflict between Russia and Ukraine worsened bottlenecks and pressure on commodity prices. As a consequence, inflation reached record highs in most developed and emerging economies, and there has been a more intense tightening of monetary policy that came earlier than expected.

In light of the tightening of financial conditions and persistent inflationary pressures, activity is expected to slow down in the forthcoming quarters, although positive GDP growth rates are still expected in the major economies in Q2, with the exception of China.

Eurozone evolution

The eurozone achieved considerable growth in Q1 2022, up 0.6 % quarter-on-quarter, although this result must be put into context, given that more than half of this performance is down to Ireland's extraordinary growth. For Q2, a significant slowdown in activity is expected, particularly on the private consumption side. In fact, consumer confidence nose-dived in March, with the outbreak of the war in Ukraine, and has continued to fall down to values in June close to the start of the pandemic. Furthermore, the manufacturing sector remains especially affected by recurrent issues global supply chains, by the rising cost of its inputs and by the incipient decline in orders. There is only clear evidence of improvement in the services sector, boosted by the easing of restrictions and the prospect that the summer season will match or even exceed its pre-pandemic activity levels, given that households will make use of the savings accumulated over the past two years. However, the modest impairment in confidence surveys among business people in the sector in June anticipates a certain slowdown in activity in the tertiary sector following the summer.

Inflationary pressures intensified throughout the six-month period, and in June inflation in the eurozone reached a new all-time high of 8.6 %, with a generalised increase by components.

Spanish economy overview

The Spanish economy's performance in the first six months of 2022 was initially conditioned by the impact of the omicron variant and then by the economic effects of Russia's invasion of Ukraine. This intensified inflationary pressures and maintained disruptions in supply chains. In this complex backdrop marked by a sharp increase in uncertainty, the Spanish economy recorded an acute suppression of GDP growth in the first quarter of 2022, at 0.2 % quarter-on-quarter. However, indicators relating to the second quarter show a somewhat more dynamic tone, with positive highlights being the strength of the labour market and the remarkable recovery of the tourism sector. Conversely, inflationary pressures have continued, with headline inflation rising to 10.2 % in June and core inflation, excluding energy and fresh food, bouncing to 5.5 %, pressured by a growing transfer of cost increases into prices, and having a negative effect on the purchasing power of households. Under such circumstances, in which there are also numerous sources of uncertainty in the geopolitical sphere, the outlook is obscured. In that regard, CaixaBank Research has revised its GDP growth forecast for 2023 (2.4 %) downwards in June, while it has revised its inflation forecasts for both 2022 (8.0 %) and 2023 (2.6 %) upwards.

Portuguese economy overview

In Portugal, remarkable growth in activity was recorded in the first quarter of 2022, driven by the easing of restrictions put in place for the pandemic, boosting the recovery of consumption and tourism. GDP increased 2.6 % in the quarter, up 11.9 % year-on-year, which has led to an upward revision of this year's GDP growth forecast from 4.2 % to 6.6 %. Second quarter indicators point to a continued expansionary tone, albeit at a more moderate pace as a result of the increase in headwinds. Therefore, high inflation, which reached 8.7 % in June, the rise in interest rates and the cooling of external economies are negatively conditioning the outlook. In this context, 2023's GDP growth forecast has been revised downwards (from 2.8 % to 2.0 %) and inflation upwards, to an annual average of 6.5 % in 2022 and 2.2 % in 2023.

The Spanish economy closed the first six months of 2022 on a **relatively dynamic note**, but with **intensifying inflationary pressures**

Strong momentum of the Portuguese economy in the first part of the year.

Social, technological and competitive context

Business profitability and capital adequacy

The Spanish banking sector's 2021 profitability was marked by a scenario in which the improved economic situation enabled a return to pre-pandemic levels of profitability. The Spanish banking sector's return on equity (ROE) reached 9 % in 2021[1] after taking into account the extraordinary impacts of the two mergers conducted during the year (CaixaBank-Bankia and Unicaja-Liberbank). This effect, coupled with lower provisions, produced an increase of more than 6 p.p. over 2020. This recovered profitability remained ongoing in the first quarter of 2022, when the sector's ROE reached an annualised 11.1 %[2] as per European Banking Authority data. In that regard, the recovery in new lending for house purchases and corporate lending are most noteworthy, being are well above pre-pandemic levels in cumulative terms up to April.

However, the current environment remains complex for banks as a result of the outbreak of war in Ukraine and its effects on energy prices and other raw materials, coupled with supply chain issues. The foregoing will have an impact on the demand for credit, which will specifically affect consumers and the self-employed as a result of lower disposable income and increased uncertainty. As regards funding, market instability will also weigh on the growth of assets under management. Notwithstanding this, business volume will continue to grow, although at a slower pace than expected at the start of the year.

The war in Ukraine has also led to a rise in inflation and, along with it, consolidated expectations of interest rate hikes. The 12-month Euribor has been in positive territory since April 2022. The European Central Bank (ECB) pre-announced in June a tightening of the monetary policy, that it cystallised in the meeting of July in a rise in the official types of 0,5 percentage points. On the whole, we expect this rise to have a major positive impact on the profitability of banks, as a result of the repricing of the loan portfolio and the return to positive levels of the margin on deposits before the end of the year.

Credit quality has continued improving in the initial months of 2022, even though the majority of the moratoria granted to households to address the pandemic have already expired. The latest data for April 2022 place the NPL ratio for loans to other resident sectors at 4.19 %, 0.3 percentage points down on April 2021. 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 war, inflation and increased interest rates. Specifically, the weight of special watch-list loans rebounded slightly to 7.4 % in the last quarter of the year, below the European average. In terms of the evolution of refinancing operations, its weight stabilised at 3 % at the close of last year.

As regards the NPL ratio of ICO loans, despite an upturn at the close of 2021, its NPL ratio remained at contained levels (3.9 %). Similarly the percentage of these loans on special watch-lists remains below the European average (21 % compared to 22.6 %, respectively).

For 2022, a moderate upturn in NPLs is expected, coinciding with the end of the grace period for loans backed by public guarantees. As regards the consequences of the war in Ukraine, the shock plan approved by the government —enabling a 6-month extension of the grace period for loans to sectors worst hit by the conflict, relaxes the requirements to increase the maturities of ICO loans, and approves a new 10 billion euro ICO facility— will mitigate the impact on NPLs to make them fully manageable and absorbable, in light of the effort in already made provisions. This comes in addition to the improved financial situation of Spanish households and companies, with indebtedness levels that have been significantly reduced since the financial crisis to below EU levels, in spite of the increase in 2020.

In any case, the highest levels of capital (compared to the previous crisis of 2008–2014) give the banking sector in Spain a greater capacity to absorb potential losses, even in more adverse scenarios. More specifically, according to EBA data, in the first quarter of 2022 the CET1 capital ratio of the Spanish banking sector has remained stable compared to the same period of the prior year and stands at 12.8%, while the LCR ratio stands at 195 % (up from 197 % a year earlier).

The Bank of Spain has also conducted tests to ascertain the vulnerability of the Spanish banking sector to the consequences of the war in Ukraine. The results show that the banking sector has demonstrated adequate resilience (with some heterogeneity across institutions). Specifically, in an adverse scenario of a reduction in average 2022-2023 GDP growth of 2.8 pp, the CET1 of the sector as a whole would be reduced by 1.8 pp and would still stand well above the regulatory minimum.

[1] Data from the Banco de España Financial Stability Report Spring 2022.

[2] Consolidated scope, according to EBA template definitions.

Digital transformation

The more digital habits and behaviours emerging because of the COVID-19 pandemic have accelerated the digitalisation tendency of the competitive environment in which financial institutions work.

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 has been very small compared to the financial sector as a whole. However, these new entrants have grown quickly in an environment of low interest rates and abundant liquidity, and their presence can be seen throughout the value chain of the financial sector (specifically in the payments and consumer credit segments). Going forward, the ability of fintech companies to adapt their business models to the new interest rate environment will be crucial in determining the sector's evolution. Specifically, the tightening of financial conditions may be affecting investor appetite for this sector (in Q1 2022, global fintech funding fell by 18% quarter-on-quarter). In consequence, these companies may be forced to transfer a portion of their increased funding costs to their customer base —which may pose a challenge for companies whose growth is based on the provision of low or zero-cost financial services.

Furthermore, access to data and the ability to generate value from data has become an important source of competitive advantage. In particular, the use, processing and storage of data results in information that serves to create products that generate greater value for the customer and are more tailored to their risk profile. 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 in the sector generates the need to adapt business processes and strategies to the new environment.

The digitisation of the sector also brings with it numerous opportunities to generate more revenue. In particular, 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 network in the territory. At the same time, digitalisation also creates 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.

In turn, payment patterns are changing. The reduction in the use of cash in favour of electronic payments has gained speed with COVID-19, a trend that has become established in 2021 and 2022. 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. 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, which is expected to close in October 2023, the ECB is studying the benefits and risks of issuing a digital euro, profiling basic elements of its design, and analysing how it could be distributed to the general public. Upon completion of the research phase, the ECB will make a decision regarding whether to start developing a digital euro.

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 —proof of this is that the bank has more than 11 million digital customers in Spain. Likewise, in response to the change in habits following COVID-19, the bank 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, it is worth highlighting the proposal of Imagin; a digital ecosystem and lifestyle platform focused on the younger segment, offering financial and non-financial products and services. In addition, the Entity is also promoting new ways of working (more cross-cutting and collaborative) and is actively seeking to collaborate with new entrants that offer services that can be incorporated into the group's value proposition. In the area of payments, CaixaBank is involved in several sector-wide initiatives aimed at promoting new solutions.

Sustainability

The medium-term goal of decarbonisation of the European economy is being accompanied by increased regulatory activity at all levels and growing pressure (from investors, regulators, and supervisors) for companies to adjust their strategies accordingly.

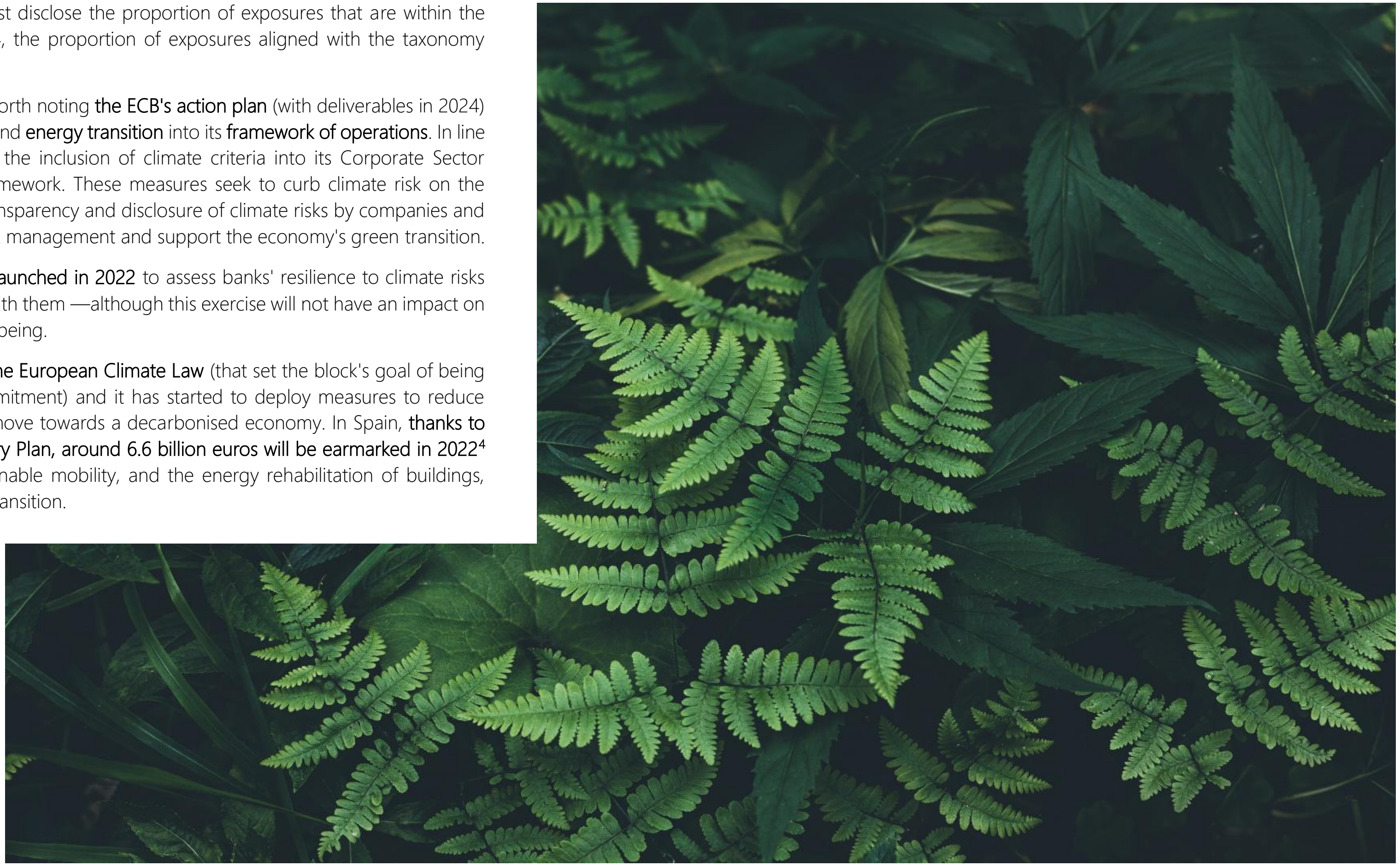
In that regard, the entry into force of the EU's green taxonomy is noteworthy. It establishes a classification system for sustainable activities and the adoption of the European Commission's Delegated Act[3] that develops information requirements on the degree of alignment with the taxonomy for companies subject to the Non-Financial Reporting Directive (NFRD). The credit institutions (subject to this directive) must disclose the proportion of exposures that are within the scope of the taxonomy, and from 2024, the proportion of exposures aligned with the taxonomy (Green Asset Ratio).

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 announced the inclusion of climate criteria into its Corporate Sector Purchase Programme and collateral framework. These measures seek to curb climate risk on the ECB's balance sheet, foster increased transparency and disclosure of climate risks by companies and financial institutions, enhance climate risk management and support the economy's green transition.

In addition, a climate stress test will be launched in 2022 to assess banks' resilience to climate risks and their level of preparedness to deal with them —although this exercise will not have an impact on banks' capital requirements for the time being.

Furthermore, in 2021 the EU approved the European Climate Law (that set the block's goal of being carbon neutral by 2050 as a legal commitment) and it has started to deploy measures to reduce Greenhouse Gas (GHG) emissions and move towards a decarbonised economy. In Spain, thanks to the Next Generation EU (NGEU) Recovery Plan, around 6.6 billion euros will be earmarked in 2022[4] to investments in urban mobility, sustainable mobility, and the energy rehabilitation of buildings, therefore 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 uphold excellence in corporate governance. Thus, and to materialise the commitment in these three areas, sustainability is one of the three pillars of the Group's new 2022–24 Strategic Plan. The actions in this strategic axis are outlined in the new 2022–24 Sustainability Management Plan.



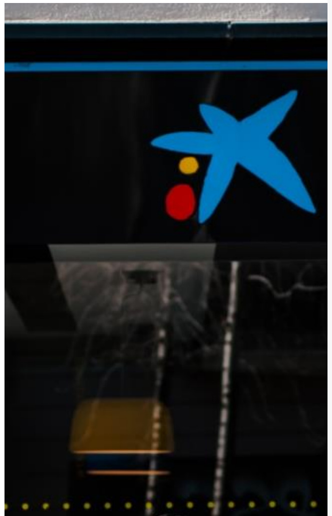
[3] Delegated Act on article 8 of the Taxonomy Regulations.

[4] According to the General State Budget for 2022.

2.2 2022–2024 Strategic Plan

Starting point

On 17 May, CaixaBank presented its **2022–2024 Strategic Plan** under the slogan **“Close to our customers”**.



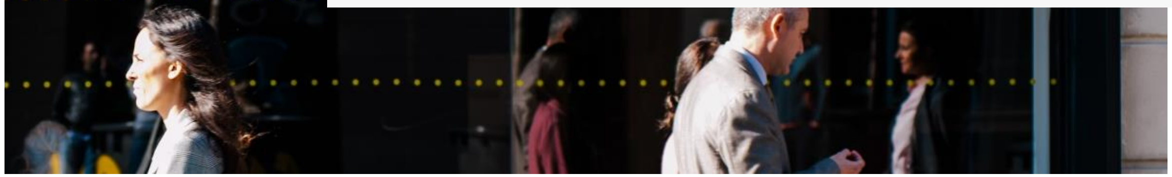
This new Strategic Plan maintains CaixaBank's commitment to society with a unique banking model and with the aim of offering the best service for each and every customer profile as we provide solutions from end to end, promote financial inclusion and lead the way in generating positive social impacts.

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.

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 **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 20,4 million customers, and has successfully completed the largest technological and commercial integration ever conducted in Spain.



2022–2024 Strategic Plan

In this context, CaixaBank is launching the new 2022–2024 Strategic Plan, which is based on **3 strategic lines**: driving business growth, maintaining an efficient customer service model adapted to suit customer preferences, and being a benchmark in sustainability in Europe.

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 in order to boost business, in addition to achieving greater penetration in insurance and long-term savings products.

Achieve 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 and business, scaling 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** to handle new competitors and take advantage 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, by way of the following:

Driving the energy transition of companies and society, offering sustainable solutions in financing and ESG advisory investments, with a commitment to the decarbonisation of the Group's portfolio. In October this year, as a founding member of the United Nations Net-Zero Banking Alliance initiative, CaixaBank will publish its first decarbonisation targets for 2030 for the most carbon-intensive sectors.

Leading the positive social impact and driving financial inclusion, through MicroBank, volunteering and social action, and commitment to the rural world and our seniors.

Being a benchmark in governance by way of effective communication in terms of ESG and best practices in sustainability, reporting and responsible marketing.

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 cyber-defense and cyber-fraud capabilities**.
- 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**.

Lastly, and as a consequence of deploying and executing this new Strategic Plan, CaixaBank seeks to achieve the **financial targets** set for 2024. Firstly, the Group seeks to keep profitability above the cost of capital and, to this end, it has set targets of a return on equity (ROE) of above 12%, an efficiency ratio of under 48% and revenue growth of 7% (as regards the compound annual growth rate, or CAGR).

Furthermore, it commits to offering attractive shareholder remuneration with a pay-out ratio of over 50%. The plan seeks to generate capital of approximately 9,000 million euros by the close of 2024. The foregoing comes while leveraging on a solid balance sheet position with an NPL ratio of under 3%, standardization of the cost of risk below 0.35% (2022–2025 average) and keeping a strong capital position, with a CET1 internal target of between 11% and 12% (without application of the temporary reductions of IFRS9) over the horizon of the Plan.

3. Corporate governance

2022 Annual General Meeting (AGM2022)

The Annual General Meeting of CaixaBank is the ultimate representative and participatory body of the Company shareholders.

The Annual General Meeting took place, in its second call, on 8 April 2022 (AGM2022). Taking into account the importance of the General Meeting for the standard functioning of CaixaBank, for the sake of social interest and the protection of its shareholders, customers, employees and investors in general, and with the purpose of guaranteeing the rights and equal treatment of shareholders, the Board of Directors agreed make it possible to remotely attend the Annual General Meeting of shareholders (AGM2022).

>> All the points on the agenda were approved at the 2022 General Meeting in April.

Quorum of 76.1%
on share capital

94.8%
Approval on average

	Agreements of the Annual General Meeting of 8 April 2022	% of issued votes in the customer's	% of votes in favour regarding share capital
1	Approval of the separate and consolidated annual accounts and the respective management reports for 2021	98.99%	75.37%
2	Consolidated non-financial information statement for 2021	98.95%	75.33%
3	Management of the Board of Directors in 2021	98.69%	75.15%
4	Approval of the proposed distribution of profit for 2021	99.05%	75.41%
5	Re-appointment of the auditors of the accounts of CaixaBank and the Group for 2023	98.91%	75.31%
6.1	Re-appointment of Tomás Muniesa Arantegui	98.37%	74.90%
6.2	Re-appointment of Eduardo Javier Sanchiz Irazu	98.55%	75.03%
7.1	Amendment of article 7 (shareholder status) of the Bylaws	98.99%	75.37%
7.2	Amendment of articles 19 (Calling of the General Meeting), 22 (Right to attend), 22bis (exclusively digital General Meeting), 24 (Granting of proxy and voting by remote means of communication prior to the General Meeting) and 29 (Minutes of the Meeting and certifications) of the Bylaws.	95.89%	73.01%
7.3	Amendment of articles 31 (Functions of the Board of Directors) and 35 (Designation of positions on the Board of Directors) of the Bylaws.	98.98%	75.36%
7.4	Amendment of Article 40 (Audit and Control Committee, Risk Committee, Appointments and Sustainability Committee and Remuneration Committee) of the Bylaws.	98.99%	75.37%
8	Amendment of articles 5 (Call), 7 (Right to information prior to the General Meeting), 8 (Right to attend), 10 (Right to representation), 13 (Chairman, Secretary and Presiding Officers), 14 (List of attendees), 15 (Constitution and commencement of the Meeting), 16 (Speeches), 17 (Right to information during the General Meeting), 19 (Voting on resolutions) and 21 (Minutes of the Meeting) and elimination of the additional provision (Digital attendance at the General Meeting of Shareholders by remote connection in real time) of the Regulations of the Company's General Meeting of Shareholders.	95.69%	72.86%
9	Capital decrease through the redemption of treasury shares acquired for such a purpose.	98.97%	75.36%
10	Approval of the Board of Directors' remuneration policy.	75.86%	57.76%
11	Delivery of shares to executive directors as payment of the variable components of remuneration by the Company.	77.34%	58.88%
12	Approval of the maximum level of variable remuneration that may be earned by employees whose work has a significant impact on the Company's risk profile.	77.53%	59.00%
13	Authorisation and delegation of powers for the interpretation, rectification, supplementation, execution, development, placing on public record and registration of the resolutions.	99.01%	75.38%
14	Consultative vote regarding the Annual Report on Directors' Remuneration for 2021.	97.27%	74.06%

Data from AGM22 8 April 2022. For more information on the results of the votes, please see: https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Gobierno_Corporativo/JGA/2022/QuorumCAST.pdf

Changes in the composition of the Board and its committees

The Ordinary General Shareholders' Meeting of 2022 approved the re-appointment of Tomás Muniesa as proprietary director (at the proposal of Fundación Bancaria Caja de Ahorros y Pensiones de Barcelona "la Caixa", hereinafter "Fundación Bancaria "la Caixa" o "FBLC" and CriteriaCaixa) and Eduardo Javier Sanchiz as independent director.

In the first six months of 2022, as regards the composition of the Entity's governing bodies, there were no changes in the composition of the members of the Board of Directors.

As regards the Board Committees, on 17 February 2022 the Board of Directors agreed to appoint María Amparo Moraleda Martínez as a member of the Appointments and Sustainability Committee, thereby increasing this Committee's number of members.

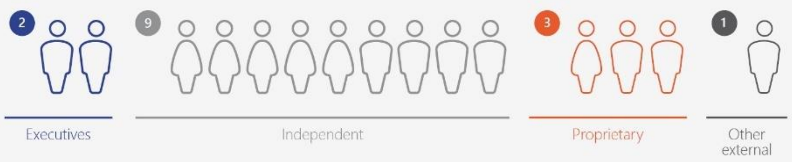
>> Board of Directors at 30.06.2022

60% Independent directors

8 meetings of the Board of Directors

40% women on the Board
(Target> 30%)

4 years
period of performance in the position



3.1 Share structure

Share capital

On 30 June 2022, CaixaBank' s share capital amounted to 8,060,647,033 euros, represented by 8,060,647,033 shares, each with a face value of 1 euro, of the same class and series, with identical political and economic rights, represented through book entries. The Company's Bylaws do not contain the provision for double voting shares through loyalty.

Shareholder structure

[1] Management data. Number of shares available for the public, calculated as the number of shares issued less treasury shares, which are held by members of the Board of Directors and those in the hands of "la Caixa" Foundation and the FROB.

[2] Fundación Bancaria Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (Fundación Bancaria "la Caixa"). In accordance with the last notification submitted to the Spanish securities market regulator (CNMV) on 29 March 2021, via Criteria Caixa, S.A.U.

[3] In accordance with the last notification submitted to the CNMV on 30 March 2021, via BFA Tenedora de Acciones, S.A.

Share tranches	Shareholders[1]	One-off	% Share capital
From 1 to 499	295,412	55,704,638	0.69
From 500 to 999	116,291	83,567,380	1.04
From 1,000 to 4,999	177,442	385,870,597	4.79
From 5,000 to 49,999	45,183	507,381,827	6.29
From 50,000 to 100,000	900	60,542,520	0.75
More than 100,000[2]	655	6,967,580,071	86.44
Total	635,883	8,060,647,033	100

[1] For those investors' shares which operate through a custody entity located outside of Spain, only the custody entity is considered to be the shareholder, and shall be that which is registered in the corresponding book-entry ledger.

[2] Includes treasury shares.

Treasury shares

The purchase and sale of own shares, by the Company or by its subsidiary companies, will be adapted to the provisions of regulations in force and the agreements of the Annual General Meeting.

>> Share buyback programme

On 17 May 2022, the Board of Directors resolved to approve and initiate a share buyback program for a maximum of 1,800 million euros, in order to cut CaixaBank's share capital by redeeming the treasury shares acquired in the buyback program.

The Buyback Program will be conducted pursuant to article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "Market Abuse Regulation") and in the Commission Delegated Regulation (EU) 2016/1052 (the "Delegated Regulation") and pursuant to the resolutions adopted by the Ordinary General Shareholders' Meeting of 22 May 2020 and 8 April 2022.

€1,800m
Maximum buyback investment

806,064,703
Maximum no. of shares bought back

12 months maximum duration of the program

At 30.06.2022

€641m
Amount bought back
€947 m in 25.07.2022

190,664,468
Shares bought back
296.177.680 in 25.07.2022

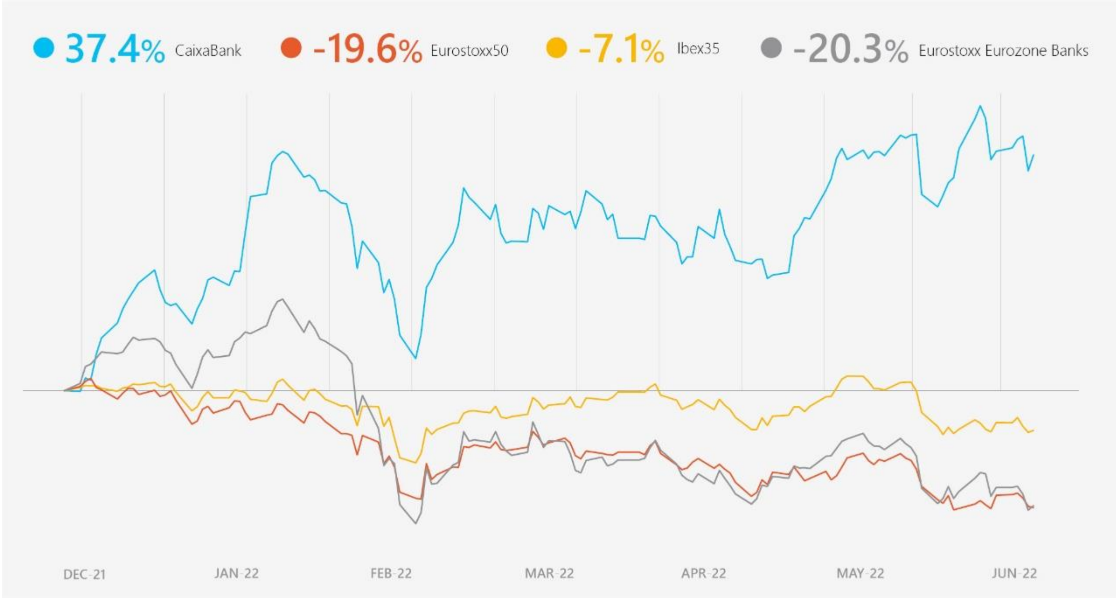
Information on the acquisition and disposal of shares held in treasury during the first six months of 2022 is included in Note 18 "Equity" to the accompanying Consolidated Interim Financial Statements.

Evolution of the share in the first half of 2022

The CaixaBank share closed on 30 June 2022 at 3.317 euros per share, with a cumulative annual rise of +37.4%. This evolution compares favourably both to that of the general aggregates (-7.1% for the IBEX 35 and -19.6% for the EURO STOXX 50) and to that of the selective banks (-0.3% for IBEX 35 Banks and -20.3% EURO STOXX banks).

In general, the first six months of 2022 left a negative balance for the stock markets. Equities were hit by the war in Ukraine, the rise in inflation, expected monetary policy tightening on both sides of the Atlantic and the fear that this tightening —in an environment of economic slowdown— could end up resulting in a recession. Both the Fed and the Bank of England have maintained their roadmaps, with the former starting its cycle of rate hikes in March and the latter continuing with the cycle it began in December 2021. The European Central Bank (ECB) tightened its tone and announced the first hike for July, upon completion of the asset buyback programme. The greater sensitivity of earnings to rises in interest rates and less direct exposure to Russia have enabled Spanish banking stocks to weather the storm better than other European peers and the general indices.

>> **PERFORMANCE OF THE MAIN INDICES IN THE FIRST HALF OF 2022** (YEAR-END 2021 BASE 100 AND ANUAL VARIATIONS IN %)



Stock market ratios	June 2022	December 2021	2022-2021 change
Share price at the close of the period	3.317	2.414	0.90
Average daily trading volume	31,659	16,315	15,344
Earnings per share (EPS) (EUR/share) / (12 months)[4]	0.30	0.28	0.02
Book value per share (EUR/share)[1]	4.43	4.39	0.04
Tangible book value per share (EUR/share)[1]	3.75	3.73	0.01
PER (price/earnings; times)[2]	11.21	8.65	2.56
P/tangible BV (Market value / tangible book value)	0.88	0.65	0.24
Dividend yield[3]	4.41%	1.11%	3.30

[1] Includes the impact of the share buy-back programme for the amount executed at the end of the quarter, in both the numerator (excluding the repurchased shares from shareholder equity, in spite of not being redeemed) and the denominator (the number of shares does not include the repurchased shares).
[2] Does not include the extraordinary impacts related to the merger with Bankia
[3] Calculated by dividing the remuneration for the financial year 2021 (0.1463 euros/share) by the closing price at the end of the period (3,317 euros/share)
[4] Excluding the extraordinary impacts of the merge

4. Our customers

CaixaBank is the leading financial supermarket for financial and insurance needs

20.4m CUSTOMERS

18.5m IN SPAIN

1.8m IN PORTUGAL

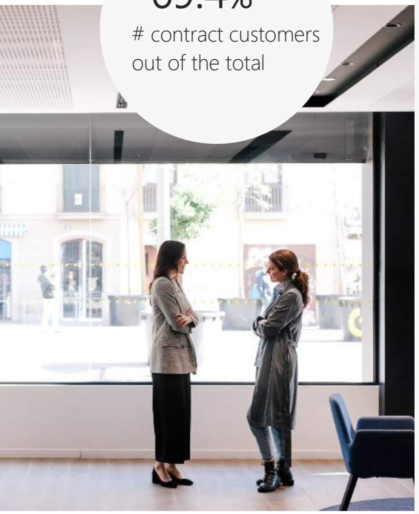
€624,087m CUSTOMER FUNDS

€362,770m LOANS AND ADVANCES TO CUSTOMERS, GROSS

>> CUSTOMER EXPERIENCE

The implementation of a system for collecting and managing feedback from customers in a constant way, omnichannel and in real time, has made possible the continuous improvement in the perceived customer experience.

69.4% # contract customers out of the total



SPAIN On 30.06.2022

89,0 IEX[1] (scale 0-100)

63,0% BRANCH NPS[2]

4.2 NPS IMPROVEM. CTL[2y3]

>> MARKET SHARE

SPAIN On 30.06.2022

24.1% LOANS TO HOMES AND BUSINESSES

25.4% MORTGAGES

34.3% DIRECT PENSION DEPOSITS

25.1% DEPOSITS OF HOMES AND BUSINESSES

24.8% INVESTMENT FUNDS

34.0% PENSION PLANS

PORTUGAL On 31.05.2022

11.3% LOANS TO HOMES AND BUSINESSES

13.5% MORTGAGES

10.8% DEPOSITS OF HOMES AND BUSINESSES

11.0% INVESTMENT FUNDS

[1] Assessment of the overall experience of the client in the relationship with its Banking center institutions, Corporate Banking or Business Centre.
[2] Provisional detail.
[3] Percentage points of improvement of the NPS for management of alerts *Close the Loop*.

4.1 Business model

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

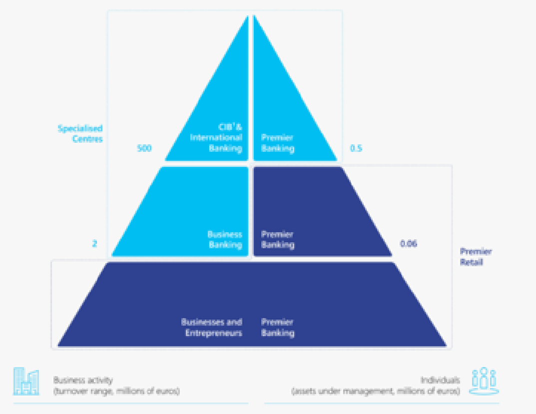
LONG-TERM SAVINGS

FINANCING

DAILY BANKING

INSURANCE

» SPECIALISED MANAGEMENT MODEL



» MODEL OF DISTRIBUTION

RETAIL BRANCHES

An optimised network and exponent of a success model
- Store branch
- Urban not store branch
- Rural branch

4.539[1] BRANCHES

13.095[1] ATMs

Having specialised proposals:

SPECIALISED CENTERS

Creations of proposals of specialised value.

INTOUCH

Relationship model with the financial clients that unites tools of remote communication with the reliable relationship that gives a skilled manager.

3,3 m inTouch CLIENTS

IMAGIN

A bank mobile and a platform lifestyle that drives the loyalty between young clients.

3,2 m IMAGIN CLIENTS

CAIXABANK NOW

Groups all the digital services of the low Company the same concept.

11,1 m DIGITAL CLIENTS

» MISSION

To contribute to our customer's **financial well-being and the progress of society**

[1] Details of Spain and Portugal. In the case of the branches, does not include representation branches nor branches out of Spain and Portugal.

Milestones in the 1st half 2022

Retail Banking: individuals, premier customers, businesses and entrepreneurs

Clients individuals with recurring incomes with a position of up to 60,000 euros

- CaixaBank launches the new commercial offering MyHome, a novel concept that gathers the entire range of products linked to the home: Protection, Mobility, Home Equipment, Sustainability and Financing
- Strengthening our commitment to the senior group (see section *6.2 "Social Commitment"*)
- Boost in the marketing of mortgages: A total of 5,928 million euros of new production in the first half of the year (+58% compared to 2021)

Premier Banking

Clients individuals with a recurring incomes with a position from 60,000 to 500,000 euros

- Consolidation of the specialised model, via the Store Premier branches, reaching the figure of 55 centres exclusively for Premier customers.
- Certification of the nearly 4,000 managers of Banking Premier in the programme of Sustainable Investments.

Businesses and entrepreneurs

Self-employed customers, professionals, businesses and micro-enterprises with a turnover of up to 2 million euros.

- Launch of *MyCard* Business: New product designed for the self-employed.
- Launch of *FeelGood*, intended for all establishments that care for families' well-being.
- New facility of EGF EIF funding.
- Launch of *Order&Go*: a comprehensive solution to improve the digitalisation of the restaurant business.

Private Banking

Clients individuals with a position more than 500,000 euros

- Launch of Independent Advisory, the service intended for customers with between 1 and 4 million euros of potential assets, featuring a full range of products and services, and charging an explicit advisory fee, with specialised advisers.
- Creation of OpenWealth, a new Group subsidiary that will focus on offering "Multifamily Office" services for customers from 50 million euros, in partnership with the best national and international providers.

Business Banking

Corporate customers between 2 million and 500 million euros

- The first bank to offer guarantee formalisation in XML format in favour of OMIE, MIBGAS and MIBGAS derivatives.
- Launch of a NextGeneration EU Funds grant recommender.
- New short-term financing functionalities for companies in the CaixaBankNow app.
- Creation of a 500-million-euro alternative debt fund to be invested over three years, which will be funded directly from CaixaBank's balance sheet and intended for Corporate Banking customers, complementing existing products.

Corporate & International Banking

Corporate customers with a turnover of over 500 million euros, financial sponsors, institutions and international

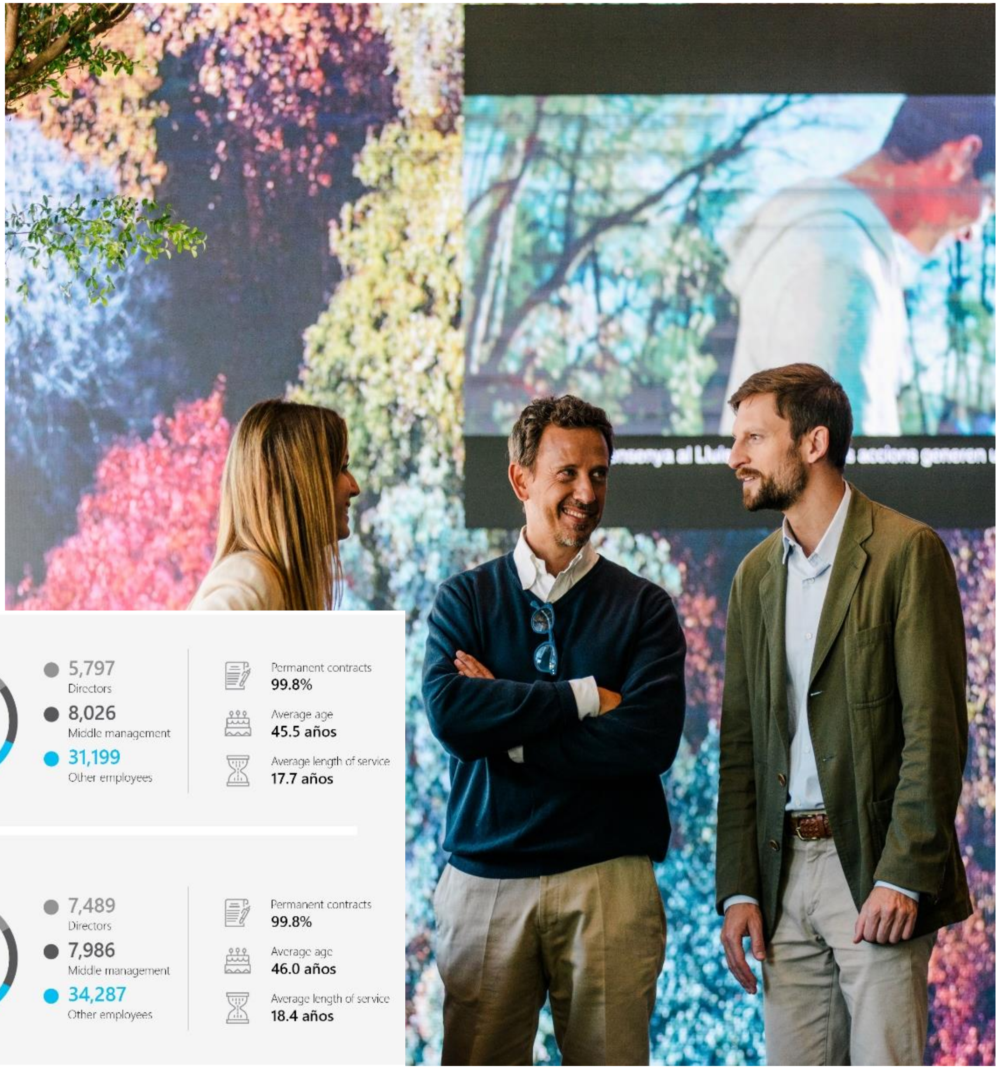
- FX Now platform, for the real-time management of the currency exchange market. Already operational in Morocco, making CaixaBank the sole Spanish bank to enable international transfers made over online banking in the African country.
- Transforming the Milan Representation Office into a branch.
- Expansion of the portfolio of products offered by branches and those marketed by Representation Offices.

5. The **people** that make up CaixaBank

The current context is proving to be a challenge, as a result of various factors such as the pressure for business profitability and sustainability, the need to adapt to new consumption patterns and business specialisation. These elements condition the management of people, given that new knowledge and skills are required. The challenge posed to organisations is for them to ensure that they have people with the necessary skills to meet the challenges of the business.

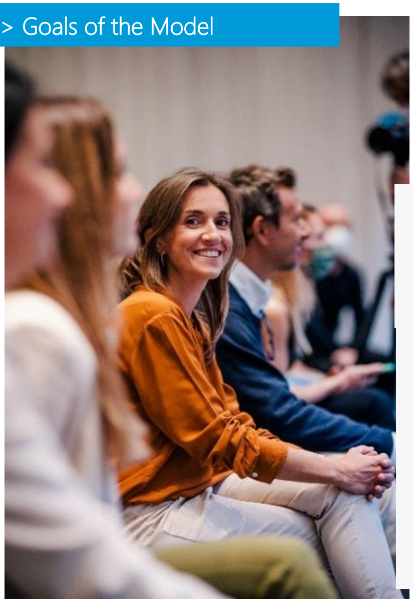
The 2022–2024 Strategic Plan is specifically geared towards people, featuring the goal of being the preferred financial Group to work for and, in parallel, having the best talent to meet the Group's strategic challenges. The levers that will be activated to achieve the goals are as follows:

- Fostering an exciting, committed, collaborative, agile and empowering **team culture**.
- Promoting a close, motivating, non-hierarchical **leadership** with transformational capabilities
- Promoting **new ways of working**, diversity and inclusion
- Transforming how the **people development** model is managed: more proactive in team training and focused on critical skills.
- Developing a **differential value proposition** for employees



Following the Bankia merger in 2021, CaixaBank has rolled out the Culture Model and the Leadership Model to accompany the Strategic Plan and boost people's commitment in a changing environment.

>> Goals of the Model



01.
Driving a team culture of people committed to our purpose and proud of working in the CaixaBank Group

02.
Strengthening knowledge of the attributes and behaviours of the corporate culture

03.
Fostering a close, motivating, non-hierarchical leadership with transformational capabilities

>> Actions of the Model

In order to achieve the goals of the Culture and Leadership Model, the Entity has launched a series of actions for the following groups:

- Culture Trainers, is the evolution of the Change Makers and Internal Trainers collectives. They are spread across four areas of knowledge: Business, Risks, Digital and Culture. For this group, actions are conducted to empower them and provide them with tools in order to be agents of transformation that help spread the We Are CaixaBank Culture to all professionals and collect feedback.

- For the entire workforce, actions are conducted to raise awareness of the We Are CaixaBank Culture and the behaviours associated with it, thus fostering cultural integration and pride of belonging. A special focus is placed on managers, who the bank seeks to make transformational leaders, benchmarks and promoters of the We Are CaixaBank Culture and the AHEAD Leadership Model.

Diversity and Equality

In the first six months of 2022, a new Diversity Plan has been outlined for the 2022–2024 period, featuring 4 core challenges:

- Consolidating gender diversity in management and pre-management positions and continuing to foster female leadership in the organization, accompanying their professional development, ensuring equal opportunities and giving visibility to leading women.
- Strengthening an inclusive and diverse culture and ensuring equal pay.
- Being the leading financial institution in terms of diversity and inclusion for our customers. We will do this by developing pioneering and high-impact initiatives, accompanying them and adapting value proposals with a diverse and inclusive approach.
- Continuing to foster diversity and equal opportunities in society through awareness-raising actions and strategic partnerships, driving the role of women in areas where they are less represented.

Transformation of the development people model

Professional development

CaixaBank seeks to enhance the critical professional skills of its employees and their development. For that purpose, all CaixaBank employees undergo evaluations in order to obtain a global perspective (performance and responsibility assessment).

Furthermore, the Entity fosters professional development programmes at both the managerial and pre-managerial levels and it has programmes to attract external talent to identify and develop talent early and thus anticipate future needs, through Talent Programs (WonNow and New Graduates).

Due to a highly changing environment and in order to lead the sector's transformation, CaixaBank has launched the Development by Skills project, to evolve to a skills-based development management model to put each employee at the centre of their own professional development and growth. In that regard, the knowledge and skills of the workforce will be analysed and, in order to anticipate future needs, an agile and personalised training and development model (upskilling and reskilling) will be created.

Ongoing training

CaixaBank Campus's learning plan is a teaching model that encompasses all the tools that the Entity makes available to its professionals to meet their development needs, and seeks to train all its professionals by fostering a culture of ongoing learning. This model structures training into four blocks:

37,408
People that have carried out training

1,269,276
hours of training

96.6%
online training

3.4%
attendance-based

CaixaBankCampus
Nunca dejes de aprender

01
>> STANDARD
WHAT THE REGULATOR REQUIRES OF ME

Training courses in order to meet the requirements of the regulator, such as certifications in LCCI (Property Credit Agreement Law), IDD (Insurance Distributions Directive) and MiFID.

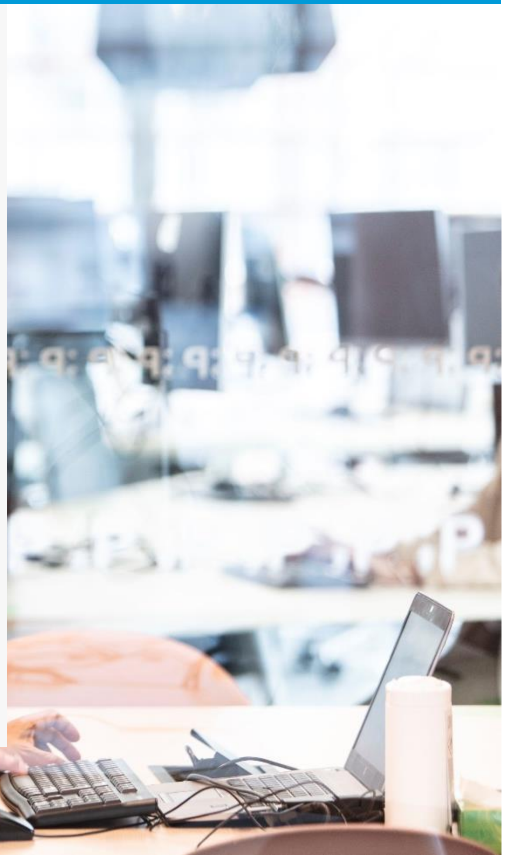
02
>> RECOMMENDED
WHAT CAIXABANK SUGGESTS FOR ME

Recommended company training for employees in accordance with their duties and the segment to which they belong. Responding to the challenges and needs of the business.

03
>> SELF-TRAINING
WHAT I DECIDE UPON

Training courses to meet employees' individual training needs: Virtual English academy (Education First), Postgraduate Degree in Risks, training in Agile Methodologies, etc.

Virtaula.Next, the online learning platform that has been redesigned in order to include new digital features and improve the employee experience, through which most of this training is delivered.



Given that sustainability is a strategic priority for CaixaBank, an ESG training plan for employees is in the pipeline for 2022.

Adequate and merit-based remuneration

The principles of the General Remuneration Policy, approved by the Board of Directors, are applicable to all the CaixaBank Group employees and among other objectives, chiefly seek to foster patterns of behaviour to ensure that value is generated in the long term and that results are sustained over time.

The Policy includes regulatory developments relating to sustainability risks —meaning environmental, social and governance (ESG) risks— and CaixaBank's adaptation to this trend, and specifically to comply with the obligations arising from Regulation 2019/2088, which establishes the obligation to include in remuneration policies information on the consistency of such policies with the integration of sustainability risks.

Remuneration at CaixaBank essentially features the following pay items:

- Fixed remuneration based on the employee's level of responsibility and career path. This accounts for a significant part of total remuneration, which also includes the various social benefits, and is governed by the collective bargaining agreement and the various internal labour agreements.

- A variable remuneration system in the form of bonuses and incentives for achieving previously established targets and set up to prevent possible conflicts of interest, and, where applicable, to include qualitative assessment principles in line with customer interests, codes of conduct, and prudent risk management.

Furthermore, CaixaBank employees have access to various social and financial benefits, most notably including the retirement savings contribution offered by the Pension Plan, the risk premium for death and disability cover, the health insurance policy and benefits childbirth and the death of a family member, besides others.

Implementation of ESG metrics in remuneration schemes

In 2022, in order to align variable remuneration with the sustainability and good corporate governance targets, the weight of metrics linked to ESG factors —environmental, social and good governance factors, such as sustainability, quality and conduct and compliance— was increased in both yearly and long-term variable remuneration schemes. It has been applied to Executive Directors, Senior Management and employees of Corporate Services.

Complementary to the items of remuneration, CaixaBank offers the Flexible Remuneration Plan (Compensa+), offering tax savings and the personalisation of remuneration according to each person's needs.

Employee experience

CaixaBank's aim is to be the preferred financial group to work for. Thus, it is conducting a series of actions to attract and retain the best talent:

01.
The differential employee value proposition has been reviewed in order to generate an emotional bond with people and turn them into prescribers.

02.
Work is being conducted to foster attractive employer branding to make CaixaBank Spain's favourite financial group to work for.

03.
Initiatives are being implemented to improve the employee experience at various stages of the life cycle, such as:

- Attract: progressing towards a selection model geared towards development, meritocracy and increased transparency.
- Bond: optimizing support with Buddies in position changes (onboarding and cross boarding).
- Dissociate: managing the moment they leave and subsequent link with the Entity.

More agile and cross-cutting working models

In the first six months of 2022, CaixaBank continued to consolidate new, more agile and cross-cutting ways of working. These include remote working, digital transformation and the application of agile methodologies in order to boost flexibility and efficiency in providing solutions.

As regards remote working, in certain areas of the organisation, CaixaBank has opted for a hybrid and flexible working model of up to 30% of the working day. In that regard, CaixaBank remains committed to upholding proximity to customers but with the flexibility that new technologies make it possible to reconcile employees' professional and personal lives. On 30 June 2022, 81.5% of CaixaBank's potential workforce had signed up to remote working.

Fostering well-being in a healthy and sustainable environment

CaixaBank is evolving towards a Healthy Organisation environment to achieve the maximum possible well-being of the people comprising the Entity. It is an approach that goes far beyond strict compliance with occupational health and safety regulations.

The Healthy Company project is structured along three axes:

i. Safety. Safe and emotionally healthy work environments

The Entity seeks to achieve excellence in the preventive culture and safe working environments. In that regard, the bank has initiated an analysis of the requirements for ISO 45001 certification. This is a voluntary certification that is more demanding than the legal requirements. This new standard is especially geared towards analysing and managing all risks and opportunities regarding health and safety at work and introduces a key concept for the motivation and commitment of professionals: well-being at work.

ii. Health. Fostering healthy lifestyles, balancing work life and health as a key element.

The Somos Saludables (We are Healthy) programme shows our commitment to fostering well-being in healthy and sustainable environments, enhancing our professionals' quality of life, and the goal of achieving the maturity of a healthy organisation and a benchmark in the sector. The activities and campaigns of its virtual platform serve to raise awareness and offer benefits for the general health and well-being of employees and their families. Additionally, the "Adeslas Health and Well-being" platform complements the We are Healthy channel, which offers customised services to care for and manage employee health.

The contents and workshops have been adapted to suit needs and interests, using the results of the opinion surveys (pulse). Furthermore, a specific Somos Saludables (We are Healthy) channel has been created on PeopleNow to share content and, in this way, reach the Entity's professionals more directly, contributing to enhancing their experience.

>> Core pillars of the *Somos Saludables (We are Healthy)*

The Physical Activity pillar, Muévete (Move) gives access to exercises and routines that can be undertaken at home and at any time.

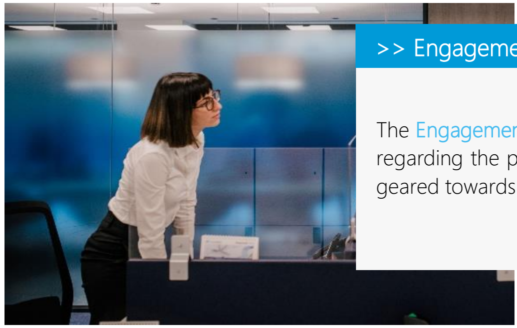
The Personal Well-being Area, Cuídate (Take Care of Yourself) provides meditation techniques and guidelines to enhance concentration and relaxation.

The Nutrition and Hydration section, Quiérete (Love Yourself) provides healthy and easy-to-make recipes

A new pillar, Vuélcate (Get Involved), has been added with activities related to sustainability, the environment and charity.

iii. Well-being. Forging a culture of flexibility with our work environments that promotes the well-being of staff, with benefits that facilitate their day-to-day work

The Sustainable Performance School in Virtaula features content that contributes to improving the personal well-being of staff with training in health and nutrition, mindfulness, environment and positive thinking, among other topics.



>> Engagement, Culture and Leadership Study

The Engagement, Culture and Leadership Study was launched in May 2022 for the entire workforce of CaixaBank S.A. The study will identify the current circumstances regarding the perception of Culture and Leadership, in addition to areas for improvement. A corporate action plan will be implemented in the second half of 2022, geared towards the main lines identified and enabling progress to be made in achieving the strategic goals.

Restructuring Plan and Labour Agreement

In 2021, in the context of the merger between CaixaBank and Bankia, the need arose for restructuring to resolve the duplicities and overlaps that occur in central services, intermediate structures and in the branch network. With this goal in mind, an agreement was reached with 92.8% of the trade union representatives, including: a collective redundancy plan (which established a maximum number of 6,452 voluntary exiting staff members), the amendment of certain working conditions in effect at CaixaBank and an integration labor agreement to standardize the working conditions of personnel originating from Bankia.

In the first six months of 2022, the planned exit of staff members remained ongoing, being mostly completed.

As regards the labor integration agreement to homogenize the working conditions of the staff originating from Bankia, in the first six months of 2022 progress remained ongoing towards:

- gradual adaptation of fixed remuneration.
- adaptation to a minimum of 4.2% of pensionable salary in retirement contributions.

6. Our commitment to sustainability

Sustainability is a corporate priority of the 2022–2024 Strategic Plan, reflecting CaixaBank's aim to become a benchmark in sustainability. For this purpose, the Board of Directors has approved the 2022–2024 Sustainable Banking Plan.

>> Ambitions of the Plan

01.

Drive the energy transition of businesses and society as a whole, by undertaking different actions such as developing solutions for companies and individuals that focus on energy efficiency, mobility and sustainable housing, while also promoting investments with ESG criteria.

02.

Lead the positive social impact and foster financial inclusion by promoting microfinance solutions and remaining committed to rural communities and adapting customer service channels to the needs of the various customer segments.

03.

Promote a responsible culture to set a benchmark in governance by adopting best practices in sustainability, reporting and responsible marketing.

>> Initiatives and action plans

Global

€64,000m
Mobilization of sustainable financing

Maintain category “A”
in the synthetic indicator of sustainability

E — **net zero emissions in 2050**
decarbonization of the portfolio

S — **413,300**
MicroBank beneficiaries

G — **42%**
women in managerial positions

Approving principles of action with regard to sustainability

In March 2022, the Board of Directors approved the Sustainability Action Principles, following on from the previous Corporate Sustainability / CSR Policy. These principles establish the commitment of the entire CaixaBank Group to consolidating an efficient, sustainable and responsible model of action characterised by a strong social calling.

Furthermore, in its commitment to human rights, in January 2022 the Board of Directors approved the CaixaBank Human Rights Principles, following on from the previous Human Rights Policy. These principles highlight the Company's commitment with human rights, in accordance with the highest international standards.

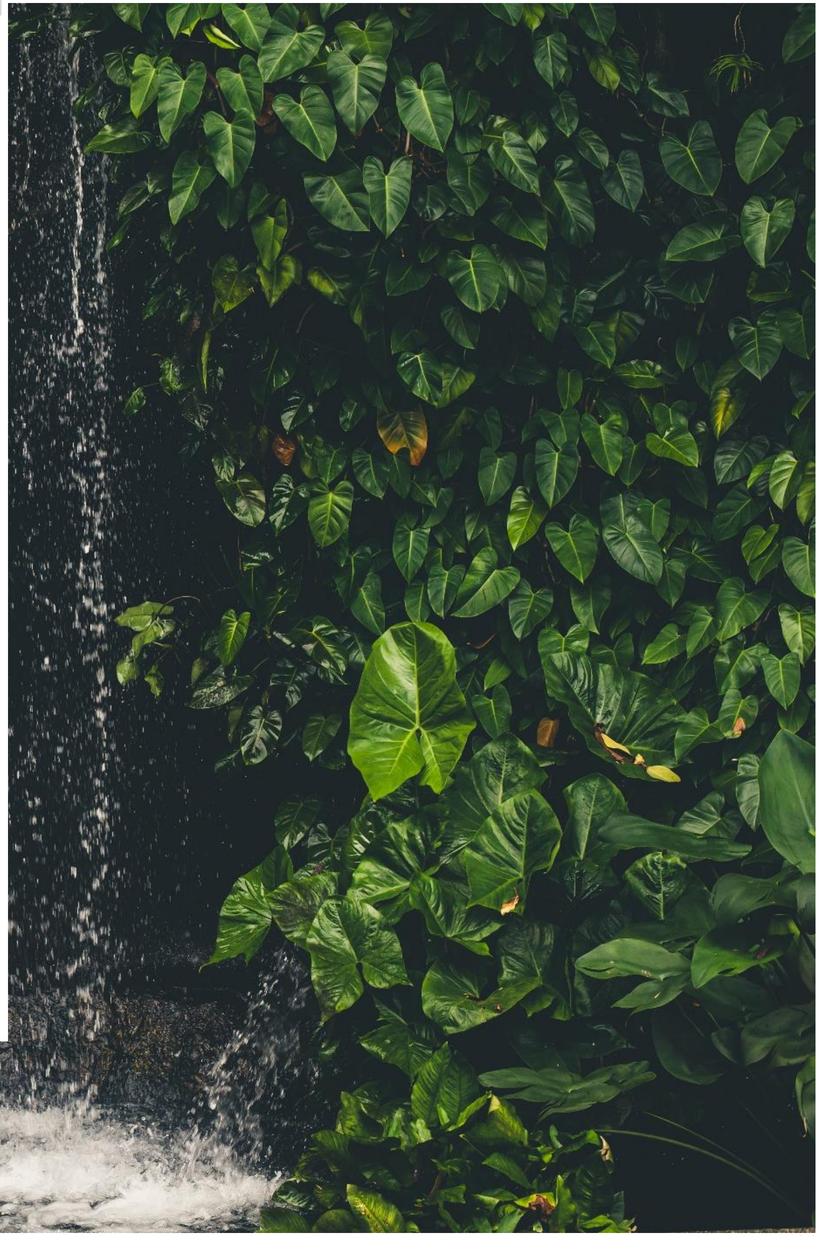
Statement of Principal Adverse Impacts of investment decisions on sustainability factors

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (known as the "SFDR") requires financial market participants to ensure transparency on how they take into account principal adverse impacts (PAI) arising from their investment decisions, advice and/or the products themselves on sustainability factors by publishing adverse impacts by 30 June each year.

In that regard, on 30 June 2022, CaixaBank, CaixaBank Asset Management and VidaCaixa have anticipated the regulatory requirement for 2023 —when it will be required to provide information on specific, quantitative indicators— by publishing, this year, information on the most relevant indicators for the Group, with a view to fostering greater market transparency and becoming a European benchmark in sustainability pursuant to the Strategic Plan.

Indices ESG Ratings

Indices ESG Ratings	CaixaBank	Rating scale (Worst ← → Best)
Member of Dow Jones Sustainability Indices. Powered by the S&P Global CSA	86	*Sustainability score*: 0 – **86** – 100
MSCI ESG RATINGS AA	AA (Leader)	ESG Rating: CCC, B (Laggard); BB, BBB, A (Average); **AA**, AAA (Leader)
STOXX SUSTAINALYTICS ESG REPORT	Low risk (19)	ESG risk rating: Severe 40+; High 30-40; Medium 20-30; **Low 10-20**; Negligible 0-10
QUALITYSCORE, highest ranked by ISS ESG: 1	1 | 1 | 1 E | S | G	ESG *QualityScore*: 10, 9, 8, 7, 6, 5, 4, 3, 2, **1**
ISS ESG ethix · climate · oekom	C Status: **Prime** Transparency: **very high** Decile rank: **#1**	ESG corporate rating: D-, D, D+, C-, **C**, C+, B-, B, B+, A-, A, A+. Transparency level: Very low, Low, Medium, High, **Very high**
FTSE4Good	4.1	Rating ASG: 0, 1, 2, 3, 4, **4.1**, 5
CDP Driving sustainable economies	A (Leadership)	Climate change rating: D-, D (Disclosure); C-, C (Awareness); B-, B (Management); A-, **A** (Leadership)
V.E Moody's ESG	60 (Advanced)	Sustainability index: 0, <30 (Weak); 30-49 (Limited); 50-59 (Robust); **60**, 100 (Advanced)



6.1 Environmental and climate strategy

As a founding member of the Net-Zero Banking Alliance (NZBA), CaixaBank is committed to becoming carbon neutral by 2050. CaixaBank currently has a neutral carbon footprint from its own activity and is working to ensure that its indirect activity, in other words, its portfolio, is also net zero in greenhouse gas emissions by 2050.

Environmental protection is one of the Bank's priorities and it has an Environmental Strategy in place that seeks to contribute to the transition by funding and investing in sustainable projects, managing environmental and climate risk and curbing the direct impact of its operations.

>> Lines of action of the Environmental Strategy

- Promoting sustainable business
- Managing ESG and climate risks
- Minimising its impact on the environment

The Strategy is embodied in a public commitment to a Climate Change Statement, reviewed and approved by the Board of Directors in January 2022.

Environmentally sustainable financing

During the first half of 2022, CaixaBank continued to finance environmentally sustainable activities:

CaixaBank has been leader in sustainable financing in Europe during the first half of the year, according to the classification of *Refinitiv*, that situates the bank **in the first position of the ranking EMEA *Top Tier Green & ESG-Linked Loans***

- Financing **energy efficient buildings** with an expected rating of A or B for an amount of 729 million euros (534 million euros in the first six months of 2021).
- Financing 15 **renewable energy projects** for an amount of 370 million euros (1,170 million euros in the first half of 2021).
- Granting 53 **loans indexed to sustainability variables** that are linked to the good performance of companies in terms of ESG criteria, for an amount of 7077 million euros (51 loans for 7,784 million euros in the same period last year).
- Financing **consumer and AgroBank eco-financing facilities** for an amount of 37.9 million euros (36 million euros in the first six months of 2021).
- Granting 35 **green loans** for an amount of 3,225 million euros (12 loans for 335 million euros in the first six months of 2021). Of these, 986 million euros was set aside for 12 real-estate projects with energy certification A or B.
- Financing 262 million euros in green mortgages, 45.9 million euros in solar panels and 2.6 million euros in sustainable vehicles.
- CaixaBank has **taken part in placing 1 green bond issue** for an amount of 500 million euros (7,322 million euros in the first six months of 2021).
- CaixaBank has **taken part in placing 4 sustainable bond issues** for an amount of 3,000 million euros **and 3 sustainability-linked bonds** for an amount of 2,750 million euros.

In **BPI**, the total **environmentally sustainable financing** granted in the first six months amounts to 232 million euros, and it participated in placing ESG bond issues for the amount of 25 million euros.

Promoting green business

In a move to advance towards sustainability, CaixaBank applies specific liquidity premiums to asset transactions that are deemed green, in other words, those that contribute to improving the environment and/or reducing greenhouse gas emissions.

With this green premium, the bank seeks to foster the issuance of green bonds and the channelling of business opportunities that will arise in the forthcoming years driven by national and European regulations and commitments to the economy and sustainable activities, such as the green taxonomy, the Next Generation EU funds, and the net-zero decarbonisation targets for 2050.

Thus far, the scope of the green premium is limited to new mortgages, promoter subrogations and commercial real estate operations, project finance, asset finance, and corporate financing for specific purposes, when they comply with the eligibility criteria.

Managing ESG and climate risks

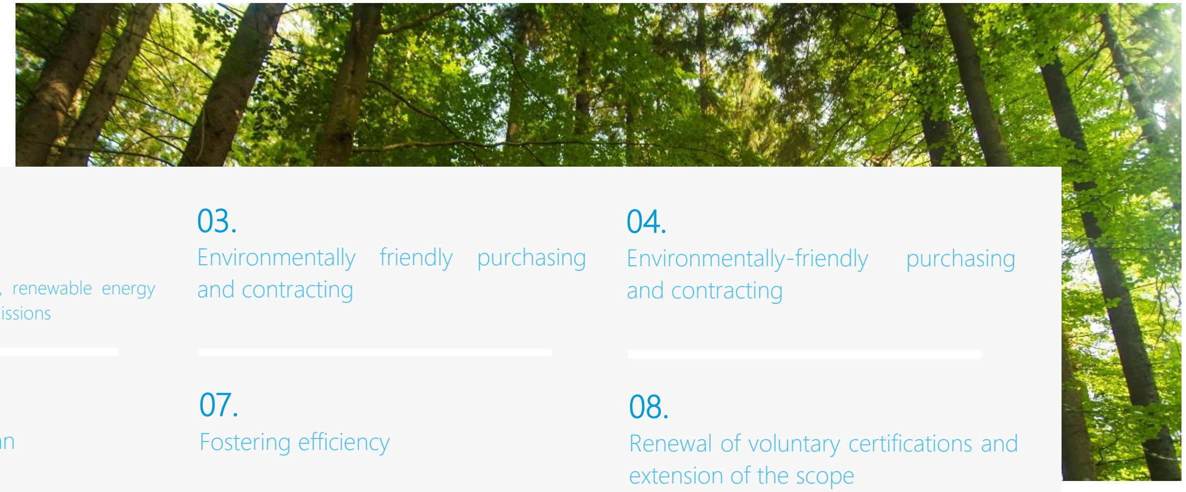
CaixaBank seeks to ensure that procedures and tools used to identify, assess and monitor climate and environmental risks are applied and integrated within its standard risk processes, compliance function and operations.

For this purpose, in March 2022 the Board of Directors approved the Corporate Policy on Sustainability / ESG Risks, which consolidates the previous Corporate Policies on Environmental Risk Management and Relations with the Defence Sector and lays down the criteria for ESG analysis in the customer onboarding and credit approval processes of the bank.

The Policy establishes a series of general and sectorial exclusions relating to activities that may have a significant impact on human rights, the environment and climate, under which CaixaBank cannot take on credit risk. The general exclusions apply to all customers, while the sector-based exclusions impact certain activities in the defence, energy, mining, infrastructure and agriculture, fisheries, livestock and forestry sectors. The scope of the new policy includes: (i) the approval of new loans and guarantees; (ii) the purchase of bonds and equities; and (iii) the investment in companies through the investee portfolio.

Minimising environmental impact: - Environmental management planning

Our Sustainable Management Plan includes the 2022-2024 Environmental Management Plan, with 8 action plans aimed at reducing the direct impact of our activity.



01. Governance in the Group's Environmental Management

02. Climate change
Operational carbon footprint, renewable energy consumption and offset of emissions

03. Environmentally friendly purchasing and contracting

04. Environmentally-friendly purchasing and contracting

05. Commitment to circular economy

06. Sustainable Mobility Plan

07. Fostering efficiency

08. Renewal of voluntary certifications and extension of the scope

The 2022–2024 Environmental Management Plan lays down quantitative targets for all the years throughout which the plan is in force, making it possible to measure the degree of success of its implementation:

Objective	Indicators	2022 objective	2023 objective	2024 objective
Carbon Neutral Project				
Minimising and offsetting the carbon footprint	Reduced carbon emissions	-12.9%	-15.8%	-19.3%
	Scope 1[1]	-7%	-10%	-15%
	Scope 2	-100%	-100%	-100%
	Scope 3	-12%	-15%	-18%
	Offset carbon emissions	100%	100%	100%
100% renewable energy consumption	Energy consumed from renewable sources	100%	100%	100%
Environmental efficiency and certifications				
Reduction of paper consumption/waste	Reduction of paper consumption	-8%	-12%	-15%
Implementation of energy efficiency measures	Energy consumption savings	-6%	-8%	-10%
Renewal of certifications and extension of the perimeter	Environmental certifications in main buildings	+2	+3	+4

Note: The target data shown in the table take 2021 as the base year of reference.
[1] To calculate the objective of Scope 1, the 2019-2021 period's average has been considered as the baseline reference year.
[2] To calculate the objective of Scope 3, 2019 (prior to the COVID-19 restrictions) has been considered as the baseline reference year for the data on emissions from business trips. The objective is framed within the same perimeter reported in 2021. Scope 3 does not include the category 15 "Investments".

6.2 Social commitment

Social projects in our communities

Social action is one of CaixaBank's core assets and differential value, which is integrated into and goes beyond its banking activity, featuring solutions that respond to the needs of people and the world we live in.

We conduct our social actions through:

- **Partnerships with third parties** to provide solutions to overcome social challenges, promote education and support vulnerable groups.
- Promotion of **volunteering initiatives**
- Conducting **social projects** in partnership with local NGOs and associations.

6,228
active volunteers
2024 target: 10,000

>> Conflict in Ukraine

The Group has launched an array of measures to facilitate aid to the people affected by the war in Ukraine:

- **Charity routes**: transfer of families from conflict zones in Ukraine to host territories in Spain. A total of 5 convoys completed with 540 refugees. Furthermore, 29 medical ambulances and medical equipment were delivered to hospitals in Ukraine.

- **Collection of donations**: the bank has collected 4.9 million euros through the Donation Platform, for making financial donations to humanitarian organizations.
- **Free services**: The bank offers no cost transfers to Ukraine with the aim of helping refugees and permits customers of Ukrainian banks to use its ATMs free of commissions. The Entity has also expedited the account opening process for people from Ukraine, in addition to other services.

Financial inclusion

Financial inclusion is a key factor in reducing poverty and promoting shared prosperity. Promoting financial inclusion is in the CaixaBank DNA and one of its strategic priorities.

>> CaixaBank views inclusion from a three-pronged perspective

(at 30.06.2022):

Channeling funds towards concrete actions, directly contributing to the SDGs.

1 Social bond issued in 2022 for 1,000 million euros

Social housing programme and Impulsa programme

12,103 houses in the social rental housing programme

Offering products and services to vulnerable groups and contributing to financial literacy.

302,915 social and insertion accounts

Physical and technology accessibility measures and presence in most municipalities.

In 2022, we have strengthened our commitment to the senior group

MicroBank The largest private microfinance institution in Europe

570 million euros of microloans and other impact financing granted in the first semester

7.9 million euros to Skills & Education Programme granted in the first semester

>> Skills and Education

In 2021, MicroBank signed a new agreement with the European Investment Fund (EIF) to improve access to finance for individuals and organizations who want to invest in training and education in order to improve their employability.

The facility offering funding to students has been implemented in 2022. The funding facility for organizations was implemented in 2021.

Strengthening our commitment to the senior group

CaixaBank strengthens its commitment to care for the elderly, with the most extensive measures in Spain's financial sector.

CaixaBank has reaffirmed its commitment towards the senior group by launching ten initiatives, most notably including the creation of a team of 2,000 senior advisers, the extension of the cashiers' hours in branches and the strengthening of all its communication channels with these users. All of these are already operational or in the process of being implemented.

It thus will expand this group's global product and services offering, with the aim of providing an excellent service and maintaining its leading position in this segment, in which it boasts over four million customers and a market share 34.3% in direct-deposit pensions.

We accompany people

- >> 982 specialized exclusively dedicated advisers
  2,000 in 2024
- >> Strengthening of 1,475 people in branches for personal service
  1,350 in 2024
- >> Personal accompaniment in the use of ATMs

We adapt to suit your way of interacting

- >> 100% user-friendly ATMs adapted for passbook use
  100% in 2024
- >> Personal service by telephone and WhatsApp
- >> Unrestricted opening hours
- >> Advance payment of monthly pension payments on the 24th day of the month

We work together to prevent financial exclusion

- >> 114 attendance-based training sessions
  3,000 in 2024
- >> The most extensive network of branches (4,202 in Spain, of which 3.934 retail branches) and ATMs (11,719 in Spain).
- >> We do not abandon towns and cities and we are expanding the ofibus service (579 municipalities with 17 ofibus)

CaixaBank now offers an extensive portfolio of products that blends protection solutions with VAUL (unit-linked asset value) savings solutions

SENIOR SOLUTIONS

€26,443m
in Life Annuities and VAUL

152,900
Customers
MyBox *Senior Protection*

MAIN PRODUCTS

- MyBox Senior Protection
- MyBox Health Senior
- MyBox Senior Burials
- VAUL
- Life Annuities

CaixaBank, the first institution to be certified by AENOR as an organisation committed to the elderly.

AENOR
COMPROMISO CON LAS PERSONAS MAYORES

AENOR has identified the following as strong points of the bank's value proposition for the senior segment: priority service at branches; high level of employee involvement with such customers; and training of specialist advisers, in addition to other points.

6.3 Socially responsible investment

In line with its socially responsible banking model, CaixaBank is committed to sustainable investment, understood as investment that not only offers financial returns for investors, but also promotes management that is coherent with the creation of value for the whole of society, pursuing a social and environmental benefit.

VidaCaixa and CaixaBank Asset Management's efforts have been focused on the implementation of the regulatory requirements arising from the European Commission's Sustainable Finance Plan.

Milestones 1st half 2022

- Statement of **Principal Adverse Impacts** (PIA) of investment decisions on sustainability factors.

  As stated previously, on 30 June 2022, CaixaBank, CaixaBank Asset Management and VidaCaixa have anticipated the regulatory requirement for 2023 by publishing, this year, information on the most relevant indicators for the Group.

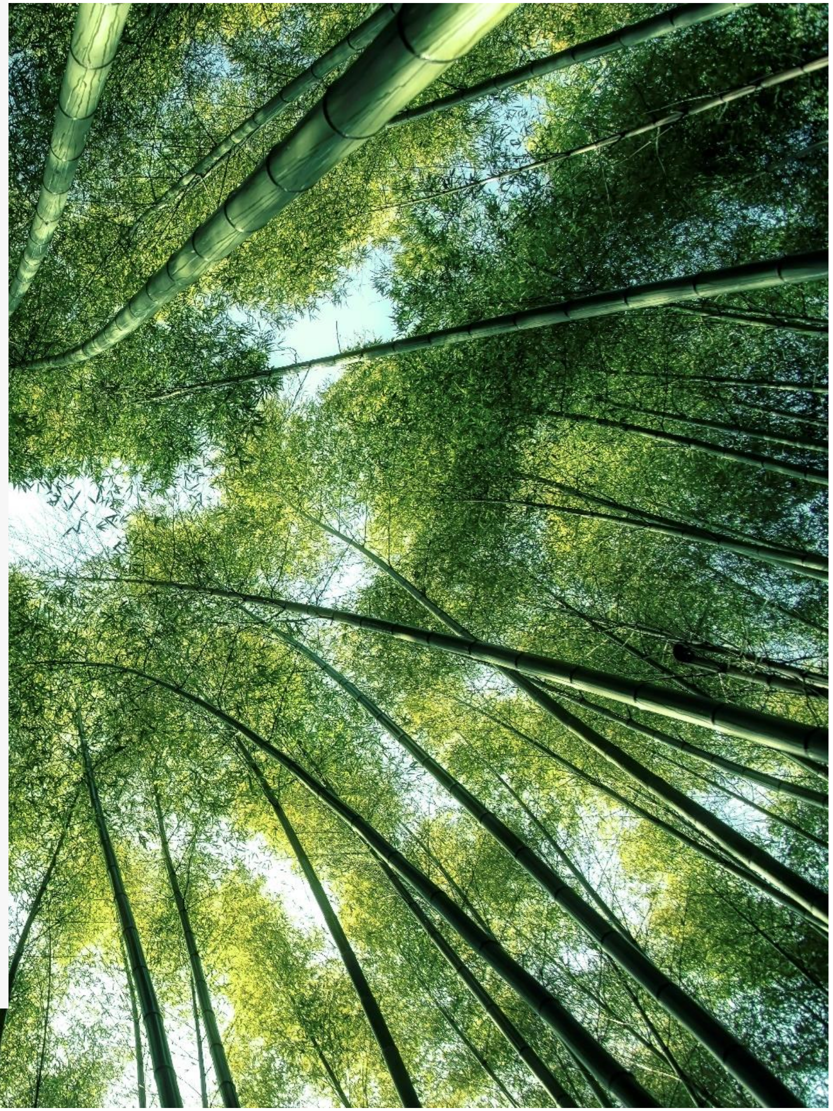
- VidaCaixa and CaixaBank Asset Management have successfully passed the first monitoring audit for the **Sustainable Finances Certification by AENOR**.

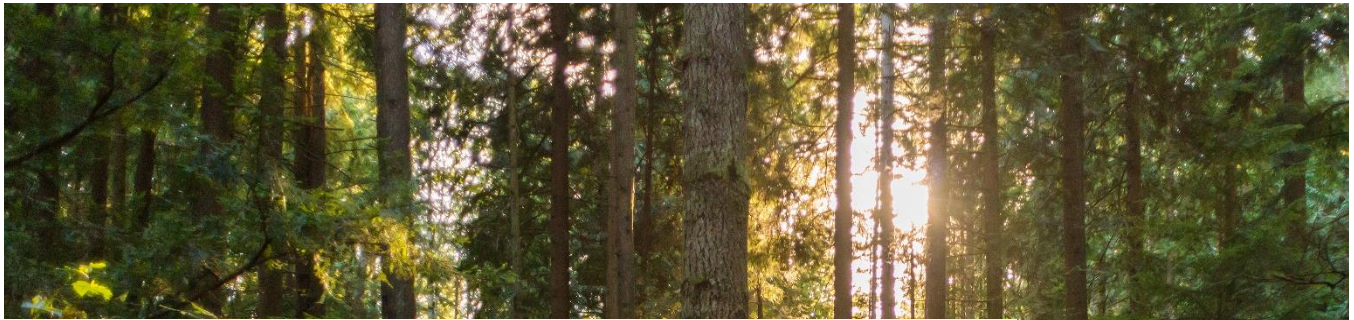
- CaixaBank Asset Management and VidaCaixa have adhered to a new Collaborative Dialogue: 2022 Global Investor Statement to Governments on the Climate Crisis.

- **VidaCaixa** received the award for **"Best Pension Fund Manager"**, as a result of its strategy of diversification, active management and integration of environmental, social and good governance criteria.

PRI Principles for Responsible Investment A+
MÁXIMA PUNTUACIÓN EN ESTRATEGIA Y BUEN GOBIERNO

CaixaBank Asset Management, BPI Gestão de activos and VidaCaixa are rated A+ in the strategy and governance category, the highest possible PRI rating





VidaCaixa

>> MANAGED CUSTOMER FUNDS

€106,142m in Spain[1]

€106,032m in December 2021

€7,444m in Portugal[2]

€7,978m in December 2021

>> DISTRIBUTION OF ASSETS OF PRODUCTS UNDER SFDR (PENSION PLANS IN SPAIN)

54.1% (€23,507m)	Assets of products classified under article 6 (Integra range)
42.0% (€18,222m)	Assets of products with sustainability rating (article 8 - Impulsa range)
3.9% (€1,691m)	Assets of products with sustainability rating (article 9 - Impacta range)

100%
OF ASSETS UNDER MANAGEMENT TAKE INTO ACCOUNT ESG ASPECTS AS OF 30 JUNE 2022 (ACCORDING TO UNPRI CRITERIA)

45.9%[3]
OF ASSETS WILL HAVE A HIGH SUSTAINABILITY RATING ACCORDING TO SFDR (ARTICLES 8 AND 9) (€19,913m)

[1] Includes the life insurance and pension plans business of VidaCaixa, S.A.
[2] Includes the life insurance and pension plans business of BPI Vida e Pensões, wholly owned by VidaCaixa, S.A.
[3] Calculated percentage of plans affected by SFDR, including EPSV and Unit Linked.

>> ASSETS UNDER MANAGEMENT

CaixaBank ASSET MANAGEMENT

€80,445m in Spain[1]
€84,507m in December 2021

€7,289m in Portugal[2]
€7,959m in December 2021

€826m in Luxembourg[3]
€967m in December 2021

100% OF ASSETS UNDER MANAGEMENT TAKE INTO ACCOUNT ESG ASPECTS AS OF 30 JUNE 2022 (ACCORDING TO UNPRI CRITERIA)

>> DISTRIBUTION OF ASSETS OF PRODUCTS ACTIVELY MARKETED UNDER SFDR

Spain		Portugal
59.7% (€43,951m)	Assets of products classified under article 6 (Integra range)	39.5% (€1,420m)
4.0% (€2,951m)	Assets of products classified under article 6 (non-Integra range)	0% (€0m)
32.4% (€23,850m)	Assets of products with sustainability rating (article 8 - Impulsa range)	59.9% (€2,154m)
3.9% (€2,863m)	Assets of products with sustainability rating (article 9 - Impacta range)	0.7% (€24m)

36.3% OF ASSETS WILL HAVE A HIGH SUSTAINABILITY RATING ACCORDING TO SFDR (ARTICLES 8 AND 9) (€26,713m)

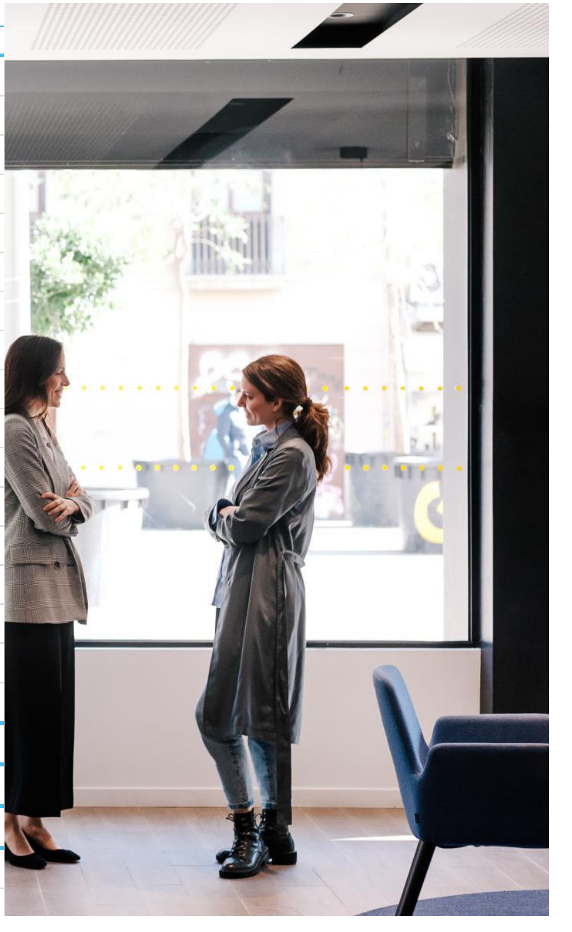
60.6% OF ASSETS WILL HAVE A HIGH SUSTAINABILITY RATING ACCORDING TO SFDR (ARTICLES 8 AND 9) (€2,178m)

[1] Includes CaixaBank Asset Management SGIIC's fund business, discretionary management portfolio and SICAVs
[2] Includes the mutual and real estate fund business and discretionary management portfolios of BPI Gestão de Activos SGFIM, wholly owned by CaixaBank Asset Management.
[3] Includes the business of funds and SICAVs of CaixaBank Asset Management Luxembourg, S.A.

7. Income statement and financial information

Below is the performance of profit and loss in the previous two interim periods. The profits of 2021 are impacted by the Q1 2021 formalisation of the merger between CaixaBank and Bankia, which has affected the performance of the various headings and generates extraordinary impacts.

				ex M&A one offs	
€ million	June 2022	June 2021	Change	June 2021	Change
Net interest income	3,156	2,827	11.6	2,827	11.6
Dividend income	131	152	(13.4)	152	(13.4)
Share of profit/(loss) of entities accounted for using the equity method	112	205	(45.5)	205	(45.5)
Net fee and commission income	1,994	1,640	21.6	1,640	21.6
Trading income	247	80		80	
Income and expense under insurance or reinsurance contracts	411	318	29.3	318	29.3
Other operating income and expense	(397)	(339)	17.0	(339)	17.0
Gross income	5,655	4,883	15.8	4,883	15.8
Recurring administrative expenses, depreciation and amortisation	(3,011)	(2,747)	9.6	(2,747)	9.6
Extraordinary expenses	(23)	(1,970)	(98.8)	(1)	
Pre-impairment income	2,621	166		2,135	22.8
Pre-impairment income stripping out extraordinary expenses	2,644	2,136	23.8	2,136	23.8
Allowances for insolvency risk	(376)	(328)	14.3	(328)	14.3
Other charges to provisions	(90)	(155)	(42.2)	(129)	30.5
Gains/(losses) on disposal of assets and others	(36)	4,284		(16)	
Profit/(loss) before tax	2,120	3,966	(46.6)	1,662	27.6
Income tax expense	(546)	214		(384)	42.0
Profit/(loss) after tax	1,574	4,180	(62.4)	1,277	23.2
Profit/(loss) attributable to minority interest and others	1				
Profit/(loss) attributable to the Group	1,573	4,181	(62.4)	1,278	23.1
Core *income*	5,649	4,899	15.3	4,899	15.3
Cost-to-income ratio	57.6	75.8	(18.1)	54.3	3.3



Furthermore, in order to facilitate comparability, the evolution of the 2022 income statement is presented in comparison to that of 2021 on a like-for-like basis, i.e. aggregating Bankia's profit prior to the merger (Q1 2021) and excluding the extraordinary items associated with the merger.

€ million	June 2022	June 2021	Change
Net interest income	3,156	3,275	(3.6)
Dividend income	131	152	(13.5)
Share of profit/(loss) of entities accounted for using the equity method	112	217	(48.4)
Net fee and commission income	1,994	1,922	3.8
Trading income	247	90	
Income and expense under insurance or reinsurance contracts	411	318	29.3
Other operating income and expense	(397)	(380)	4.3
Gross income	5,655	5,593	1.1
Recurring administrative expenses, depreciation and amortisation	(3,011)	(3,191)	(5.6)
Extraordinary expenses	23	(1)	
Pre-impairment income	2,621	2,402	9.1
Pre-impairment income stripping out extraordinary expenses	2,644	2,403	10.0
Allowances for insolvency risk	(376)	(451)	(16.8)
Other charges to provisions	(90)	(152)	(41.2)
Gains/(losses) on disposal of assets and others	(36)	(38)	(6.8)
Profit/(loss) before tax	2,120	1,760	20.5
Income tax expense	(546)	(417)	31.0
Profit/(loss) after tax	1,574	1,343	17.2
Profit/(loss) attributable to minority interest and others	1		
Profit/(loss) attributable to the Group	1,573	1343	17.1
Core *income*	5,649	5,641	0.1
Cost-to-income ratio	57.6	55.8	1.8

In relation to the performance of core income by item, following the merger in 2021, fees and commissions from the sale of insurance products were received from the agreement between Bankia and Mapfre and 49% of the attributable income from Bankia Vida was recognised in the item Share of profit/(loss) of entities accounted for using the equity method. As of 2022, following the acquisition of 100% of Bankia Vida at the end of the last quarter of 2021, its income and costs are integrated by global consolidation (in the items Net interest income and Income and expenses under insurance or reinsurance contracts).

Breakdown by business

Profit and Loss by business segment is set out below:

€ million	June 2022	Breakdown by business: Banking and Insurance	BPI	Corporate centre
Net interest income	3,156	2,919	232	4
Dividend income and share of profit/(loss) of entities accounted for using the equity method	243	91	15	138
Net fee and commission income	1994	1,850	145	
Trading income	247	210	18	20
Income and expense under insurance or reinsurance contracts	411	411		
Other operating income and expense	(397)	(349)	(41)	(7)
Gross income	5,655	5,132	368	155
Recurring administrative expenses, depreciation and amortisation	(3,011)	(2,756)	(226)	(29)
Extraordinary expenses	(23)	(23)		
Pre-impairment income	2,621	2,353	143	125
Pre-impairment income stripping out extraordinary expenses	2,644	2,376	143	125
Allowances for insolvency risk	(376)	(403)	28	
Other charges to provisions	(90)	(89)		
Gains/(losses) on disposal of assets and others	(36)	(37)	1	
Profit/(loss) before tax	2,120	1,823	171	125
Income tax expense	(546)	(499)	(47)	
Profit/(loss) after tax	1,574	1,325	124	125
Profit/(loss) attributable to minority interest and others	1	1		
Profit/(loss) attributable to the Group	1,573	1,323	124	125

For the purpose of presenting the financial information, the Group is set up with following business sectors, which have been reconfigured in 2022 (the 2021 data has been restated for comparability purposes):

- Banking and Insurance shows earnings from the Group's banking, insurance, asset management, real estate and ALCO's activity mainly in Spain.

  Most of the activity and results generated by Bankia are included in this business.

  The recognition date take of the merger for accounting purposes is 31 March 2021, the date on which the financial statements included Bankia's assets and liabilities at fair value. As of the second quarter of 2021, the generated results are included in the various lines of the income statement.

- Corporate center: includes the investees allocated to the equity investments business in the segmentation effective until 2021, in other words, Telefónica, BFA, BCI, Coral Homes and Gramina Homes, as well as Erste Group Bank until its divestment in the fourth quarter of 2021. This line of business shows earnings from the stakes net of funding expenses.

- BPI: covers the income from the BPI's domestic banking business, essentially in Portugal. The income statement includes the reversal of the adjustments deriving from the measurement at fair value of the assets and liabilities under the business combination.

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

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

Trends in results

Attributable profit for the first half of 2022 amounts to 1,573 million euros, versus 4,181 million euros in 2021 (-62.4%), which included the extraordinary aspects related to the merger with Bankia (negative consolidation difference for 4,300 million euros and extraordinary expenses and charges to provisions for -1,397 million euros, net of tax).

Below is an explanation of the income statement for 2022 compared to the comparative proforma income statement for 2021 (drawn up by adding the result generated by Bankia before the merger and excluding the extraordinary aspects related thereto), presented previously.

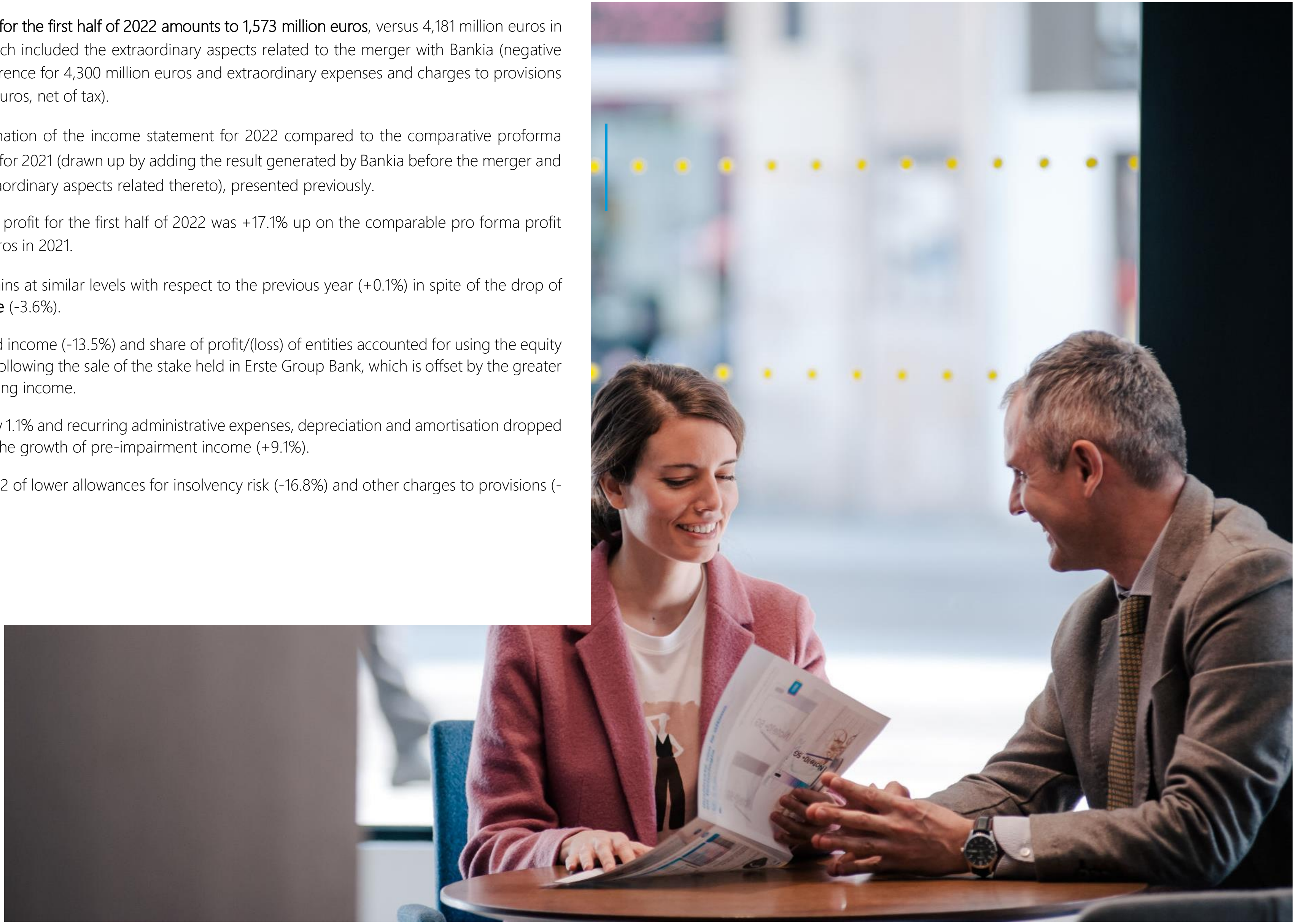
In that regard, the profit for the first half of 2022 was +17.1% up on the comparable pro forma profit of 1,343 million euros in 2021.

Core income remains at similar levels with respect to the previous year (+0.1%) in spite of the drop of **net interest income** (-3.6%).

Decline of dividend income (-13.5%) and share of profit/(loss) of entities accounted for using the equity method (-48.4%) following the sale of the stake held in Erste Group Bank, which is offset by the greater generation of trading income.

Gross income grew 1.1% and recurring administrative expenses, depreciation and amortisation dropped 5.6%, resulting in the growth of pre-impairment income (+9.1%).

Recognition in 2022 of lower allowances for insolvency risk (-16.8%) and other charges to provisions (-41.2%).



Net interest income

Net interest income amounted to 3,156 million euros (-3.6% compared to the same period in 2021). In an environment of negative interest rates up to the middle of the first half, this decrease is due to:

- Lower income from loans due to the interest rate decline, mainly impacted by the drop of the rate curve. A lower average volume is added to this rate reduction.
- Lower contribution of the fixed-income portfolio due to the reduction of the average rate, as a result of the revaluation of assets at market value within the framework of the CaixaBank and Bankia integration in the first quarter of 2021. Effect partially mitigated by a portfolio increase.
- Higher costs for financial intermediaries due to the increase of liquidity at negative rates

These effects have been partially offset by:

- Savings in the costs of institutional funding due to a lower price, mainly as a result of the revaluation of liabilities at market value within the framework of the CaixaBank and Bankia integration and to a drop in the curve.
- Lower retail funding costs due to the drop in the rate.
- Inclusion of the financial margin on life savings insurance products of Bankia Vida, which after acquiring control in the last quarter of 2021, is integrated in 2022 by global consolidation.

€ million		1st half of 2022			1st half of 2021		
		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions		136,028	554	0.82	82,846	450	1.10
Loans and advances	(a)	332,457	2,664	1.62	341,831	2,866	1.69
Debt securities		89,011	144	0.33	84,403	155	0.37
Other assets with returns		64,981	813	2.52	65,109	793	2.45
Other assets		84,400	33		91,801	6	
Total average assets	(b)	706,877	4,208	1.20	665,990	4,270	1.29
Financial Institutions		129,405	(349)	0.54	106,514	(173)	0.33
Retail customer funds	(c)	384,826	40	(0.02)	358,384	(7)	
Institutional debentures and marketable securities		47,532	(66)	0.28	47,460	(122)	0.52
Subordinated liabilities		9,599	(8)	0.16	9,455	(39)	0.83
Other funds with cost		78,974	(627)	1.60	76,338	(625)	1.65
Other funds		56,541	(42)		67,840	(29)	
Total average funds	(d)	706,877	(1,052)	0.30	665,990	(995)	0.30
Net interest income			3,156			3,275	
Customer spread	(a-c)			1.64			1.69
Balance sheet spread	(b-d)			0.90			0.99

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

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

Fee and commission income

Fee and commission income grew to 1,994 million euros, up 3.8% on the same period of 2021.

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

  With regard to year-on-year performance, recurring fees and commissions grew 1.1%, mainly due to the rise in transactions and payment methods, which offset the impact of the consolidation of the customer loyalty programmes.

  Fees and commissions from wholesale banking show good performance when compared to the first half of 2021 (+11.0%).

- **Fees and commissions from the sale of insurance products** grew when compared to the same period of 2021 (+5.1%). Their performance is negatively impacted by the drop of fees and commissions from the sale of insurance products following the effective control of Bankia Vida and positively affected by the quarterly accrual of the 10-year phased in income associated with the renegotiation of the agreement to distribute non-life insurance entered with SegurCaixa Adeslas in the last quarter of 2021.

- **Fees and commissions from managing long-term savings products** (investment funds, pension plans and Unit Link) stand at 681 million euros, due to managing higher average asset volumes following the good performance of the markets and sales. Growth of 6.3% with respect to the same quarter of 2021, despite the volatility in the markets in 2022.

€ million	1st half of 2022	1st half of 2021
Banking services, securities and other fees	1,121	1,098
Recurring	1,001	990
Wholesale banking	120	108
Sale of insurance products	193	183
Long-term savings products	681	640
Investment funds, portfolios and SICAVs	422	399
Pension plans	152	150
Unit Link and other[1]	107	91
Net fee and commission income	1,994	1,922

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

Income from equity investments

- **Dividend income** (131 million euros) includes, the dividends from Telefónica for 38 million euros and BFA for 87 million euros (51 and 98 million euros, respectively in 2021).

- **Attributable profit of entities accounted for using the equity method** (112 million euros) fell (-48.4%) compared to the same period of 2021, chiefly due to changes in the scope of consolidation. In 2022 there are no results attributed to Erste Group Bank since the third quarter of 2021 after its divestment or to Bankia Vida following its effective control at the end of 2021 and its full consolidation as of January 2022.

€ million	1st half of 2022	1st half of 2021
Dividend income	131	152
Share of profit/(loss) of entities accounted for using the equity method	112	217
Income from equity investments	243	369

Trading income

Trading income stands at 247 million euros at the end of the first half of 2022, compared to 38 million euros in the same period in 2021.

Income and expense under insurance or reinsurance contracts

The **income and expense under insurance contracts** stands at 411 million euros, showing a growth of 29.3% with respect to the same quarter of 2021, impacted by the consolidation of Bankia Vida.

Other operating income and expense

Other operating income and expense ascends to -397 milion euros in comparison with -380 milion euros in the same period of last year, includes, among other items, income and expenses of non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes. With regard to the latter, its timing generates a seasonal impact on the quarterly performance under this heading:

- an estimation of the Spanish property tax for 22 million euros (19 million euros in 2021)
- the contribution to the Portuguese banking sector for 21 million euros (19 million euros in 2021).
- the contribution to the SRF[1] of 159 million euros is noteworthy in the second quarter (181 million euros in 2021).

€ million	1st half of 2022	1st half of 2021
Contributions and levies	(181)	(200)
Other real estate income and expense	(61)	(44)
Other	(155)	(136)
Other operating income and expense	(397)	(380)

[1] It includes BPI's contribution to the Portuguese Resolution Fund of 9 million euros.

Administration and amortisation expenses

Year-on-year drop in **Recurring administrative expenses, depreciation and amortisation** of 5.6% supported on the synergies achieved following the integration. Personnel expenses (-7.5%) mainly shows the savings following the departure of employees within the framework of the labour agreement. General expenses (-7.5%) include the capture of synergies associated with Bankia's merger.

Extraordinary expenses includes, among others, the recognition of -29 million euros related to the penalty for early termination of the alliance and acquisition of 100% of the stake in Sa Nostra Vida, as part of the price agreed with CASER.

The *core* cost-to-income ratio (12 months) reached 54.6%.

€ million	1st half of 2022	1st half of 2021
Gross income	5,655	5,593
Personnel expenses	(1,837)	(1,986)
General expenses	(780)	(844)
Depreciation and amortisation	(394)	(361)
Recurring administrative expenses, depreciation and amortisation	(3,011)	(3,191)
Extraordinary expenses	(23)	(1)

Allowances for insolvency risk and other charges to provisions

- **Allowances for insolvency risk** stand at -376 million euros, compared to -451 million euros in the first half of 2021 (-16.8%).

  The half-yearly recalibration of the provision models was carried out in the second quarter, which includes, among others, an update of the forward-looking macroeconomic scenarios under the IFRS 9 accounting standard. The macroeconomic framework used includes the expected effects of the armed conflict in Ukraine. In view of the uncertainty involved in estimating the macroeconomic scenario and due to the fact that it includes customer-related risks, who benefited from support measures during the pandemic, the remainder of the collective provision fund amounts to 1,257 million euros.

  The **cost of risk (last 12 months)** stands at 0.23%.

- **Other charges** mainly include the coverage of future contingencies and impairment of other assets.
  In 2022, inclusion of the use provisions for 39 million euros established in 2021 to cover asset write-downs from the plan to restructure the commercial network. When the expense materialises, it is recognised in Gains/(losses) on disposal of assets and others.

€ million	1st half of 2022	1st half of 2021
Allowances for insolvency risk	(376)	(451)
Other charges to provisions	(90)	(152)
Allowances for insolvency risk and other charges to provisions	(465)	(604)

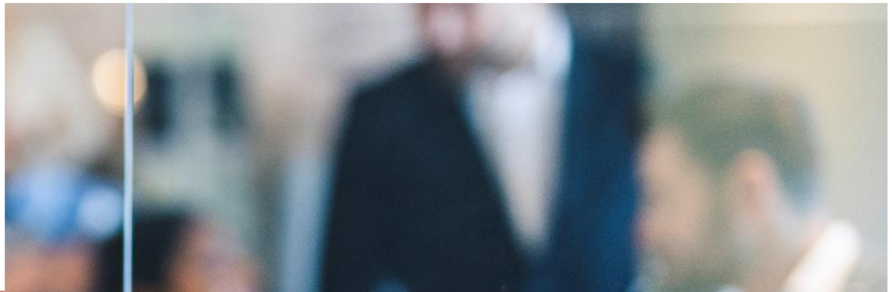
Gains/(losses) on disposal of assets and others

Gains/(losses) on disposal of assets and others includes, essentially, the results of completed one-off transactions and proceeds on asset sales and write-downs.

The real estate results in 2022 is mainly impacted by higher asset sales.

The item Other includes in 2022 the materialisation of the asset write-downs within the framework of the aforementioned plan to restructure the commercial network.

€ million	1st half of 2022	1st half of 2021
Real estate results	19	(3)
Other	(55)	(33)
Gains/(losses) on disposal of assets and others	(36)	(38)




Business performance

Balance sheet

The **Group's total assets** reached 704,505 million euros on 30 June 2022, up 3.6% on 31 December 2021.

	Group		Segmentation by business		
€ million	31.12.2021	30 Jun. 2022	Banking and insurance	BPI	Corporate centre
Total assets	680,036	704,505	655,614	43,034	5,857
Total liabilities	644,611	669,662	627,668	40,121	1,873
Equity	35,425	34,843	27,946	2,913	3,984
Assigned equity	100%	100%	81%	8%	11%

The difference between the Group's total shareholders' equity and the capital allocated to the Banking and Insurance business, BPI and the investees allocated to the corporate centre is allocated to the Corporate Centre.

Loans and advances to customers

Loans and advances to customers, gross stood at 362,770 million euros, up -2.8% in the year. The solid growth of loans to business is noteworthy, as so does the positive seasonal impact from the advance of double payments made to pension holders in June for an amount of 3,300 million euros (+1.8%).

Changes by segment include:

- **Loans for home purchases** (-0.8% change) continue to be marked by the portfolio's repayments, with a positive trend of the new production indicators.
- **Loans to individuals - Other** has grown 5.6% in the quarter, impacted by the abovementioned advance of double payments made to pension holders in June (-1.7% in the year, excluding this seasonal effect).
- **Consumer lending** grows 2.4% with respect to December 2021, thanks to the recovery of production levels, which compensate the portfolio's maturities.
- Good performance of **Financing for Corporates**, up 4.8% in the year.
- Loans to the public sector grew 6.5 in the year, marked by one-off transactions.

	Group		Segmentation by business	
€ million	31.12.2021	30 Jun. 2022	Banking and insurance	BPI
Loans to individuals	184,752	186,127	170,500	15,627
Home purchases	139,792	138,650	124,850	13,800
Other	44,959	47,478	45,650	1,828
Loans to business	147,419	154,513	143,247	11,266
Public sector	20,780	22,131	20,375	1,755
Loans and advances to customers, gross	352,951	362,771	334,122	28,649
Provisions for insolvency risk	(8,265)	(7,767)	(7,228)	(539)
Loans and advances to customers, net	344,686	355,004	326,894	28,110
Contingent liabilities	27,209	29,046	27,001	2,045

Customer funds

Customer funds reached 624,087 million euros on 30 June 2022, up 0.7% in the year, impacted by the usual positive seasonal nature of demand deposits at the end of the second quarter and the market volatility on Unit Linked products and assets under management.

On-balance sheet funds amount to 468,787 million euros (+3.0% in the year).

- **Demand deposits** amounted to 369,068 million euros (+5.3% in the year)
- **Term deposits** totalled 29,706 million euros (-12.2% in the organic year). Their performance continues to be marked by the reduction of deposits on the renewal of maturities.
- Decrease of **liabilities under insurance contracts** (down 1.4% in the year) due to the impact of the negative market effect on Unit Links, albeit with positive net subscriptions in the year.

Assets under management stand at 145,324 million euros. Its performance (-8.0% in the year) is mainly due to the negative market effect, with positive net subscriptions in the year.

- The assets managed in **investment funds, portfolios and SICAVs** stand at 101,166 million euros (-8.1% in the year).
- **Pension plans** stand at 44,158 million euros (-7.9% over the year).

The changes in **other accounts** stands at +42.9% in the year due to the performance of temporary funds associated with transfers and collections.

	Group		Segmentation by business	
€ million	31.12.2021	30 Jun. 2022	Banking and insurance	BPI
Customer funds	384,270	398,773	369,018	29,755
Demand deposits	350,449	369,068	347,901	21,167
Time deposits[1]	33,821	29,706	21,118	8,588
Insurance contract liabilities[2]	67,376	66,413	66,413	
of which: Unit link and other[3]	19,366	18,529	18,529	
Reverse repurchase agreements and other	3,322	3,600	3,595	5
On-balance sheet funds	454,968	468,787	439,027	29,760
Mutual funds, managed accounts and SICAVs	110,089	101,166	95,451	5,715
Pension plans	47,930	44,158	44,158	
Assets under management	158,020	145,324	139,609	5,715
Other accounts	6,983	9,976	9,509	467
Total customer funds	619,971	624,087	588,145	35,942

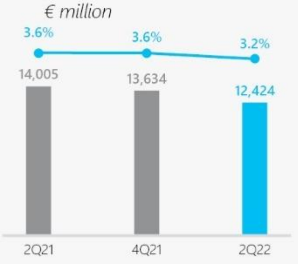
1. Includes retail debt securities amounting to 1,326 million euros at 30 June 2022.

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 (the part managed) products.

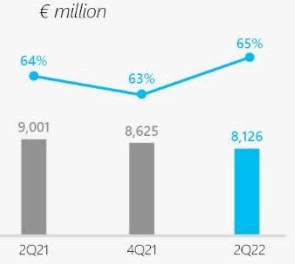
3. Includes technical provisions corresponding to Unit Link and Flexible Investment Life Annuity (the part managed).

Credit risk quality

>> NON-PERFORMING LOANS AND NON-PERFORMING LOAN RATIO[1]



>> PROVISIONS AND COVERAGE RATIO[1]



[1] Calculations include loans and contingent liabilities.

Non-performing balances dropped **12,424 million euros** following the good performance of asset quality indicators and active management of moratoria. Non-performing balances have decreased by -1,209 million euros compared to the close of December 2021.

At 30 June, the **non-performing loan ratio** stood at 3.2%, compared to 3.6% in December 2021.

Provisions for insolvency risk on 30 June stood at 8,126 million euros versus 8,625 million euros at the end of 2021. The **coverage ratio** at 30 June stood at 65% (versus 63% in December 2021).

>> NPL RATIO BY SEGMENT

	Group		Segmentation by business	
€ million	31.12.2021	30 Jun. 2022	Banking and insurance	BPI
Loans to individuals	4.2%	3.6%	3.7%	2.1%
Home purchases	3.6%	3.0%	3.2%	1.6%
Other	6.4%	5.2%	5.2%	5.8%
Loans to business	3.5%	3.3%	3.3%	2.8%
Public sector	0.3%	0.1%	0.1%	
NPL Ratio (loans and contingent liabilities)	3.6%	3.2%	3.2%	2.3%
NPL coverage ratio	63%	65%	65%	78%

Liquidity and structure of the financing

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.

- **Total liquid assets** totalled 162,847 million euros at 30 June 2022.
- The Group's ***Liquidity Coverage Ratio*** (LCR) at 30 June 2022 was 312%, showing an ample liquidity position (323% LCR average last 12 months) well clear of the minimum requirement of 100%.
- The ***Net Stable Funding Ratio*** (NSFR) stood at 150% at 30 June 2022, above the 100% regulatory minimum required as of June 2021.
- Solid retail financing structure with a loan-to-deposit ratio of 88%.
- The **balance drawn under the ECB facility** at 30 June 2022 amounted to 80,752 million euros, corresponding to TLTRO III.
- **Institutional lending** amounted to 52,748 million euros, diversified by instruments, investors and maturities.
- Available capacity to issue mortgage and regional public sector covered bonds at CaixaBank, S.A. came to 21,954 million euros at 30 June 2022.

€ million	31.12.2021	30 Jun. 2022
Total liquid assets (a + b)	168,349	162,847
Available balance in non-HQLA facility	1,059	1,397
HQLA	167,290	161,451
Institutional financing	54,100	52,748
Loan to Deposits	89%	88%
Liquidity Coverage Ratio	336%	312%
Liquidity Coverage Ratio (last 12 months)	320%	323%
Net Stable Funding Ratio	154%	150%

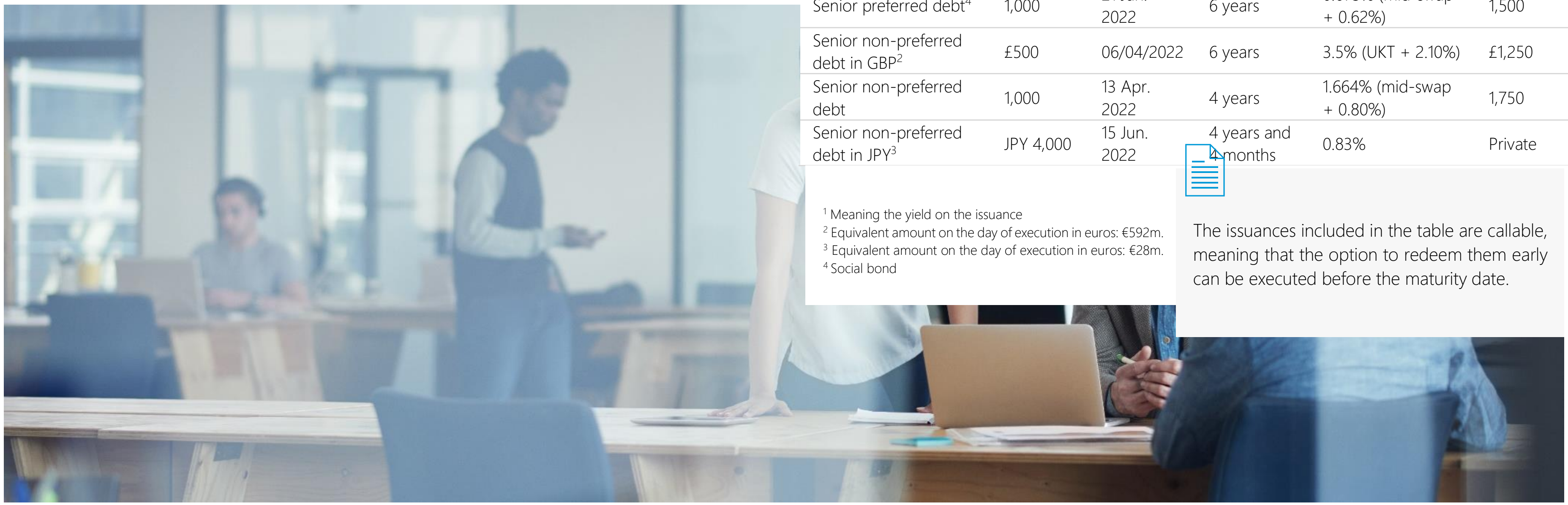
>> INFORMATION ON ISSUANCES MADE IN THE SIX MONTHS

€ million

Issue	Amount	Issue date	Maturity	Cost[1]	Demand
Senior preferred debt[4]	1,000	21 Jan. 2022	6 years	0.673% (mid-swap + 0.62%)	1,500
Senior non-preferred debt in GBP[2]	£500	06/04/2022	6 years	3.5% (UKT + 2.10%)	£1,250
Senior non-preferred debt	1,000	13 Apr. 2022	4 years	1.664% (mid-swap + 0.80%)	1,750
Senior non-preferred debt in JPY[3]	JPY 4,000	15 Jun. 2022	4 years and 4 months	0.83%	Private

[1] Meaning the yield on the issuance
[2] Equivalent amount on the day of execution in euros: €592m.
[3] Equivalent amount on the day of execution in euros: €28m.
[4] Social bond

The issuances included in the table are callable, meaning that the option to redeem them early can be executed before the maturity date.



Capital management

- The *Common Equity Tier 1 (CET1)* ratio **stands at 12.4 %** (12.2 % 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 euros).

  The first half of the year includes the impact of -50 b.p. from the dividend forecast and the AT1 coupon payment, in addition to +9 b.p. due to market developments and others. The organic evolution in the half year was +62 basis points.

  The impact of IFRS 9 phase-in was of +25 basis points at 30 June 2022.

- The internal CET1 target ratio approved by the Board of Directors is set between 11 % and 12 % (without applying the IFRS 9 transitional adjustments) with a margin of between 250 and 350 basis points in relation to the SREP requirements.

- The *Tier 1* ratio stood at **14.4 %** (14.2 % excluding IFRS9 transitional adjustments) and the **total capital** ratio was **16.6 %** (16.3% excluding IFRS9 transitional adjustments).

- The leverage ratio stands at 4.6 %.

- On 30 June, the subordinated MREL ratio reached 21.7% and the **total MREL ratio 24.6 %**. The total MREL ratio reached 8.0 % of LRE. The following three issues of Senior non-preferred debt were carried out for 1,611 million euros in the second quarter: one for 500 million pounds, one for 1,000 million euros and another for 4,000 million yen.

- Similarly, **CaixaBank is subject to minimum capital requirements** on a non-consolidated basis. The CET1 ratio under this perimeter reached 13.0 %.

- **BPI** is also compliant with its minimum capital requirements. Capital ratios at a sub-consolidated level are as follows: CET1 of 13.6%, Tier1 of 15.0 % and Total Capital of 17.3 %.

- In terms of regulatory requirements, the Group's domestic systemic risk buffer rose to 0.375% for 2022 (0.50% expected in 2023). As a result, the capital requirements for 2022 is 8.31% for CET1, 10.12% for Tier 1 and 12.53% for Total Capital. At 30 June, CaixaBank has a margin of 405 basis points, equating to 8,735 million euros, until the Group's MDA trigger.

- As for the MREL requirement, in February 2022 the Bank of Spain communicated to CaixaBank the Total and Subordinated minimum MREL requirements that it must meet at consolidated level:

RWA requirement in % (including CBR)	2022	2024
Total MREL	22.21%	23.93%
Subordinated MREL	16.38%	18.70%
% requirement for LRE		
Total MREL	6.09%	6.19%
Subordinated MREL	6.09%	6.19%

- The Group's level of capital adequacy confirms that the applicable requirements would not lead to any automatic restrictions according to the capital adequacy regulations, regarding the distribution of dividends, variable remuneration, and the interests of holders of Additional Tier 1 capital securities.

In EUR millions and %	31.12.2021	30 Jun. 2022
Common Equity Tier 1 (CET1)	13.1%	12.4%
Tier 1	15.5%	14.4%
Total capital	17.9%	16.6%
MREL	25.7%	24.6%
Risk Weighted Assets (RWA)	215,651	215,521
Leverage ratio	5.3%	4.6%

Shareholder remuneration

On 20 April 2022, the bank paid its shareholders 0.1463 euros per share, corresponding to the ordinary dividend charged to 2021 profits and following the approval at the Annual General Meeting held on 8 April. This dividend distribution amounts to 1,179 million euros and is equivalent to 50% of the consolidated net profit of 2021 adjusted by the extraordinary impacts from the merger with Bankia.

Furthermore, the Board of Directors approved on 27 January 2022 the Dividend Policy for 2022, establishing the distribution of a cash dividend between 50% and 60% of the consolidated net profit in a single payout in April 2023, subject to final approval at the Annual General Meeting.

After receiving the appropriate regulatory authorisation, the Board of Directors agreed to approve and commence the programme for the repurchase of treasury shares. On 30 June, CaixaBank has acquired 190,664,468 shares for 641,186,443 euros, equivalent to 35.6% of the maximum monetary amount (269.177.680 shares at 947.492.930 euros, which represent 52,6 % of the maximum amount, according to the latest information reported in the OIR of 25 July 2022).

Ratings

	Issuer Rating						
Agency	Long-Term	Short-Term	Outlook	Senior Preferred Debt	Last review date	Mortgage covered bonds	Last review date mortgage covered bonds
S&P Global Ratings	A-	A-2	Stable	A-	25.04.2022	AA+	28.03.2022
FitchRatings	BBB+	F2	Stable	A-	30.06.2022	-	-
Moody's	Baa1	P-2	Stable	Baa1	16.02.2022	Aa1	24.08.2021
DBRS	A	R-1 (low)	Stable	A	29.03.2022	AAA	08.07.2022

Glossary - Alternative Performance Measures (APMs) definition

Non-financial information

AuMs (Assets Under Management) considering ESG (Environmental, Social, Governance) aspects: assets for which a sustainability indicator is taken into account their measurement, or where engagement and proxy voting policies are applied. Definition based on UNPRI criteria.

Digital customers: Individual customers banking on Now (website or mobile), Imagin or other CaixaBank apps in the last 6 months. Spain network.

Customer: any natural or legal person with a overall funds equal to or greater than 5 euros in the Entity that has made at least two non-automatic transactions in the last two months.

Employees: scope of active or structural workforce at the year-end. This does not include absenteeism or partial retirees, non-eligible personnel, personnel in centres pending relocation, apprentices or workers from temporary employment agencies.

Employees with a disability (number): employees working at the Company with a recognised degree of disability equal to or greater than 33%.

Management free float (%): The number of shares available for the public, calculated as the number of issued shares minus the shares held in the treasury, advisers, and shareholders represented on the Board of Directors.

Microloans: loans of up to 25,000 euros, without collateral, for people who, due to their economic and social conditions, may have difficulties in accessing traditional banking financing. Its aim is to promote production, job creation and personal and family development.

Other socially-impacting funding: loans that contribute to generating a positive and measurable social impact on society, intended for sectors related to entrepreneurship and innovation, the social economy, education and health. Its aim is contribute to maximising the social impact in these sectors.

Branches: total number of centres. Includes retail branches and other specialised segments. It does not include tellers (displaced public service centres with no director, dependent on another main branch). It also does not include representation branches and offices abroad or virtual/digital centres.

Accessible branch: a branch is deemed to be accessible when its features enable all types of people, regardless of their abilities, to enter, move around, navigate, identify, understand and make use of the available services and facilities, and to communicate with staff. In addition, the branch must comply with current regulations.

Products with high sustainability rating: assets of products that are classified under **article 8** (direct promotion of environmental or social characteristics) and **article 9** (pursuing a sustainable investment objective) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. Data estimated for 31.12.21 pending authorisation and recording in CNMV. Considers investment funds and pension plans, including EPSV (Voluntary Social Welfare Entities) and Unit Linked.

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*: difference between: (i) average rate of return on loans (annualised quarterly income from loans and advances to customers divided by the net average balance of loans and advances to customers for the quarter); (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 for the quarter, excluding subordinated liabilities that can be classified as retail).

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	Annualised quarterly income from loans and advances to customers	5,688	5,499	5,376	5,297	5,447
Denominator	Net average balance of loans and advances to customers	339,866	336,605	333,254	329,860	335,025
(a)	**Average yield rate on loans (%)**	**1.67**	**1.63**	**1.61**	**1.61**	**1.63**
Numerator	Annualised quarterly cost of on-balance sheet retail customer funds	8	(8)	4	(65)	(96)
Denominator	Average balance of on-balance sheet retail customers funds	362,009	371,366	376,774	382,008	387,613
(b)	**Average cost rate of retail customer funds (%)**	**0.00**	**0.00**	**0.00**	**(0.02)**	**(0.03)**
	Customer spread (%) (a - b)	**1.67**	**1.63**	**1.61**	**1.63**	**1.66**

Balance sheet spread*: the difference between: (i) average rate of return on assets (annualised interest income for the quarter 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.

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	Annualised quarterly interest income	8,371	8,272	8,197	8,464	8,507
Denominator	Average total assets for the quarter	671,368	690,460	695,346	706,116	707,629
(a)	**Average return rate on assets (%)**	**1.25**	**1.20**	**1.18**	**1.20**	**1.20**
Numerator	Annualised quarterly interest expenses	1,809	1,968	2,011	2,178	2,066
Denominator	Average total funds for the quarter	671,368	690,460	695,346	706,116	707,629
(b)	**Average cost of fund rate (%)**	**0.27**	**0.28**	**0.29**	**0.31**	**0.29**
	Balance sheet spread (%) (a - b)	**0.98**	**0.92**	**0.89**	**0.89**	**0.91**

(*) 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.

		2Q21	3Q21	4Q21	1Q22	2Q22
(a)	Profit/(loss) attributable to the Group 12M	5,357	5,456	5,226	1,147	2,617
(b)	Additional Tier 1 coupon	(185)	(217)	(244)	(269)	(276)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**5,172**	**5,239**	**4,981**	**878**	**2,342**
(c)	Average shareholder equity 12M	29,464	32,019	34,516	37,000	36,940
(d)	Average valuation adjustments 12M	(1,806)	(1,765)	(1,689)	(1,649)	(1,709)
Denominator	**Average shareholder equity + valuation adjustments 12M (c+d)**	**27,657**	**30,254**	**32,827**	**35,351**	**35,232**
	ROE (%)	**18.7%**	**17.3%**	**15.2%**	**2.5%**	**6.6%**
(e)	Extraordinary income from the merger in 2021	2,903	2,779	2,867	(1,405)	(37)
Numerator	**Adjusted numerator 12M (a+b-e)**	**2,269**	**2,460**	**2,115**	**2,283**	**2,378**
	ROE (%) ex M&A impacts	**8.2%**	**8.1%**	**6.4%**	**6.5%**	**6.8%**

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.

		2Q21	3Q21	4Q21	1Q22	2Q22
(a)	Profit/(loss) attributable to the Group 12M	5,357	5,456	5,226	1,147	2,617
(b)	Additional Tier 1 coupon	(185)	(217)	(244)	(269)	(276)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**5,172**	**5,239**	**4,981**	**878**	**2,342**
(c)	Average shareholder equity 12M	29,464	32,019	34,516	37,000	36,940
(d)	Average valuation adjustments 12M	(1,806)	(1,765)	(1,689)	(1,649)	(1,709)
(e)	Average intangible assets 12M	(4,555)	(4,752)	(4,948)	(5,155)	(5,210)
Denominator	**Average shareholder equity + valuation adjustments excluding intangible assets 12M (c+d+e)**	**23,102**	**25,501**	**27,879**	**30,196**	**30,022**
	ROTE (%)	**22.4%**	**20.5%**	**17.9%**	**2.9%**	**7.8%**
(f)	Extraordinary income from the merger in 2021	2,903	2,779	2,867	(1,405)	(37)
Numerator	**Adjusted numerator 12M (a+b-f)**	**2,269**	**2,460**	**2,115**	**2,283**	**2,378**
	ROTE (%) ex M&A impacts	**9.8%**	**9.6%**	**7.6%**	**7.6%**	**7.9%**

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

		2Q21	3Q21	4Q21	1Q22	2Q22
(a)	Profit/(loss) after tax and before minority interest 12M	5,360	5,458	5,229	1,151	2,622
(b)	Additional Tier 1 coupon	(185)	(217)	(244)	(269)	(276)
Numerator	**Adjusted net profit 12M (a+b)**	**5,174**	**5,241**	**4,984**	**882**	**2,346**
Denominator	**Average total assets 12M**	**506,854**	**568,619**	**628,707**	**690,792**	**699,832**
	ROA (%)	**1.0%**	**0.9%**	**0.8%**	**0.1%**	**0.3%**
(c)	M&A impacts in 2021	2,903	2,779	2,867	(1,405)	(37)
Numerator	**Adjusted numerator 12M (a+b-c)**	**2,271**	**2,462**	**2,118**	**2,287**	**2,383**
	ROA (%) ex M&A impacts	**0.5%**	**0.4%**	**0.3%**	**0.3%**	**0.3%**

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.

		2Q21	3Q21	4Q21	1Q22	2Q22
(a)	Profit/(loss) after tax and before minority interest 12M	5,360	5,458	5,229	1,151	2,622
(b)	Additional Tier 1 coupon	(185)	(217)	(244)	(269)	(276)
Numerator	**Adjusted net profit 12M (a+b)**	**5,174**	**5,241**	**4,984**	**882**	**2,346**
Denominator	**Risk-weighted assets (regulatory) 12M**	**163,801**	**182,510**	**200,869**	**218,558**	**217,093**
	RORWA (%)	**3.2%**	**2.9%**	**2.5%**	**0.4%**	**1.1%**
(c)	M&A impacts in 2021	2,903	2,779	2,867	(1,405)	(37)
Numerator	**Adjusted numerator 12M (a+b-c)**	**2,271**	**2,462**	**2,118**	**2,287**	**2,383**
	RORWA (%) ex M&A impacts	**1.4%**	**1.3%**	**1.1%**	**1.0%**	**1.1%**

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.

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Administrative expenses, depreciation and amortisation 12M**	6,952	7,468	8,049	8,391	**6,366**
Denominator	**Gross income 12M**	9,175	9,860	10,274	10,987	**11,046**
	Cost-to-income ratio	**75.8%**	**75.7%**	**78.3%**	**76.4%**	**57.6%**

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M**	4,981	5,448	5,930	6,305	**6,194**
Denominator	**Gross income 12M**	9,175	9,860	10,274	10,987	**11,046**
	Cost-to-income ratio stripping out extraordinary expenses	**54.3%**	**55.3%**	**57.7%**	**57.4%**	**56.1%**

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M**	4,981	5,448	5,930	6,305	**6,194**
Denominator	**Core income 12M**	9,145	9,860	10,597	11,293	**11,347**
	Core cost-to-income ratio	**54.5%**	**55.3%**	**56.0%**	**55.8%**	**54.6%**

Risk management

Cost of risk (CoR): total allowances for insolvency risk (12 months) divided by average of gross loans to customers plus contingent liabilities, using management criteria (calculated as the average value of the monthly closing balances). Metric used to monitor allowances for insolvency risk on the lending portfolio.

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Allowances for insolvency risk 12M**	910	814	838	892	**885**
Denominator	**Average of gross loans + contingent liabilities 12M**	302,243	333,404	363,368	382,176	**382,125**
	Cost of risk (%)	**0.30%**	**0.24%**	**0.23%**	**0.23%**	**0.23%**

Non-performing loan ratio: quotient between the non-performing loans and advances to customers and contingent liabilities, using management criteria, and the total gross loans to customers and contingent liabilities, using management criteria. Indicator used to monitor and track the change in the quality of the loan portfolio.

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Non-performing loans and contingent liabilities**	14,005	13,955	13,634	13,361	**12,424**
Denominator	**Total gross loans and contingent liabilities**	389,389	382,801	380,160	380,895	**391,816**
	Non-performing loan ratio (%)	**3.6%**	**3.6%**	**3.6%**	**3.5%**	**3.2%**

Coverage ratio: quotient between the total credit loss provisions for loans to customers and contingent liabilities, using management criteria, and non-performing loans and advances to customers and contingent liabilities, using management criteria. Indicator used to monitor NPL hedging via provisions.

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Provisions on loans and contingent liabilities**	9,001	8,955	8,625	8,648	**8,126**
Denominator	**Non-performing loans and contingent liabilities**	14,005	13,955	13,634	13,361	**12,424**
	Coverage ratio (%)	**64%**	**64%**	**63%**	**65%**	**65%**

Real estate available for sale coverage ratio (**): quotient between 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 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.

		2Q21	3Q21	4Q21	1Q22	2Q22
(a)	Gross debt cancelled at the foreclosure	1,917	1,933	4,417	4,262	4,030
(b)	Net book value of the foreclosed assets	1,109	1,117	2,279	2,223	2,110
Numerator	**Total coverage of the foreclosed asset (a - b)**	**808**	**816**	**2,138**	**2,039**	**1,920**
Denominator	**Gross debt cancelled at the foreclosure**	**1,917**	**1,933**	**4,417**	**4,262**	**4,030**
	Real estate available for sale coverage ratio (%)	**42%**	**42%**	**48%**	**48%**	**48%**

(**) As of 4Q21, it includes coverage for real estate exposure from Bankia (previously solely from CaixaBank).

Real estate available for sale coverage ratio with accounting provisions: quotient between accounting coverage (charges to provisions of foreclosed assets) and the gross book value of the foreclosed asset (sum of net carrying amount and the accounting provision). Indicator of accounting provisions covering foreclosed real estate assets available for sale.

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Accounting provisions of the foreclosed assets**	1,103	1,087	1,006	960	917
(a)	Net book value of the foreclosed assets	2,297	2,289	2,279	2,223	2,110
(b)	Accounting provisions of the foreclosed assets	1,103	1,087	1,006	960	917
Denominator	**Gross book value of the foreclosed asset (a + b)**	3,400	3,376	3,285	3,183	3,027
	Real estate available for sale accounting coverage (%)	32%	32%	31%	30%	30%

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). Shows the Entity's liquidity position.

		2Q21	3Q21	4Q21	1Q22	2Q22
(a)	**High Quality Liquid Assets (HQLAs)**	161,929	172,066	167,290	170,170	161,451
(b)	**Available balance under the ECB facility (non-HQLAs)**	802	1,059	1,059	1,033	1,397
	Total liquid assets (a + b)	162,731	173,125	168,349	171,202	162,847

Loan-to-deposits: quotient between net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions), and customer deposits on the balance sheet. Metric showing the retail funding structure (allows us to value the proportion of retail lending being funded by customer funds).

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Loans and advances to customers, net (a-b-c)**	350,468	343,506	340,948	341,477	351,449
(a)	Loans and advances to customers, gross	363,012	355,929	352,951	353,404	362,770
(b)	Provisions for insolvency risk	8,609	8,554	8,265	8,277	7,767
(c)	Brokered loans	3,935	3,869	3,738	3,650	3,554
Denominator	**On-balance sheet customer funds**	371,191	377,551	384,270	385,816	398,773
	Loan to Deposits (%)	94%	91%	89%	89%	88%

Stock market ratios

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

		2Q21	3Q21	4Q21	1Q22	2Q22
(a)	Profit/(loss) attributable to the Group 12M	5,357	5,456	5,226	1,147	2,617
(b)	Additional Tier 1 coupon	(185)	(217)	(244)	(269)	(276)
Numerator	**Adjusted profit attributable to the Group (a+b)**	5,172	5,239	4,981	878	2,342
Denominator	**Average number of shares outstanding, net of treasury shares (c)**	6,670	7,096	7,575	8,054	8,034
	EPS (Earnings per share)	0.78	0.74	0.66	0.11	0.29
(d)	Extraordinary impacts from the merger	2,903	2,779	2,867	(1,405)	(37)
Numerator	**Adjusted numerator (a+b-d)**	2,269	2,460	2,115	2,283	2,378
	EPS (Earnings per share) ex M&A impacts	0.34	0.35	0.28	0.28	0.30

Note: The average number of shares outstanding is calculated as average number of shares less the average number of treasury shares (includes the impact of the share buy-back programme for the executed volume). The average is calculated as the average number of shares at the closing of each month of the analysed period. The impacts associated with the merger in the numerator are eliminated in 2021.

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

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Share price at the end of the period**	2.594	2.684	2.414	3.077	3.317
Denominator	**Earnings per share (EPS)**	0.78	0.74	0.66	0.11	0.29
	PER *(Price-to-earnings ratio)*	3.33	3.64	3.67	28.23	11.38
Denominator	**Earnings per share (EPS) ex M&A impacts**	0.34	0.35	0.28	0.28	0.30
	PER (Price-to-earnings ratio) ex M&A impacts	7.63	7.74	8.65	10.85	11.21

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

		2Q21	3Q21	4Q21	1Q22	2Q22
Numerator	**Dividends paid (in shares or cash) last year**	0.03	0.03	0.03	0.15	0.15
Denominator	**Share price at the end of the period**	2.594	2.684	2.414	3.077	3.317
	Dividend yield	1.03%	1.00%	1.11%	4.75%	4.41%

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

The book value and tangible book value per share include the impact of the share buy-back programme for the amount executed at the end of the quarter, in both the numerator (excluding the repurchased shares from shareholder equity, in spite of not being redeemed) and the denominator (the number of shares does not include the repurchased shares).

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

TBVPS (Tangible book value per share): equity less minority interests and intangible assets divided by the number of fully-diluted shares outstanding at a specific date.

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

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

		2Q21	3Q21	4Q21	1Q22	2Q22
(a)	Equity	34,571	35,124	35,425	35,916	34,843
(b)	Minority interests	(29)	(29)	(31)	(32)	(31)
Numerator	**Adjusted equity (c = a+b)**	**34,542**	**35,095**	**35,394**	**35,884**	**34,811**
Denominator	**Shares outstanding, net of treasury shares (d)**	**8,053**	**8,053**	**8,053**	**8,053**	**7,862**
e= (c/d)	**Book value (€/share)**	**4.29**	**4.36**	**4.39**	**4.46**	**4.43**
(f)	Intangible assets (reduce adjusted equity)	(5,102)	(5,104)	(5,316)	(5,304)	(5,340)
g=((c+f)/d)	**Tangible book value (€/share)**	**3.66**	**3.72**	**3.73**	**3.80**	**3.75**
(h)	Share price at end the period	2.594	2.684	2.414	3.077	3.317
h/e	**P/BV (Share price divided by book value)**	**0.60**	**0.62**	**0.55**	**0.69**	**0.75**
h/g	**P/TBV tangible (Share price divided by tangible book value)**	**0.71**	**0.72**	**0.65**	**0.81**	**0.88**

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

Adjustment of the structure of the public income statement to the management format

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

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 that must be designated 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 and net 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/(reversal) of impairment on investments in joint ventures or associates.
• Impairment/(reversal) of impairment on non-financial assets.
• Gains/(losses) on derecognition of non-financial assets and investments, net.
• Negative goodwill recognised in profit or loss.
• Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations, net.

Profit/(loss) attributable to minority interests and others. Includes the following line items:
• Profit/(loss) for the period attributable to minority interests (non-controlling interests).
• Profit/(loss) after tax from discontinued operations

Reconciliation of activity indicators with management criteria

Loans and advances to customers, gross

June 2022 € million	
Financial assets at amortised cost - Customers (Public Balance Sheet)	**355,444**
Reverse repurchase agreements (public and private sector)	(1,137)
Clearing houses and sureties provided in cash	(2,187)
Other, non-retail, financial assets	(261)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss - Loans and advances (Public Balance Sheet)	**54**
Fixed income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Balance Sheet)	**3,036**
Fixed income bonds considered retail financing (Assets under the insurance business - Balance Sheet)	**56**
Provisions for insolvency risk	**7,767**
Loans and advances to customers (gross) using management criteria	**362,770**

Insurance contract liabilities

June 2022 € million	
Liabilities under the insurance business (Public Balance Sheet)	**69,292**
Capital gains/(losses) under the insurance business (excluding unit link and other)	(2,878)
Liabilities under insurance contracts, using management criteria	**66,413**

Customer funds

June 2022 € million	
Financial liabilities at amortised cost - Customer deposits (Public balance sheet)	**428,404**
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customer deposits)	**(27,357)**
Multi-issuer covered bonds and subordinated deposits	(5,121)
Counterparties and other	(22,236)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	**1,326**
Retail issues and other	1,326
Liabilities under insurance contracts, using management criteria	**66,413**
Total on-balance sheet customer funds	**468,787**
Assets under management	**145,324**
Other accounts[1]	**9,976**
Total customer funds	**624,087**

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