Condensed interim consolidated financial statements of CaixaBank Group for the six months ended 30 June 2023

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

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 2023, 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 seis-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 Standard (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 seis-month period ended 30 June 2023 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.

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

R. M. Madrid, Hoja M-63.988, folio 75, tomo 3.805, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Emphasis of matter

We draw attention to note 1.2. of the condensed consolidated interim financial statements, in which it is mentioned that these condensed consolidated 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 2022. Our conclusion is not modified in respect of this matter.

Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the seis-month period ended 30 June 2023 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 seis-month period ended 30 June 2023. 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 Parent company's directors in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Raúl Ara Navarro

28 July 2023

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

Assets

(Millions of euros)

	NOTE	30-06-2023	01-01-2023 *
Cash and cash balances at central banks and other demand deposits		**41,704**	**20,522**
Financial assets held for trading		**8,013**	**7,382**
Derivatives		6,894	6,963
Equity instruments		272	233
Debt securities		847	186
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	1.4 and 8.1	**12,575**	**11,351**
Equity instruments		12,569	11,295
Debt securities		6	6
Loans and advances			50
Customers			50
Financial assets designated at fair value through profit or loss	1.4 and 8.2	**7,528**	**8,022**
Debt securities		7,528	7,985
Loans and advances			37
Credit institutions			37
Financial assets at fair value with changes in other comprehensive income	1.4 and 8.3	**66,120**	**64,532**
Equity instruments		1,345	1,351
Debt securities		64,775	63,181
Financial assets measured at amortised cost	1.4 and 8.4	**451,174**	**446,168**
Debt securities		83,333	80,937
Loans and advances		367,841	365,231
Credit institutions		12,627	12,397
Customers		355,214	352,834
Derivatives - Hedge accounting	10	**1,059**	**1,462**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	10	**(679)**	**(753)**
Investments in joint ventures and associates	11	**1,969**	**2,054**
Joint ventures		6	44
Associates		1,963	2,010
Assets under reinsurance contracts	9	**67**	**63**
Tangible assets	12	**7,420**	**7,516**
Property, plant and equipment		5,923	5,919
For own use		5,923	5,919
Investment property		1,497	1,597
Intangible assets	13	**5,001**	**5,024**
Goodwill		3,167	3,167
Other intangible assets		1,834	1,857
Tax assets		**19,168**	**20,464**
Current tax assets		1,204	2,160
Deferred tax assets	19	17,964	18,304
Other assets	14	**2,247**	**2,617**
Inventories		129	101
Remaining other assets		2,118	2,516
Non-current assets and disposal groups classified as held for sale	15	**2,231**	**2,426**
TOTAL ASSETS		**625,597**	**598,850**
Memorandum items			
Off-balance-sheet exposures			
Loan commitments given	23	110,686	112,800
Financial guarantees given	23	10,234	10,924
Other commitments given	23	34,760	38,441
Financial instruments loaned or delivered as collateral with the right of sale or pledge			
Financial assets held for trading		843	20
Financial assets at fair value with changes in other comprehensive income		6,528	3,345
Financial assets measured at amortised cost		24,332	9,521
Tangible assets - Acquired in leases		**1,608**	**1,565**
Investment property, leased out under operating leases		**1,257**	**1,269**

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

Liabilities

(Millions of euros)

	NOTE	30-06-2023	01-01-2023 *
Financial liabilities held for trading	**16.1**	**3,943**	**4,030**
Derivatives		3,601	3,971
Short positions		342	59
Financial liabilities designated at fair value through profit or loss	**1.4 and 16.2**	**3,371**	**3,409**
Deposits		3,363	3,409
Customers		3,363	3,409
Other financial liabilities		8	
Financial liabilities at amortised cost	**1.4 and 16.3**	**505,372**	**483,047**
Deposits		442,878	422,444
Central banks	3.3	9,951	16,036
Credit institutions		35,887	12,774
Customers		397,040	393,634
Debt securities issued		53,006	52,608
Other financial liabilities		9,488	7,995
Derivatives - Hedge accounting	**10**	**7,634**	**7,769**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**10**	**(5,449)**	**(5,736)**
Insurance contract liabilities	**1.4 and 9**	**66,866**	**62,595**
Provisions	**17**	**4,896**	**5,231**
Pensions and other post-employment defined benefit obligations		560	579
Other long-term employee benefits		2,326	2,582
Pending legal issues and tax litigation		920	971
Commitments and guarantees given		623	547
Other provisions		467	552
Tax liabilities		**2,338**	**1,932**
Current tax liabilities		853	452
Deferred tax liabilities	19	1,485	1,480
Other liabilities	**14**	**2,565**	**2,850**
Liabilities included in disposal groups classified as held for sale		**16**	**16**
TOTAL LIABILITIES		**591,552**	**565,143**
Memorandum items			
Subordinated liabilities - Financial liabilities at amortised cost		11,588	9,280

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

Equity

(Millions of euros)

	NOTE	30-06-2023	01-01-2023 *
SHAREHOLDERS' EQUITY	18	36,168	35,908
Capital		7,502	7,502
Share premium		13,470	13,470
Other equity items		42	46
Retained earnings		14,930	13,653
Other reserves		(1,888)	(1,866)
(-) Treasury shares		(25)	(25)
Profit/(loss) for the period attributable to owners of the parent		2,137	3,128
ACCUMULATED OTHER COMPREHENSIVE INCOME	18	(2,155)	(2,233)
Items that will not be reclassified to profit or loss		(1,468)	(1,379)
Actuarial gains or (-) losses on defined benefit pension plans		(254)	(250)
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		(1,214)	(1,130)
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]		(20)	(38)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income [hedging instrument]		20	38
Items that may be reclassified to profit or loss		(687)	(854)
Foreign currency exchange		4	29
Hedging derivatives. Reserve of cash flow hedges [effective portion]		(534)	(486)
Fair value changes of debt securities measured at fair value with changes in other comprehensive income		(1,421)	(2,112)
Financial expenses for insurance contracts issued		1,250	1,704
Share of other recognised income and expense of investments in joint ventures and associates		16	11
Non-current assets and disposal groups classified as held for sale		(2)	
MINORITY INTERESTS (non-controlling interests)		32	32
Other items		32	32
TOTAL EQUITY		34,045	33,707
TOTAL LIABILITIES AND EQUITY		625,597	598,850

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of euros)

	NOTE	30-06-2023	30-06-2022 restated *
Interest income		8,001	4,109
from banking and other business		7,202	3,393
Financial assets at fair value with changes in other comprehensive income		97	158
Financial assets measured at amortised cost		6,476	2,992
Other interest income		629	243
from the insurance business		799	716
Financial assets at fair value with changes in other comprehensive income		760	700
Financial assets measured at amortised cost		39	16
Interest expense		(3,377)	(1,130)
from banking and other business		(2,638)	(428)
from the insurance business		(739)	(702)
NET INTEREST INCOME		**4,624**	**2,979**
Dividend income		145	131
Share of profit/(loss) of entities accounted for using the equity method		145	112
Fee and commission income		2,043	2,116
Fee and commission expenses		(197)	(188)
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net		79	(3)
Other financial assets and liabilities		79	(3)
Gains/(losses) on financial assets and liabilities held for trading, net		(8)	8
Other gains or losses		(8)	8
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net		20	(3)
Other gains or losses		20	(3)
Gains/(losses) from hedge accounting, net	10	5	10
Exchange differences (gain/loss), net		46	232
Other operating income		341	316
Other operating expenses	19	(1,071)	(711)
Insurance service result		520	404
Ordinary insurance income		1,513	1,382
Insurance service expenses		(993)	(978)
Profit/(loss) from reinsurance contracts		(19)	17
GROSS INCOME		**6,673**	**5,420**
Administrative expenses		(2,519)	(2,439)
Personnel expenses		(1,744)	(1,661)
Other administrative expenses		(775)	(778)
Depreciation and amortisation		(380)	(359)
Provisions or reversal of provisions	17	(132)	(91)
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		(423)	(374)
Financial assets at fair value with changes in other comprehensive income		(1)	1
Financial assets measured at amortised cost	8	(422)	(375)
Impairment/(reversal) of impairment on investments in joint ventures and associates.		(31)	
Impairment/(reversal) of impairment on non-financial assets		(22)	(66)
Tangible assets		(15)	(64)
Intangible assets		(7)	
Gains/(losses) on derecognition of non-financial assets, net		6	19
Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations		(18)	11
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**3,154**	**2,121**
Tax expense or income related to profit or loss from continuing operations		(1,018)	(547)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**2,136**	**1,574**
Profit/(loss) after tax from discontinued operations		2	1
PROFIT/(LOSS) FOR THE PERIOD		**2,138**	**1,575**
Attributable to minority interests (non-controlling interests)		1	2
Attributable to owners of the parent		2,137	1,573

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

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

Condensed Interim Consolidated Statement of Other Comprehensive Income

(Millions of euros)

	NOTE	30-06-2023	30-06-2022 restated *
PROFIT/(LOSS) FOR THE PERIOD		**2,138**	**1,575**
OTHER COMPREHENSIVE INCOME		**78**	**(486)**
Items that will not be reclassified to profit or loss		**(88)**	**620**
Actuarial gains or losses on defined benefit pension plans		(2)	490
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	8	(84)	180
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]		18	89
Fair value changes of equity instruments measured at fair value with changes in equity [hedging instrument]		(18)	(89)
Income tax relating to items that will not be reclassified		(2)	(49)
Items that may be reclassified to profit or loss		**166**	**(1,106)**
Foreign currency exchange		(34)	86
Translation gains/(losses) taken to equity		(34)	86
Cash flow hedges (effective portion)		(84)	(324)
Valuation gains/(losses) taken to equity		(165)	(317)
Transferred to profit or loss		81	(7)
Debt instruments classified as fair value financial assets with changes in other comprehensive		960	(9,816)
Valuation gains/(losses) taken to equity		956	(9,831)
Transferred to profit or loss		4	15
Non-current assets and disposal groups classified as held for sale		(2)	
Valuation gains/(losses) taken to equity		(2)	
Financial expenses for insurance contracts issued		(649)	8,510
Share of other recognised income and expense of investments in joint ventures and associates		4	(29)
Income tax relating to items that may be reclassified to profit or loss		(29)	467
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,216**	**1,089**
Attributable to minority interests (non-controlling interests)		1	2
Attributable to owners of the parent		2,215	1,087

(*) 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 owners of the parent	Less: interim dividends	Accumulated other compr. income	Accumulated other compr. income	Other items	Total
BALANCE AT 31-12-2022		**7,502**	**13,470**	**46**	**13,653**	**(1,152)**	**(25)**	**3,145**		**(2,409)**		**32**	**34,262**
Effects of changes in accounting policies	1.4					(714)		(17)		176			(555)
OPENING BALANCE AT 01-01-2023		**7,502**	**13,470**	**46**	**13,653**	**(1,866)**	**(25)**	**3,128**		**(2,233)**		**32**	**33,707**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								**2,137**		**78**		**1**	**2,216**
OTHER CHANGES IN EQUITY				**(4)**	**1,277**	**(22)**		**(3,128)**				**(1)**	**(1,878)**
Dividends (or remuneration to shareholders)	6				(1,728)							(2)	(1,730)
Purchase of treasury shares	24						(19)						(19)
Sale or cancellation of treasury shares	24						19						19
Transfers among components of equity					3,128			(3,128)					
Other increase/(decrease) in equity				(4)	(123)	(22)						1	(148)
Of which: Payment of AT1 instruments	5					*(135)*							*(135)*
CLOSING BALANCE AT 30-06-2023		**7,502**	**13,470**	**42**	**14,930**	**(1,888)**	**(25)**	**2,137**		**(2,155)**		**32**	**34,045**

		Equity attributable to the parent *									Minority interests *		
		Shareholders' equity											
	NOTE	Capital	Share premium	Other equity	Retained earnings	Other reserves	Less: treasury shares	Profit/(loss) attributable to owners of the parent	Less: interim dividends	Accumulated other compr. income	Accumulated other compr. income	Other items	Total
BALANCE AT 31-12-2021		**8,061**	**15,268**	**39**	**9,781**	**(1,343)**	**(19)**	**5,226**		**(1,619)**		**31**	**35,425**
Effects of changes in accounting policies	1.4					(689)		(26)		483			(232)
OPENING BALANCE AT 01-01-2022		**8,061**	**15,268**	**39**	**9,781**	**(2,032)**	**(19)**	**5,200**		**(1,136)**		**31**	**35,193**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								**1,573**		**(486)**		**2**	**1,089**
OTHER CHANGES IN EQUITY				**(4)**	**3,617**	**254**	**(645)**	**(5,200)**				**(2)**	**(1,980)**
Dividends (or remuneration to shareholders)					(1,178)							(2)	(1,180)
Purchase of treasury shares							(659)						(659)
Sale or cancellation of treasury shares							14						14
Transfers among components of equity					5,200			(5,200)					
Other increase/(decrease) in equity				(4)	(405)	254							(155)
Of which: Payment of AT1 instruments	5					*(140)*							*(140)*
CLOSING BALANCE AT 30-06-2022		**8,061**	**15,268**	**35**	**13,398**	**(1,778)**	**(664)**	**1,573**		**(1,622)**		**31**	**34,302**

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

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(Millions of euros)

	NOTE	30-06-2023	30-06-2022 restated **
A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		**21,925**	**22,934**
Profit/(loss) for the period *		2,138	1,575
Adjustments to obtain cash flows from operating activities		1,054	320
Depreciation and amortisation		380	359
Other adjustments		674	(39)
Net increase/(decrease) in operating assets		(7,533)	(15,052)
Financial assets held for trading		(631)	2,492
Financial assets not designated for trading compulsorily measured at fair value through profit or loss		(1,223)	2,203
Financial assets designated at fair value through profit or loss		528	(878)
Financial assets at fair value with changes in other comprehensive income		(1,002)	(163)
Financial assets measured at amortised cost		(5,647)	(20,689)
Other operating assets		442	1,983
Net increase/(decrease) in operating liabilities		25,357	35,990
Financial liabilities held for trading		(87)	(846)
Financial liabilities designated at fair value through profit or loss		(39)	(835)
Financial liabilities at amortised cost		21,366	41,999
Other operating liabilities		4,117	(4,328)
Income tax (paid)/received		909	101
B) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**142**	**289**
Payments:		(362)	(451)
Tangible assets		(212)	(197)
Intangible assets		(130)	(141)
Non-current assets and liabilities classified as held for sale		(20)	(113)
Proceeds:		504	740
Tangible assets		59	7
Intangible assets		1	1
Investments in joint ventures and associates		64	82
Non-current assets and liabilities classified as held for sale		380	650
Other proceeds related to investing activities			
C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(885)**	(3,248)
Payments:		(6,572)	(5,886)
Dividends		(1,728)	(1,178)
Subordinated liabilities			(1,010)
Purchase of own equity instruments		(19)	(659)
Other payments related to financing activities		(4,825)	(3,039)
Proceeds:		5,687	2,638
Subordinated liabilities		2,318	1,624
Disposal of own equity instruments		19	14
Other proceeds related to financing activities		3,350	1,000
D) EFFECT OF EXCHANGE RATE CHANGES			**2**
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**21,182**	**19,977**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**20,522**	**104,216**
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)		**41,704**	**124,193**
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD			
Cash		2,502	2,598
Cash equivalents at central banks		37,511	119,619
Other financial assets		1,691	1,976
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD		**41,704**	**124,193**
(*) *Of which: Interest received*		*7,644*	*4,010*
Of which: Interest paid		*3,003*	*1,828*
Of which: Dividends received		*407*	*277*

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

EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED 30 JUNE 2023

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 2023.

Index of explanatory notes — Page

1. CORPORATE INFORMATION, BASIS OF PRESENTATION AND OTHER INFORMATION

1.1 CORPORATE INFORMATION

CaixaBank, S.A. ("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 16 February 2023, CaixaBank's Board of Directors authorised for issue the Group's 2022 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 2022, 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 31 March 2023.

In the preparation of the 2022 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 2022 and of the results of its operations, the changes in consolidated equity and the cash flows in the year then ended.

The accompanying condensed interim consolidated financial statements of the Group for the first half of the year were prepared using the same principles, accounting policies and criteria as applied in the consolidated financial statements for 2022, particularly IAS 34 ("Interim Financial Reporting"), except for the regulatory changes that came into effect on 1 January 2023 and are set out in the section "Standards and interpretations issued by the International Accounting Standards Board (IASB), that became effective in the first half of 2023". 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 presentation format has been adjusted to include the amendments linked to the entry into force of IFRS 17. These condensed interim consolidated financial statements were authorised for issue by the Board of Directors of CaixaBank at its meeting of 27 July 2023.

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 2022 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 International Accounting Standards Board (IASB) that became effective in the first half of 2023

At the date of authorisation for issue of these condensed interim consolidated financial statements, the main standards issued by the IASB and which came into effect on 1 January 2023, are as follows:

Standards and interpretations

Standard	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

On 1 January 2023 the Group adopted the following accounting standards (see Note 2):

- **IFRS 17 “Insurance contracts”**

IFRS 17, the new international financial reporting standard that lays down principles for the recognition, measurement, presentation and disclosure of insurance contracts, came into force on 1 January 2023. Similarly, on the same date, the Group ceased to apply the temporary exemption from the application of IFRS 9 to the financial investments of the Group's insurance companies.

As a consequence of the foregoing, the Group has applied IFRS 17 and IFRS 9 (in the insurance business) from 1 January 2023, although the transition date for IFRS 17 is 1 January 2022, and therefore the comparative periods have been restated. These standards will bring about significant changes in the accounting for insurance and reinsurance contracts and financial instruments linked to the insurance business, respectively (see Note 2 "Accounting principles and policies and measurement bases applied").

The impact of the adoption of this standard is significant in terms of assets and reporting, which is why the provisions of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, and IAS 34 "Interim Financial Reporting" have been considered, as well as the IASB amendment of IFRS 17 on comparative information when applying IFRS 17 and IFRS 9 (see Note 1.4 “Comparison of information”).

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; and iii) the incorporation of forward-looking information and 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).

- The methodologies and assumptions used to measure insurance and reinsurance contracts, including, among others, the determination of the risk adjustment for non-financial risks, the discount rates and the investment component (Note 2).
- 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 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 2022, as well as to the six-month period ending on 30 June 2022 included in the condensed interim consolidated financial statements attached, are presented solely and exclusively for comparison purposes.

As stated in this note in the "Basis of presentation" section, the Group has applied IFRS 17 and IFRS 9 (in the insurance business) from 1 January 2023, the transition date of IFRS 17 is 1 January 2022. Given the impracticability of applying IFRS 17 retroactively, the Group has chosen to apply the fair value approach provided for in that standard. For such purpose, the Group has determined the contractual service margin (CSM) or the loss component of the remaining hedging liability at the transition date as the difference between the fair value of a group of insurance contracts at that date and the cash flows derived from the performance measured at that date.

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

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

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

- Include contracts issued more than one year apart in a group of contracts.
- Determine discount rates at the initial recognition date, rather than at the transition date.
- Retrospectively determine the cumulative amount of income or expense recognised in other comprehensive income at the date of transition.

The main differences as regards the measurement and classification of insurance contract liabilities between IFRS 4 and IFRS 17 are as follows:

IFRS 4	IFRS 17
▪ Insurance liabilities mainly consist of mathematical provisions.	▪ Insurance liabilities mainly consist of estimated future cash flows and future profit (CSM).
▪ Maintenance of pricing assumptions when calculating provisions at the various accounting closes.	▪ Use of current assumptions at each close.
▪ Existence of the liability adequacy test that enables offsetting.	▪ There is no adequacy test and if there are onerous contracts, they should be immediately recorded in the income statement.
▪ The flows of redemption options are not included.	▪ Future flows include redemption options, expenses and risk margins
▪ Liability discount rate equivalent to the rate of return on the acquisition of the underlying financial investments. Provisions are capitalised at this technical interest rate, but they are not updated due to changes in rates. Supplementary provisions are made for interest rates and tables, where necessary.	▪ Locked-in rate: liability discount rate at the inception of the transaction. This interest rate is the rate used to recognise the financial costs of insurance contracts. ▪ Furthermore, insurance liabilities are discounted for changes in rates at each closing (except for the expected CSM profit).
▪ Insurance contracts are presented net of reinsurance under the headings.	▪ Insurance contracts should be accounted for under separate headings from reinsurance contracts.
▪ Impact on OCI equal to 0 at each accounting close.	▪ Impact on OCI includes two components: – Changes in value of the investment portfolio classified as FV-OCI. – Changes in the value of liabilities between the locked-in rate and the current rate.
▪ The accounting technique named shadow accounting offsets asset and liability OCI effects, there is no volatility in assets.	▪ There may be limited volatility in the net amounts recognised in OCI.

The most relevant differences in the measurement and classification that affect income and expenses related to insurance contracts, according to the type of producer, between IFRS 4 and IFRS 17 are as follows:

IFRS 4	IFRS 17
Long-term life-savings contracts - measured under the general model	
▪ The margin on savings products is wholly recorded in net interest income. ▪ Personal administration costs and depreciation associated with their marketing and administration are not deducted.	▪ The majority of margin on savings products is recorded under profit/(loss) from the insurance service. ▪ This margin is net of expenses directly attributable to insurance contracts. ▪ In interest income, the return on the financial portfolio affected by these contracts is recognised (no difference with IFRS4). In interest expense, the capitalisation of insurance liabilities is recognised using the locked-in rate in effect at the time the contract was issued.
Long-term life-risk contracts - measured under the general model	
▪ The margin on long-term life-risk products is recorded under income/(expense) from assets/liabilities under insurance and reinsurance contracts. ▪ There are no deductions for administration, personnel or depreciation costs associated with their marketing and administration.	▪ The majority of margin on long-term life-risk products is recorded under profit/(loss) from the insurance service. ▪ This margin is net of expenses directly attributable to insurance contracts. ▪ In interest income, the return on the financial portfolio affected by these contracts is recognised (no difference with IFRS 4). In interest expense, the capitalisation of insurance liabilities is recognised using the locked-in rate in effect at the time the contract was issued.

IFRS 4	IFRS 17
Unit-linked and similar life-type contracts – measured under the variable fee model	
▪ The margin on unit-linked products and the flexible part of annuities is recorded under fee and commission income. ▪ There are no deductions for administration, personnel or depreciation costs associated with their marketing and administration.	▪ The margin for unit-linked products and the flexible part of annuities is recorded under profit/(loss) from the insurance service. ▪ The margin is net of expenses directly attributable to insurance contracts.
Short-term life-savings contracts – measured under the simplified model	
▪ The margin on life-risk products is recorded under income/(expense) from assets/liabilities under insurance and reinsurance contracts. ▪ There are no deductions for administration personnel expenses.	▪ The margin on life-risk products is recorded under profit/(loss) from the insurance service. ▪ This margin is net of expenses directly attributable to insurance contracts.

Additionally, in relation to the suspension of the deferral of the application of IFRS 9 in the insurance business, as enabled by this standard, the Group has decided not to restate comparative information on financial assets for prior periods. However, given that the transition date of IFRS 17 in the Group is 1 January 2022, with a view to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve comparative information for users of the financial statements, the Group has decided to use the classification overlay approach permitted by IFRS 17 for comparative reporting. This approach enables companies to submit comparative information on financial instruments 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, which in the case of the Group solely includes 2022.

This led to changes to the classification and measurement modifications of certain items on the consolidated financial statements (only includes the balance headings that have been subject to change):

Balance sheet reconciliation at 01-01-2023

Assets

(Millions of euros)

	Balance sheet at 31-12-2022		Reclasif. of fin. instrum. according to their nature IFRS 9 (a)	Other reclassifications	Valuation adjustments	Balance sheet at 01-01-2023
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	**183**		**11,168**			**11,351**
Equity instruments	127		11,168			11,295
Financial assets designated at fair value through profit or loss			**8,022**			**8,022**
Debt securities			7,985			7,985
Loans and advances			37			37
Credit institutions			37			37
Financial assets at fair value with changes in other comprehensive income	**12,942**		**51,590**			**64,532**
Debt securities	11,591		51,590			63,181
Financial assets measured at amortised cost	**442,754**		**3,196**		**218**	**446,168**
Debt securities	77,733	c	2,986		218	80,937
Loans and advances	365,021		210			365,231
Derivatives - Hedge accounting	**649**		**813**			**1,462**
Investments in joint ventures and associates	**2,034**				**20**	**2,054**
Associates	1,990				20	2,010
Assets under the insurance business	**68,534**		**(68,391)**	**(132)**	**(11)**	
Assets under reinsurance contracts		b		**132**	**(69)**	**63**
Intangible assets	**5,219**	d			**(195)**	**5,024**
Goodwill	3,167					3,167
Other intangible assets	2,052				(195)	1,857
Tax assets	**20,457**	e			**7**	**20,464**
Deferred tax assets	18,297				7	18,304
Other assets	**2,369**				**248**	**2,617**
Remaining other assets	2,268				248	2,516
Non-current assets and disposal groups classified as held for sale	**2,426**					**2,426**
TOTAL ASSETS	**592,234**		**6,398**		**218**	**598,850**

a) In the first-time application of IFRS 9 for financial instruments linked to the insurance business, the financial instruments grouped under the heading "Assets under the insurance business" on the asset side of the balance sheet that were recorded pursuant to the classification and measurement accounting policies of IAS 39 were reclassified to each of the IFRS 9 headings provided for, along with the other financial instruments of the banking business (and others) that did not apply this deferral. In particular, the balances corresponding to available-for-sale financial assets linked to the insurance business have been reclassified to "Financial assets at fair value through other comprehensive income" or "Financial assets at amortised cost", while the value of the interest rate swaps previously reported jointly with the fixed-income instruments, have been reclassified to "Hedging derivatives" on the assets or liabilities side, where applicable.

b) The balances classified under "Liabilities under the insurance business" have been reclassified to "Assets under reinsurance contracts", based on the nature of those liabilities.

c) The valuation adjustment reflects the impact of the reversal of fair value adjustments of instruments reclassified to "Financial assets at amortised cost".

d) Certain intangible assets linked to the insurance business and recognised in business combinations prior to the entry into force of IFRS 17, which according to this standard are not eligible for capitalisation after being implicitly included in the contractual service margin (CSM) recognised on transition to IFRS 17, have been de-recognised.

e) Fiscal effect of the indicated valuation adjustments.

Balance sheet reconciliation at 01-01-2023
Liabilities

(Millions of euros)

	Balance sheet at 31-12-2022		Reclasif. of fin. instrum. according to their nature IFRS 9 (a)	Other reclassifications (b)	Valuation adjustments	Balance sheet at 01-01-2023
Financial liabilities designated at fair value through profit or loss				**3,409**		**3,409**
Deposits				3,409		3,409
Customers				3,409		3,409
Financial liabilities at amortised cost	**482,501**			**546**		**483,047**
Deposits	421,870			574		422,444
Customers	393,060			574		393,634
Other financial liabilities	8,023			(28)		7,995
Derivatives - Hedge accounting	**1,371**		**6,398**			**7,769**
Liabilities under the insurance business	**65,654**	c		**(3,955)**	**(61,699)**	
Insurance contract liabilities		c			**62,595**	**62,595**
Provisions	**5,263**				**(32)**	**5,231**
Other long-term employee benefits	2,614				(32)	2,582
Tax liabilities	**2,113**	d			**(181)**	**1,932**
Current tax liabilities	457				(5)	452
Deferred tax liabilities	1,656				(176)	1,480
Other liabilities	**2,760**				**90**	**2,850**
TOTAL LIABILITIES	**557,972**		**6,398**		**773**	**565,143**

a) In the first-time application of IFRS 9 for financial instruments linked to the insurance business, the financial instruments grouped under the heading "Assets under the insurance business" on the asset side of the balance sheet that were recorded pursuant to the classification and measurement accounting policies of IAS 39 were reclassified to each of the IFRS 9 headings provided for, along with the other financial instruments of the banking business (and others) that did not apply this deferral. In particular, the balances corresponding to available-for-sale financial assets linked to the insurance business have been reclassified to "Financial assets at fair value through other comprehensive income" or "Financial assets at amortised cost", while the value of the interest rate swaps previously reported jointly with the fixed-income instruments, have been reclassified to "Hedging derivatives" on the assets or liabilities side, where applicable.

b) Reclassifications of the heading "Liabilities the under insurance business" corresponding to specific products of BPI Vida e Pensoes that do not include a significant transfer of insurance risks and, therefore, are classified and measured under the scope of IFRS 9 (see Note 2).

c) The balances classified under "Liabilities under the insurance business" have been reclassified to "Liabilities under insurance contracts" or "Assets under reinsurance contracts", based on the nature of those liabilities and pursuant to IFRS 17, thus, they include the measurement of the contractual service margin (CSM) amounting to EUR 3,155 million and the risk adjustment for non-financial risk amounting to EUR 477 million.

d) Fiscal effect of the indicated valuation adjustments.

Balance sheet reconciliation at 01-01-2023
Equity

(Millions of euros)

	Balance sheet at		Valuation adjustments	Balance sheet at
SHAREHOLDERS' EQUITY	**36,639**	**a**	**(731)**	**35,908**
Other reserves	**(1,152)**		**(714)**	**(1,866)**
Profit/(loss) for the period attributable to owners of the parent	**3,145**		**(17)**	**3,128**
ACCUMULATED OTHER COMPREHENSIVE INCOME	**(2,409)**		**176**	**(2,233)**
Items that will not be reclassified to profit or loss	**(1,379)**			**(1,379)**
Items that may be reclassified to profit or loss	**(1,030)**	**a**	**176**	**(854)**
Foreign currency exchange	12		17	29
Hedging derivatives. Reserve of cash flow hedges [effective portion]	(499)		13	(486)
Fair value changes of debt securities measured at fair value with changes in other comprehensive income	(506)		(1,606)	(2,112)
Financial expenses for insurance contracts issued			1,704	1,704
Share of other recognised income and expense of investments in joint ventures and associates	(37)		48	11
MINORITY INTERESTS (non-controlling interests)	**32**			**32**
Other items	**32**			**32**
TOTAL EQUITY	**34,262**		**(555)**	**33,707**

a) The impact on equity at 01-01-2023 includes the impact relating to the transition date of 1 January 2022, together with the differences in restated profit or loss for the year 2022 and the changes in other income and expenses recognised during the period. Overall, at 01-01-2023 it represents -20 basis points in CET1 and EUR (555) million net of tax broken down as follows:

- Impact on "Other reserves" of EUR (714) million primarily as a result of the difference between existing insurance provisions under IFRS 4 as at 1 January 2022 and the remeasurement of insurance contract liabilities under IFRS 17, together with the derecognition of intangible assets from business combinations prior to 1 January 2022.
- Impact on "Other Comprehensive Income" of EUR 176 million at 01-01-2023, basically due to the elimination of shadow accounting 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).
- Restatement of "Profit/(loss) for the period attributable to owners of the parent" in 2022. In order to gain an understanding of the nature of these impacts, see the reconciliation of the restatement of the Statement of Profit or Loss to the first quarter of 2022 shown below.

Consolidated Statement of Profit or Loss - Reconciliation of the restatement of balances at 30-06-2022

(Millions of euros)

	30-06-2022		Valuation changes	30-06-2022 restated
Interest income	4,208		(99)	4,109
from banking and other business	3,482		(89)	3,393
Financial assets at fair value through other comprehensive income	245		(87)	158
Financial assets measured at amortised cost	2,991		1	2,992
Other interest income	246		(3)	243
from the insurance business	726		(10)	716
Financial assets at fair value through other comprehensive income	724	c	(24)	700
Financial assets measured at amortised cost	2		14	16
Interest expense	(1,052)		(78)	(1,130)
from banking and other business	(476)		48	(428)
from the insurance business	(576)		(126)	(702)
NET INTEREST INCOME	**3,156**	a	**(177)**	**2,979**
Dividend income	131			131
Share of profit/(loss) of entities accounted for using the equity method	112			112
Fee and commission income	2,188	b	(72)	2,116
Fee and commission expenses	(194)	c	6	(188)
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	(3)			(3)
Gains/(losses) on financial assets and liabilities held for trading, net	11		(3)	8
Other gains or losses	11		(3)	8
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net	(3)			(3)
Other gains or losses	(3)			(3)
Gains/(losses) from hedge accounting, net	10	f		10
Exchange differences (gain/loss), net	232			232
Other operating income	316			316
Other operating expenses	(711)			(711)
Income from assets under insurance and reinsurance contracts	738	d	(738)	
Expenses from liabilities under insurance and reinsurance contracts	(328)	d	328	
Income from the insurance service		a, b, c, d, e	404	404
Ordinary insurance income			1,382	1,382
Insurance service expenses			(978)	(978)
Profit/(loss) from reinsurance contracts			17	17
GROSS INCOME	**5,655**		**(235)**	**5,420**
Administrative expenses	(2,641)	e	202	(2,439)
Personnel expenses	(1,807)		146	(1,661)
Other administrative expenses	(834)		56	(778)
Depreciation and amortisation	(394)	e	35	(359)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**2,120**		**1**	**2,121**
Tax expense or income related to profit or loss from continuing operations	(546)	g	(1)	(547)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**1,574**			**1,574**
Profit/(loss) after tax from discontinued operations	1			1
PROFIT/(LOSS) FOR THE PERIOD	**1,575**			**1,575**
Attributable to minority interests (non-controlling interests)	2			2
Attributable to owners of the parent	1,573			1,573

a) The margin on savings products recorded under "Net interest income" is now recorded under "Profit or loss on insurance services".

b) The margin of unit-linked and similar products recorded under "fee and commission income" is now recorded under "profit/(loss) from the insurance service".

c) Fees paid to third parties on products under the scope of IFRS 17 recorded in "fee and commission expenses" are now recorded under "profit/(loss) from the insurance service".

d) The margin for risk products recorded under “income/(expense) from assets under insurance and reinsurance contracts” is now recorded under “profit/(loss) from the insurance service”.

e) "Administrative expenses" and "Depreciation and amortisation" have been reclassified to "profit/(loss) from the insurance service", insofar as they are directly attributable to insurance contracts.

f) Changes in fair value of swaps previously reported in "Accumulated other comprehensive income" are now reported under "Gains/(losses) from hedge accounting, net" in the income statement

g) Tax effect of adjustments that change the income statement.

Consolidated statement of other comprehensive income - Reconciliation of the restatement at 30-06-2022

(Millions of euros)

	30-06-2022		Valuation changes	30-06-2022 restated
PROFIT/(LOSS) FOR THE PERIOD	**1,575**	a		**1,575**
OTHER COMPREHENSIVE INCOME	**(177)**		**(309)**	**(486)**
Items that will not be reclassified to profit or loss	**620**			**620**
Items that may be reclassified to profit or loss	**(797)**	b	**(309)**	**(1,106)**
Foreign currency exchange	16		70	86
Translation gains/(losses) taken to equity	16		70	86
Cash flow hedges (effective portion)	(325)		1	(324)
Valuation gains/(losses) taken to equity	(318)		1	(317)
Transferred to profit or loss	(7)			(7)
Debt instruments classified as fair value financial assets with changes in other	(749)		(9,067)	(9,816)
Valuation gains/(losses) taken to equity	(768)		(9,063)	(9,831)
Transferred to profit or loss	19		(4)	15
Financial expenses for insurance contracts issued			8,510	8,510
Share of other recognised income and expense of investments in joint ventures and associates	(43)		14	(29)
Income tax relating to items that may be reclassified to profit or loss	304	c	163	467
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,398**		**(309)**	**1,089**
Attributable to minority interests (non-controlling interests)	2			2
Attributable to owners of the parent	1,396		(309)	1,087

a) See restatement of the Statement of Profit or Loss as at 30-06-2022.

b) Impact basically arising 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).

c) Fiscal effect of the indicated valuation adjustments.

Statement of cash flows (indirect method) - Reconciliation of the restatement at 30-06-2022

(Millions of euros)

	30-06-2022		Reclassifications (b)	30-06-2022 restated
A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**22,934**			**22,934**
Profit/(loss) for the period	1,575	a		1,575
Adjustments to obtain cash flows from operating activities	320			320
Net increase/(decrease) in operating assets	(15,052)			(15,052)
Financial assets held for trading	2,437		55	2,492
Financial assets designated at fair value through profit or loss	45		2,158	2,203
Financial assets not designated for trading compulsorily measured at fair value through profit or loss			(878)	(878)
Financial assets at fair value with changes in other comprehensive income	(1,492)		1,329	(163)
Financial assets measured at amortised cost	(20,750)		61	(20,689)
Other operating assets	4,708		(2,725)	1,983
Net increase/(decrease) in operating liabilities	35,990	a		35,990
Financial liabilities held for trading	(846)			(846)
Financial liabilities designated at fair value through profit or loss			(835)	(835)
Financial liabilities at amortised cost	41,999			41,999
Other operating liabilities	(5,163)		835	(4,328)
Income tax (paid)/received	101			101
B) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**289**			**289**
C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**(3,248)**			**(3,248)**
D) EFFECT OF EXCHANGE RATE CHANGES	**2**			**2**
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**19,977**			**19,977**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**104,216**			**104,216**
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	**124,193**			**124,193**

a) See restatement of the Statement of Profit or Loss as at 30-06-2022.

b) The balances classified under "Liabilities under the insurance business" are reclassified to the headings corresponding to financial instruments of IFRS 9, based on their nature.

Pursuant to IAS 8, considering that the transition date of IFRS 17 is 1 January 2022, below is a reconciliation of the changes in measurement and classification upon transition to IFRS 17 at that date:

Balance sheet reconciliation at 01-01-2022

Assets

(Millions of euros)

	Balance sheet at 31-12-2021		Reclasif. of fin. instrum. according to their nature IFRS 9 (a)	Other reclassifications	Valuation adjustments	Balance sheet at 01-01-2022
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	**237**		**13,392**			**13,629**
Equity instruments	165		13,392			13,557
Financial assets designated at fair value through profit or loss			**7,336**			**7,336**
Debt securities			7,254			7,254
Loans and advances			82			82
Credit institutions			82			82
Financial assets at fair value with changes in other comprehensive income	**16,403**		**64,948**			**81,351**
Debt securities	14,757		64,948			79,705
Financial assets measured at amortised cost	**420,599**		**4,127**		**(381)**	**424,345**
Debt securities	68,206	c	4,064		(381)	71,889
Loans and advances	352,393		63			352,456
Derivatives - Hedge accounting	**1,038**		**797**			**1,835**
Investments in joint ventures and associates	**2,534**				**15**	**2,549**
Associates	2,490				15	2,505
Assets under the insurance business	**83,464**		**(83,454)**	**(120)**	**110**	
Assets under reinsurance contracts		b		**120**	**(43)**	**77**
Intangible assets	**4,933**	d		**88**	**(221)**	**4,800**
Goodwill	3,455			(404)		3,051
Other intangible assets	1,478			492	(221)	1,749
Tax assets	**21,298**	e			**(11)**	**21,287**
Deferred tax assets	19,493				(11)	19,482
Other assets	**2,137**			**6**	**(143)**	**2,000**
Remaining other assets	2,041			6	(143)	1,904
TOTAL ASSETS	**680,036**		**7,146**	**94**	**(674)**	**686,602**

a) In the first-time application of IFRS 9 for financial instruments linked to the insurance business, the financial instruments grouped under the heading "Assets under the insurance business" on the asset side of the balance sheet that were recorded pursuant to the classification and measurement accounting policies of IAS 39 were reclassified to each of the IFRS 9 headings provided for, along with the other financial instruments of the banking business (and others) that did not apply this deferral. In particular, the balances corresponding to available-for-sale financial assets linked to the insurance business have been reclassified to "Financial assets at fair value through other comprehensive income" or "Financial assets at amortised cost", while the value of the interest rate swaps previously reported jointly with the fixed-income instruments, have been reclassified to "Hedging derivatives" on the assets or liabilities side, where applicable.

b) The balances classified under "Liabilities under the insurance business" have been reclassified to "Assets under reinsurance contracts", based on the nature of those liabilities.

c) The valuation adjustment reflects the impact of the reversal of fair value adjustments of instruments reclassified to "Financial assets at amortised cost".

d) Certain intangible assets linked to the insurance business and recognised in business combinations prior to the entry into force of IFRS 17, which according to this standard are not eligible for capitalisation after being implicitly included in the contractual service margin (CSM) recognised on transition to IFRS 17, have been de-recognised. To this end, the final allocation of the first consolidation difference recognised in the Bankia Vida business combination (with the corresponding tax effect) has been taken into account.

e) Fiscal effect of the indicated valuation adjustments.

Balance sheet reconciliation at 01-01-2022
Liabilities
(Millions of euros)

	Balance sheet at 31-12-2021		Reclasif. of fin. instrum. according to their nature IFRS 9 (a)	Other reclassifications (b)	Valuation adjustments	Balance sheet at 01-01-2022
Financial liabilities designated at fair value through profit or loss				**3,766**		**3,766**
Deposits				3,766		3,766
Customers				3,766		3,766
Financial liabilities at amortised cost	**547,025**			**269**		**547,294**
Deposits	486,529			269		486,798
Customers	392,479			269		392,748
Other financial liabilities	6,812					6,812
Derivatives - Hedge accounting	**960**		**7,146**			**8,106**
Liabilities under the insurance business	**79,834**	c		**(4,035)**	**(75,799)**	
Insurance contract liabilities		c			**75,384**	**75,384**
Provisions	**6,535**				**(33)**	**6,502**
Other long-term employee benefits	3,452				(33)	3,419
Tax liabilities	**2,337**	d		**94**	**(56)**	**2,375**
Current tax liabilities	189				1	190
Deferred tax liabilities	2,148			94	(57)	2,185
Other liabilities	**2,115**				**62**	**2,177**
TOTAL LIABILITIES	**644,611**		**7,146**	**94**	**(442)**	**651,409**

a) In the first-time application of IFRS 9 for financial instruments linked to the insurance business, the financial instruments grouped under the heading "Assets under the insurance business" on the asset side of the balance sheet that were recorded pursuant to the classification and measurement accounting policies of IAS 39 were reclassified to each of the IFRS 9 headings provided for, along with the other financial instruments of the banking business (and others) that did not apply this deferral. In particular, the balances corresponding to available-for-sale financial assets linked to the insurance business have been reclassified to "Financial assets at fair value through other comprehensive income" or "Financial assets at amortised cost", while the value of the interest rate swaps previously reported jointly with the fixed-income instruments, have been reclassified to "Hedging derivatives" on the assets or liabilities side, where applicable.

b) Reclassifications of the heading "Liabilities the under insurance business" corresponding to specific products of BPI Vida e Pensoes that do not include a significant transfer of insurance risks and, therefore, are classified and measured under the scope of IFRS 9 (see Note 2).

c) The balances classified under "Liabilities under the insurance business" have been reclassified to "Liabilities under insurance contracts" or "Assets under reinsurance contracts", based on the nature of those liabilities and pursuant to IFRS 17, thus, they include the measurement of the contractual service margin (CSM) amounting to EUR 2,962 million and the risk adjustment for non-financial risk amounting to EUR 571 million.

d) Fiscal effect of the indicated valuation adjustments.

Balance sheet reconciliation at 01-01-2022

Equity

(Millions of euros)

	Balance sheet at		Valuation adjustments	Balance sheet at
SHAREHOLDERS' EQUITY	**37,013**	a	**(715)**	**36,298**
Other reserves	**(1,343)**		**(689)**	**(2,032)**
Profit/(loss) for the period attributable to owners of the parent	**5,226**		**(26)**	**5,200**
ACCUMULATED OTHER COMPREHENSIVE INCOME	**(1,619)**		**483**	**(1,136)**
Items that will not be reclassified to profit or loss	**(1,896)**			**(1,896)**
Items that may be reclassified to profit or loss	**277**	a	**483**	**760**
Foreign currency exchange	5		(1)	4
Hedging derivatives. Reserve of cash flow hedges [effective portion]	(94)			(94)
Fair value changes of debt securities measured at fair value with changes in other comprehensive income	337		7,617	7,954
Financial expenses for insurance contracts issued			(7,133)	(7,133)
Share of other recognised income and expense of investments in joint ventures and associates	29			29
MINORITY INTERESTS (non-controlling interests)	**31**			**31**
TOTAL EQUITY	**35,425**		**(232)**	**35,193**

a) The impact on equity at 01-01-2022 represents EUR (232) million net of tax broken down as follows:

- Impact on "Other reserves" of EUR (689) million primarily as a result of the difference between existing insurance provisions under IFRS 4 as at 1 January 2022 and the remeasurement of insurance contract liabilities under IFRS 17, together with the derecognition of intangible assets from business combinations prior to 1 January 2022.
- Impact on "Other Comprehensive Income" of EUR 483 million at 01-01-2022, due to the elimination of shadow accounting 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).

Lastly, for the sole purpose of facilitating understanding of the presentation of the consolidated income statement and consolidated statement of recognised income and expense for 2022, their configuration is presented taking into account the changes in valuation and classification if they had been applied on 1 January 2022:

Consolidated Statement of Profit or Loss - Reconciliation of the restatement of balances for 2022
(Millions of euros)

	2022		Valuation changes	2022 restated
Interest income	9,233		(36)	9,197
from banking and other business	7,812			7,812
Financial assets at fair value through other comprehensive income	333			333
Financial assets measured at amortised cost	7,440			7,440
Other interest income	39			39
from the insurance business	1,421		(36)	1,385
Financial assets at fair value through other comprehensive income	1,418	c	(66)	1,352
Financial assets measured at amortised cost	3		30	33
Other interest income				
Interest expense	(2,317)		(328)	(2,645)
from banking and other business	(1,298)			(1,298)
from the insurance business	(1,019)		(328)	(1,347)
financial income from insurance contracts				
NET INTEREST INCOME	**6,916**	a	**(364)**	**6,552**
Dividend income	163			163
Share of profit/(loss) of entities accounted for using the equity method	264		(42)	222
Fee and commission income	4,406	b	(180)	4,226
Fee and commission expenses	(396)	c	25	(371)
Gains/(losses) on financial assets and liabilities held for trading, net	476		(6)	470
Other gains or losses	476		(6)	470
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net	(9)		(2)	(11)
Other gains or losses	(9)		(2)	(11)
Financial assets designated at fair value through profit or loss, net				
Gains/(losses) from hedge accounting, net	(18)	f	(2)	(20)
Exchange differences (gain/loss), net	(152)			(152)
Other operating income	604			604
Other operating expenses	(1,567)			(1,567)
Income from assets under insurance and reinsurance contracts	1,329	d	(1,329)	
Expenses from liabilities under insurance and reinsurance contracts	(463)	d	463	
Income from the insurance service		a, b, c, d, e	931	931
Ordinary insurance income			2,784	2,784
Insurance service expenses			(1,853)	(1,853)
Profit/(loss) from reinsurance contracts			5	5
GROSS INCOME	**11,594**		**(501)**	**11,093**
Administrative expenses	(5,263)	e	418	(4,845)
Personnel expenses	(3,620)		289	(3,331)
Other administrative expenses	(1,643)		129	(1,514)
Depreciation and amortisation	(807)	e	77	(730)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**4,326**		**(6)**	**4,320**
Tax expense or income related to profit or loss from continuing operations	(1,179)	g	(10)	(1,189)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**3,147**		**(16)**	**3,131**
PROFIT/(LOSS) FOR THE PERIOD	**3,149**		**(16)**	**3,133**
Attributable to minority interests (non-controlling interests)	4			4
Attributable to owners of the parent	3,145		(16)	3,129

a) The margin on savings products recorded under "Net interest income" is now recorded under "Profit or loss on insurance services".

b) The margin of unit-linked and similar products recorded under "fee and commission income" is now recorded under "profit/(loss) from the insurance service".

c) Fees paid to third parties on products under the scope of IFRS 17 recorded in "fee and commission expenses" are now recorded under "profit/(loss) from the insurance service".

d) The margin for risk products recorded under “income/(expense) from assets under insurance and reinsurance contracts” is now recorded under “profit/(loss) from the insurance service”.

e) "Administrative expenses" and "Depreciation and amortisation" have been reclassified to "profit/(loss) from the insurance service", insofar as they are directly attributable to insurance contracts.

f) Changes in fair value of swaps previously reported in "Accumulated other comprehensive income" are now reported under "Gains/(losses) from hedge accounting, net" in the income statement

g) Tax effect of adjustments that change the income statement.

Consolidated statement of other comprehensive income - Reconciliation of the restatement for 2022

(Millions of euros)

	2022		Valuation changes	2022 restated
PROFIT/(LOSS) FOR THE PERIOD	**3,149**	a	**(16)**	**3,133**
OTHER COMPREHENSIVE INCOME	**(790)**		**(308)**	**(1,098)**
Items that will not be reclassified to profit or loss	**518**			**518**
Items that may be reclassified to profit or loss	**(1,308)**	b	**(308)**	**(1,616)**
Foreign currency exchange	7		26	33
Translation gains/(losses) taken to equity	7		26	33
Cash flow hedges (effective portion)	(596)			(596)
Valuation gains/(losses) taken to equity	(636)			(636)
Transferred to profit or loss	40			40
Debt instruments classified as fair value financial assets with changes in other	(1,178)		(13,175)	(14,353)
Valuation gains/(losses) taken to equity	(1,172)		(13,175)	(14,347)
Transferred to profit or loss	(6)			(6)
Financial expenses for insurance contracts issued			12,620	12,620
Share of other recognised income and expense of investments in joint ventures and associates	(65)		47	(18)
Income tax relating to items that may be reclassified to profit or loss	524	c	174	698
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**2,359**		**(324)**	**2,035**
Attributable to minority interests (non-controlling interests)	4		(1)	3
Attributable to owners of the parent	2,355		(323)	2,032

a) See restatement of the Statement of Profit or Loss as at 01-01-2023.

b) Impact basically arising 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).

c) Fiscal effect of the indicated valuation adjustments.

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. EVENTS AFTER THE REPORTING PERIOD

Share Buy-back Programme

The Board of Directors has declared CaixaBank's intention, subject to regulatory approval, to undertake a EUR 500 million share buy-back programme in the market, which is expected to begin before the close of 2023, in order to distribute the CET1 surplus above 12%. This extraordinary payout is aligned with the objectives established in the 2022–2024 Strategic Plan.

Between 30 June 2023 and the date these condensed interim consolidated financial statements were authorised for issue, no further events occurred with a material impact on the accompanying financial statements that are not described in the remaining explanatory notes.

2. ACCOUNTING PRINCIPLES AND POLICIES AND MEASUREMENT BASES APPLIED

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

Except as indicated below, 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 2022 consolidated financial statements.

- **Financial instruments of the insurance business**

  Note 2.2 of the 2022 consolidated financial statements contains details of the accounting principles and policies and measurement bases of IFRS 9, which will be applied by the Group for the first time for financial instruments used in the insurance business as of 1 January 2023.

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

  - Most financial assets are classified as available-for-sale financial assets under IAS 39. Under IFRS 9 most portfolios will be classified as Financial assets at fair value through other comprehensive income. However, under certain circumstances, in order to avoid asymmetries between assets and liabilities, some portfolios will be classified as Financial assets at amortised cost.
  - As regards the unit-linked business, the financial assets related to these contracts are classified in "Other financial assets at fair value through profit or loss" in the chapter "Assets under the insurance business" under IAS 39. These portfolios are classified under IFRS 9 as "Financial assets designated at fair value through profit or loss" and "Financial assets not designated for trading compulsorily measured at fair value through profit or loss".
  - Derivatives designated as hedged items are classified in IFRS 9 under the heading Derivatives - hedge accounting.

Furthermore, Note 2.2 of the 2022 consolidated financial statements contains details of the accounting principles and policies and measurement bases of IFRS 4, which have been amended with the 1st application of IFRS 17, as set out in Note 1.2:

- **Assets under reinsurance contracts**

  The heading "Assets under reinsurance contracts" in the balance sheet includes the combination of rights and obligations arising from a group of reinsurance contracts. When such a combination for a group of contracts presents a liability position it is reported under the heading "Liabilities under insurance contracts".

- **Liabilities under insurance contracts**

  - <u>Definition and classification</u>

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

  - <u>Unit of account</u>

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

The Group uses different valuation methodologies for insurance contracts based on the risk group to which they belong:

Risk Group	Methodology for measuring provisioning
Risk	
Multi-year risk	BBA: Building block approach (general model)
Temporary Annual Rolling Risk	PAA: Premium allocation approach
Savings	
Previous Individual Savings – Matching	BBA: Building block approach (general model)
Subsequent Individual Savings – Matching	BBA: Building block approach (general model)
Subsequent Individual Savings – Volatility	BBA: Building block approach (general model)
Collective Savings – Matching	BBA: Building block approach (general model)
Collective Savings – Volatility	BBA: Building block approach (general model)
Direct participation	
Unit Linked	VFA: Variable fee approach

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

Contracts issued after the transition date have been grouped by year, except for insurance contracts managed under matching adjustment techniques and unit-linked contracts for which the Group has made use of the derogation in Article 2 of Commission Regulation (EU) 2021/2036.

- Recognition and derecognition of accounts

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

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

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

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

An insurance contract will be terminated when: i) it has expired; or ii) it is amended and fulfils the requirements of the termination rule.

- Measurement

  - Initial recognition

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

    - Future cash flows, which include:

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

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

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

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

- The contractual service margin (CSM) represents the future profits of the insurance contracts issued. This amount is not recognised in the income statement at initial recognition, but is recognised when the services under the contract are rendered. When this margin is negative, the insurance contract is onerous and the loss must be immediately recognised in the income statement, without the contractual service margin being recognised in the balance sheet.

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

At initial recognition the Group measures the remaining hedging liability as the premiums received plus/minus any amount resulting from derecognising assets/liabilities previously recognised for the cash flows related to the group of contracts. For these contracts, profit is implicit in calculating the insurance liability, therefore, there is no CSM accounted for separately.

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

- Subsequent recognition

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

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

- The liability for claims incurred, which comprises the cash flows arising from the performance of past services assigned to the group at that date.

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

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

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

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

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

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

- Income and expenses from insurance contracts

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

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

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

3. RISK MANAGEMENT

Note 3 to the Group's 2022 consolidated financial statements describes the risk management framework, which is part of the internal control framework based on the three lines of defence. The risk management framework comprises the following components: governance and organisation, strategic processes for risk identification, assessment, management and monitoring, and risk culture.

The most relevant aspects of risk management in the first half of 2023 are detailed below:

3.1 ENVIRONMENT AND RISK FACTORS

- **Economic context**

  - **Global and eurozone economy**

The performance of the international economy since the start of 2023 has been characterised by three major dynamics. Firstly, energy prices have eased and stabilised at much lower levels than expected a few months ago, although still above their pre-pandemic levels. Secondly, activity indicators have been relatively resilient, and the labour market has remained highly resilient, while inflation has been mixed, with declines in headline inflation but considerable persistence of core inflation (services and non-energy goods). For these reasons, as a third major dynamic, the major central banks have been pushed to further tighten monetary policy. These rate hikes are being translated into tighter financial conditions and can be expected to lead to a cooling of the global economy in the upcoming quarters.

As a result of the foregoing, global growth in the first quarter of the year was above expectations, albeit with heterogeneous behaviour among the major regions. The revival of the Chinese economy following its shift away from the zero-COVID policy was a major boost at the beginning of the year, although the data available for the second quarter point to a certain loss of momentum in the Chinese economy.

Furthermore, in the U S indicators point to a gradual slowdown in the economy, with a robust labour market and GDP continuing to grow in the second quarter after a 0.5% quarter-on-quarter increase in the first quarter of 2023. The aftershocks from the collapse of Silicon Valley Bank in March have been fading, with the tightening of financial conditions proceeding on a more gradual course, while inflation is still at elevated levels, albeit on a gradually moderating path. All this has led the Federal Reserve to raise rates to the 5.00%-5.25% range while redirecting its strategy towards more gradual increases (25 bp) that are spaced out over time.

The euro zone economy avoided a technical recession in 1Q23 as GDP stagnated (0.0% q/q), following a quarter-on-quarter decline of 0.1% in the previous quarter, a result that, however, corresponds to a disparate performance by country. Much of the weakness was due to the sharp fall in Ireland's GDP, which tends to be highly volatile as a result of the activities of foreign multinationals based in the country. Less benign is the reading of German GDP, in technical recession: after falling by 0.5% quarter-on-quarter in 4Q22, it contracted by 0.3% in 1Q23, putting the German economy 0.5% below its pre-pandemic level. On the other hand, Italy surprised again with a dynamic, but hardly sustainable, growth of 0.6%, after -0.1% in 4Q22. France, on the other hand, was in line with expectations and managed to grow by 0.2% quarter-on-quarter, after stagnating in the previous quarter.

Translated with www.DeepL.com/Translator (free version)Nevertheless, given the uncertainty surrounding inflation, the ECB closed the first half of the year by raising rates to 3.50% (depo rate) and 4.00% (refi rate), i.e. +150 bp so far in 2023, and reiterated the likely need for further rate hikes. The ECB also ended all reinvestments of the asset purchase programme (APP), while repayments of the TLTRO-lll longer-term refinancing operations continued unabated.

  - **Spain and Portugal**

The Spanish economy is showing notable resilience. In the first quarter of 2023, it posted a quarter-on-quarter increase of 0.5% in GDP, boosted by the buoyancy of external demand due to the strong momentum of tourism and exports of other services, while private consumption continued to contract. The information available for the second quarter offers mixed signals, showing a more or less up and down profile throughout the quarter. On the one hand, industry is weak, while on the positive side, foreign tourism continues to post very good figures and job creation shows a good tone, albeit losing buoyancy. Inflation has continued to ease, falling to 1.9% in June, the lowest level since March 2021, thanks not only to the base effect of energy prices but also to moderation in all components. Core inflation, which excludes energy and all food, came in at 4.3% in June, compared with a peak in February of 5.2%

The good performance of activity in the first few months of the year, together with the drag from the INE's revision of GDP growth in the second half of 2022, are leading to a revision of growth forecasts for the year as a whole, which the Bank of Spain now places at 2.3%.

The Portuguese economy surprised positively in the first quarter of the year by posting a strong quarter-on-quarter GDP growth of 1.6%, thanks to the strength of external demand and particularly tourism. Available indicators for the second quarter show a positive tone but with a decelerating trend. Inflation eased during the first half of the year and came in at 3.4% in June, compared to 9.6% at the end of 2022.

Regulatory and supervisory context

Among the most significant developments during the first half of 2023 were:

Pillar 3 regulation

In the prudential regulatory environment, an agreement is closer to being reached on the legislative proposal to implement the final reforms of Basel III (Banking Package - Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR)). It is also worth noting the publication of the European Banking Authority's (EBA) draft amendment of its implementing technical standards (ITS) concerning the introduction of the reporting of the new IRRBB (interest rate risk in the banking book) and the Commission's position on this issue. Other EBA public consultations being monitored include: i) consultation of 21 March on changes to FRTB (Fundamental Review of the Trading Book) reporting, and ii) consultation of 24 March on supervisory standards for assessing the methodology for new market risk models under the FRTB.

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

In the field of corporate governance and sustainability, at the national level, participation in the public hearing related to the draft Royal Decree regulating the content of reports on the estimation of the financial impact of risks associated with climate change for financial institutions, listed companies and other large companies is noteworthy. Similarly, the prior public consultation —which ended on 4 March— on the Draft Bill on Sustainability Reporting, transposing specific discretionary aspects of the Directive on sustainability reporting by companies took place; as well as the hearing and public information procedures regarding the Preliminary Draft Organic Law on Equal Representation of Women and Men in Decision-Making Bodies (finalised on 27 March) relating to a better gender balance in the governing bodies and senior management of Spanish listed companies and non-listed public interest entities.

In the European environment, it is worth highlighting the participation in the consultation of the European Commission on the proposal for a Delegated Regulation supplementing Regulation (EU) 2020/852 (Taxonomy Regulation) by setting out the technical selection criteria for determining the conditions under which an economic activity is considered to substantially contribute to the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution, or the protection and restoration of biodiversity and ecosystems, and for determining whether that economic activity does not result in significant damage to any of the other environmental objectives. Also of particular note was the participation in the European Securities and Markets Authority's (ESMA) consultation on the draft guidelines for the use of ESG or sustainability-related terms in funds' names, which ended on 20 February.

Anti-Money Laundering and Terrorism Financing (AML/TF)

At the European level, the EU published the EBA Guidelines on AML/CFT management and access to financial services and the amendment of the Regulation on information to accompany transfers of funds and certain crypto-assets (TFR). Furthermore, the handling of the money laundering package has been followed up. Lastly, at the national level, the approval and entry into force of Law 2/2023, regulating the protection of persons who report regulatory infringements and the fight to combat corruption, is noteworthy.

- **Retail and markets**

The call for general elections to the Spanish Congress of Deputies and Senate affected the processing of key initiatives, such as the Bill on the Administrative Authority for the Defence of Financial Customers and the Bill on Customer Services, both of which were closely monitored by the Group. Also, the draft Royal Decree amending the Regulations on pension plans and funds, currently at the public hearing stage, and the Bank of Spain's prior public consultation on the draft supervisory guide on the transparency of revolving credit were monitored.

In the European context, developments in other retail initiatives have been monitored, such as the proposals to revise the Directives on distance financial services contracts and on consumer credit. Furthermore, the European Commission has presented and submitted for public consultation the Retail Investment Strategy, comprising an Omnibus Directive proposing the amendment of the main rules on marketing of financial instruments and insurance (MiFID and IDD respectively) among other directives, and the revision of the Packaged Retail and Insurance-Based Investment Products Regulation (PRIIPs).

- **Digital and payments**

With regard to consultations during the first half of 2023 at domestic level in this field, on 19 May, the Ministry of Economic Affairs and Digital Transformation (MINECO) published a consultation on a Royal Decree to establish a controlled testing environment (sandbox) on artificial intelligence, the purpose of which is to create such an environment in which different entities chosen by public call participate, in which some artificial intelligence systems are selected, on a trial basis, in order to facilitate the implementation of the Artificial Intelligence Regulation.

At the European level, the ECB has consulted stakeholders through the Digital Euro Market Advisory Group (MAG), the Digital Euro Rulebook Development Group (Digital Euro RDG MG), the Euro Retail Payments Board (ERPB) and the various interest representation associations on designing a possible digital euro. These consultations have primarily concentrated on questions related to user on-boarding, the main functionalities of the digital euro, the compensation model for intermediaries in the digital euro scheme and the digital euro roll-out process and the various user journeys, among other matters.

Also in April, the European Commission (EC) published a consultation on an initiative on virtual worlds (metaverses) and Web 4.0, inviting stakeholders to share their perspectives on the development of rules for open, interoperable, and innovative virtual worlds that are safe for consumers and businesses, aligned with the European Declaration on Digital Rights and Principles. In the same month, the EC published a consultation on the proposed Cybersolidarity Regulation, whose aim is to strengthen the EU's cybersecurity capabilities to detect, address and overcome major or large-scale cybersecurity incidents, boost the preparedness of critical sectors, and strengthen solidarity and concerted crisis management and response capacity in Member States.

Furthermore, the European Supervisory Authorities (the European Banking Authority, the European Insurance and Occupational Pensions Authority, and the European Securities and Markets Authority) have published consultation documents on the development of the Digital Operational Resilience Act (DORA) seeking stakeholders' views on the criteria for assessing the critical nature of information and communications technology (ICT) service providers and on the fees applicable to them.

Lastly, in the field of payments, the following publications are noteworthy: i) a package of initiatives on access to financial data and on payments, seeking to adapt payments and the financial sector in general to the digital age, to provide greater consumer protection and to improve competition and security. The package includes three legislative proposals: the proposed Payment Services and Electronic Money Services Directive (PSD3); the proposed Payment Services Regulation (PSR); and the proposed Regulation for a framework for access to financial data; and ii) a package of initiatives on the digital euro, intended to ensure that individuals and businesses can continue to have access to the money issued by the European Central Bank, and to lay down a framework for a possible new digital form of the euro as a complement to cash. The package includes three legislative proposals: the proposal for regulation on the establishment of a digital euro; the proposal for regulation on the provision of digital euro services by payment service providers incorporated in Member States with a currency other than the euro; and the proposal for regulation on the legal tender status of euro banknotes and coins. These matters are being closely monitored, with relevant participation in the forums of the European Savings Banks Group (ESBG) and the European Commission.

- **Competitive and social context**

It 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 corporate risk taxonomy ("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. During the first half of 2023, certain significant events took place in relation to strategic events:

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

In the current climate, the geopolitical risks and the consequences that said risks could have on the activity continue to be potentially serious.

Over a year after the Russian invasion of Ukraine, uncertainty remains very high, and although energy prices have eased in recent months and the risk of natural gas supply constraints in Europe has been greatly mitigated, uncertainty remains very high in the trajectory of energy and other commodity prices, including food prices, and the possibility of further negative shocks cannot be ruled out.

Additionally, the impact of the reopening of the Chinese economy on inflationary pressures, following the winding down of the zero-COVID policy, is somewhat uncertain given that, on the one hand, it will alleviate global supply bottlenecks but also, by increasing demand, place upward pressure on energy and commodity prices.

There is also a risk, significantly higher in the United States, that the financial tensions that occurred with the collapse of Silicon Valley Bank could be repeated. This could contribute to undermining confidence and lead to a stronger than anticipated tightening of financial conditions, with a consequent impact on the real economy.

Internationally, some real estate markets are a source of fragility, since they have experienced sharp price rises in recent years and show signs of overvaluation and high household indebtedness.

Lastly, despite the emergence of disinflationary signals, high uncertainty remains as to the speed and intensity with which they will spread across the price basket as a whole. If these dynamics are slower than expected, central banks may be forced to further tighten monetary policy, accentuating the abovementioned risks.

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

CaixaBank Group closely monitors potential new competitors. No new developments have been identified in this area in the first half of 2023.

In terms of the application of new technologies, there is constant monitoring of emerging technologies which are expected to have a material impact on the industry, along with the identification of new use cases in monitoring technologies. The 2023 innovation agenda includes the following fields: applied artificial intelligence, Quantum Computing, DLT, tokenisation and Digital Assets, Stablecoins and Central Bank Digital Currency, Digital Identity, Metaverse and Edge Computing.

- **Cybercrime and data protection**

CaixaBank has a Strategic Plan in place to respond to the main information security threats to which it is exposed. Furthermore, the Bank conducts ongoing measurements of the Group's cybersecurity capabilities against external benchmarking and submits itself to various external benchmark assessments in this area.

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 on 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 Next Generation 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, it 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 or supervisory framework**

During the first half of 2023, the implementation of Royal Decree Law 19/2022 of 22 November has been completed, which came into effect on 24 November 2022 to strengthen the protection of mortgage debtors so as to avoid difficulties as a result of the hike in interest rates. Among other measures, Royal Decree-Law 19/2022 creates a new Code of Best Practice (CBP) for a period of two years aimed at restructuring the mortgage debt of mortgagors at risk of vulnerability due to interest rate hikes, amends the existing Code of Best Practice pursuant to Royal Decree-Law 6/2012, and facilitates the subrogation of consumers.

CaixaBank adhered to the extension of the pre-existing Code of Best Practice, as well as to the new one, which will have a two-year transitional period. CaixaBank has committed to applying this package of measures intended to anticipate and alleviate possible future difficulties that vulnerable households may face in paying mortgages on primary homes as a result of the interest rate hike. Pursuant to Royal Decree Law 19/2022, all customers who are individuals and holders of home mortgages have been notified of said adherence.

CaixaBank decided to adopt a proposal system consisting of submitting a single application for adherence to the Code of Best Practice to customers who express payment difficulties, whereby the application includes acceptance of the restructuring measures envisaged in the Code of Best Practice and the novation measures envisaged in the new code. The resolution of the proposal notified to the debtor will include all the measures to which the debtor is entitled (due to compliance with the requirements) under both the previous Code of Best Practice and the new one.

Furthermore, pursuant to the provisions of Royal Decree Law 19/2022, the Bank of Spain has published the Guide and the simulator that will help mortgagors in difficulties to check whether they meet the conditions to benefit from the code. The abovementioned guide, together with the compendium of queries resolved by the Commission for Monitoring Compliance with the Code of Best Practice and the criteria of the Department of Conduct of Institutions included in the Bank of Spain's report on complaints, provide us with the legal interpretative criteria for applying the provisions of the abovementioned regulations governing the Code of Best Practice. Together with the other financial institutions, a common formula has been applied to calculate the reduced interest rate of 0.5% of the net present value of the loan according to the regulations in force, applicable for restructuring modalities in the code.

Furthermore, during the first half of 2023, certain regulations have been monitored and projects have been initiated to implement, among others, the following regulations, in chronological order according to their publication in official gazettes:

- Process of the gradual updating of internal rules, policies and procedures, pursuant to Law 4/2022 of 25 February on the protection of consumers and users in situations of social and economic vulnerability, and amending RDL 1/2007, which also establishes the minimum size of the lettering in contracts.
- Regulation (EU) 2022/2554 on digital operational resilience in the financial sector (DORA), which will apply from 17 January 2025. Its primary goal is to prevent and mitigate cyber threats by laying down

uniform requirements for the security of the networks and information systems of companies and organisations operating in the financial sector, together with essential third-party providers of ICT (information and communication technology) services, such as cloud platforms or data analytics services. An active working group is implementing this key regulation in a timely manner.

- Law 6/2023 of 17 March on Securities Markets and Investment Services (LMV): among the regulatory requirements of this Law, the transposition of the Quick Fix of MIFID II, which entails CaixaBank Group's implementation of: i) exemption from product governance requirements; ii) requirements regarding information to be provided to clients in accordance with the LMV (electronic/hard copy format); iii) exemption from specific disclosure requirements for professional customers; and iv) analysis of the costs and benefits of changing the financial instrument.
- Royal Decree 193/2023, of 21 March, regulating the basic conditions of accessibility and non-discrimination for people with disabilities for access to and use of goods and services available to the public; and Law 11/2023, of 8 May, transposing European Union Directives on accessibility of certain products and services. The bank has started to analyse the impacts of both regulations in order to make the necessary adaptations.
- MiFID II product governance guidelines, the main new features of which include: i) specifying any sustainability-related targets with which a product is compatible; ii) identifying a target market by product grouping rather than by individual product ("clustering approach"); iii) determining a compatible distribution strategy when a distributor deems that a more complex product can be distributed on a non-advised sale basis; and iv) regularly reviewing products, including the application of the principle of proportionality. They will apply two months after the publication of their translations.
- Law 12/2023, of 24 May, on the right to housing, which, among other matters, has introduced new procedural requirements when the enforcing party is required to file a foreclosure lawsuit on the debtor's habitual residence and also when they must request an auction of the property that constitutes the debtor's habitual residence and their lawsuit was filed prior to Law 12/2023. In both cases it is intended that the executing party proves in the proceedings whether the debtor is in a situation of economic vulnerability and, if so, also proves whether the creditor has submitted to a conciliation or mediation procedure laid down for this purpose by the competent administrations. These same requirements will apply to the successful bidder who intends to resume the eviction and eviction proceedings suspended by virtue of articles 1 and 1 bis of RDL 11/2020. CaixaBank has implemented the new procedural requirements in its circuits and has started to implement them. Now all that remains to be seen is how the various public administrations involved respond.
- Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in cryptoassets (MiCA), which regulates the provision of services and the issuance of certain cryptoassets. The MiCA Regulation will apply from 30 June 2024 for the issuance of asset-backed tokens and e-money tokens and from 30 December 2024 for all other provisions. Regarding these regulations, an external consultancy report is being awaited in order to reach an internal decision of a strategic nature.

Lastly, we should highlight the publication of other regulations equally relevant for the Group, such as, among others: i) Circular 1/2023, on the information to be sent to the Bank of Spain on covered bonds and other loan mobilisation instruments; and ii) Law 2/2023, of 20 February, regulating the protection of persons who report regulatory infringements and the fight to combat corruption. Both are at an advanced stage of implementation.

Pandemics and other extreme events

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.

It fosters, disseminates and seeks the support of the governing bodies for the need to increase the Group's capacities related to resilience in extreme situations, with this last aspect, resilience in its various aspects, constituting one of the main lines of work to be incorporated into a future strategic plan.

The key actions and events in the first half of 2023 include keeping the set of measures necessary to counteract the effects of the armed conflict in Ukraine open, monitored and in a stable situation at the operational level. The trend in the field of energy and its potential operational effects is being monitored, with no signs of concern for the time being, but the analysis will be updated for the winter 2023-2024 in order to adapt measures where necessary. In the same vein, an approach to the drought situation and potential restrictions that may arise has been initiated. On the basis of this approach, the regulatory, administrative and competence context is complex and monitoring is kept low profile: for the time being, there are no signs that it could have an impact on the Group's activity.

In the framework of the 2023 test plan, specific tests have been included in order to assess the performance of the Business Continuity Management System in the event of cyberattacks and supplier unavailability scenarios with a view to the global coordination of the various disciplines involved. It is essential to incorporate these tests to ensure the system's responsiveness to unforeseen events that may compromise its operation, as well as to ensure business continuity. These tests are in line with the requirements laid down by DORA and with the recommendations of the ECB. By doing so, the Entity seeks to improve resilience, strengthening its capacity to adapt and recover in the face of adverse situations.

3.2 CREDIT RISK

Credit risk corresponds to a decrease in the value of CaixaBank Group assets due to uncertainty about a customer's ability to meet its obligations to the Group. It includes the risk generated by financial market operations (counterparty risk).

Note 3.4.1. of the consolidated financial statements for 2022 details the policies, definitions and criteria used to manage the Group's credit risk.

Below are the most relevant credit risk management aspects from the first six months of 2023.

3.2.1 COVID-19 support measures

During the pandemic, CaixaBank 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 entirely in 2022.

Similarly, of particular note were the efforts made by CaixaBank to ensure the deployment of new ICO (Spanish Official Credit Institute) guarantee facilities, ICO-COVID facilities, which CaixaBank also extends using working capital facilities and special funding facilities, among others.

At 30 June 2023, 45% of the total amount of loans granted with ICO guarantees have already been repaid. Of the remaining amount, 99.7% is repaying principal at the end of June. 3.8% of ICO-guaranteed loans are classified in Stage 3.

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

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

Breakdown of government guaranteed loans
(Millions of euros)

	30-06-2023			01-01-2023		
	Spain (ICO)	Portugal	Total	Spain (ICO)	Portugal	Total
Public administrations	**5**		**5**	**7**		**7**
Non-financial corporations and individual entrepreneurs (non-financial business)	**14,389**	**1,165**	**15,554**	**16,802**	**1,459**	**18,261**
Real estate construction and development (including land)	75	4	79	75	4	79
Civil engineering	1,159	99	1,258	1,371	112	1,483
Other	13,155	1,062	14,217	15,356	1,343	16,699
Large corporates	3,127	38	3,165	3,685	37	3,722
SMEs and individual entrepreneurs	10,028	1,024	11,052	11,671	1,306	12,977
TOTAL	**14,394**	**1,165**	**15,559**	**16,809**	**1,459**	**18,268**

3.2.2 *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.

Forward-looking macroeconomic indicators *
(% Percentages)

	30-06-2023						01-01-2023					
	Spain			Portugal			Spain			Portugal		
	2024	2025	2026	2024	2025	2026	2023	2024	2025	2023	2024	2025
GDP growth												
Baseline scenario	1.9	2.3	1.7	2.1	2.4	2.0	2.4	2.6	2.1	2.0	2.3	2.1
Upside scenario	3.5	2.5	1.9	3.9	3.1	2.4	5.1	4.1	2.0	3.2	4.6	2.6
Downside scenario	0.8	3.2	2.3	0.9	2.9	2.1	(1.6)	1.8	2.9	(1.2)	1.4	1.7
Unemployment rate												
Baseline scenario	12.4	11.9	11.4	6.1	5.9	5.7	12.6	12.5	11.8	5.7	5.6	5.6
Upside scenario	10.9	10.2	9.6	5.5	5.4	5.7	11.4	11.0	10.0	5.4	5.2	5.2
Downside scenario	16.8	15.5	14.8	9.4	8.9	8.7	15.8	16.3	14.9	8.5	8.9	8.4
Interest rates												
Baseline scenario	2.93	2.43	2.40	2.93	2.43	2.40	1.70	1.78	1.78	1.70	1.78	1.78
Upside scenario	2.69	2.79	2.79	2.69	2.79	2.79	2.32	2.54	2.54	2.32	2.54	2.54
Downside scenario	4.10	3.35	2.49	4.10	3.35	2.49	0.84	0.99	1.46	0.84	0.99	1.46
Evolution of property prices												
Baseline scenario	1.5	2.4	2.8	0.1	2.4	2.8	2.2	2.5	2.8	1.5	2.8	2.8
Upside scenario	4.4	3.5	2.8	2.4	2.5	2.8	3.8	4.9	3.9	5.0	4.6	2.9
Downside scenario	(3.1)	0.7	3.2	(4.5)	1.3	2.8	(0.5)	(2.4)	1.5	(3.1)	(2.1)	1.9

(*) 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)

	30-06-2023			01-01-2023		
	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

The above macroeconomic table and scenario weighting are used in the latest May 2023 half-yearly model recalibration. Notwithstanding, CaixaBank maintains an additional collective provisioning fund, which constitutes a Post Model Adjustment (PMA), totalling EUR 874 million at 30 June 2023, in view of the uncertainties in estimating the impact of these scenarios, including a significant increase in inflation and interest rates, given that the changes in these macroeconomic magnitudes have not manifested themselves in the form of an increase in non-performing loans in recent years. This collective fund has been estimated by conducting top-down and bottom-up analyses on the lending portfolio, is of a temporary nature, is based on the directives issued by the supervisors and regulators and is backed by duly documented processes and subject to strict oversight. Furthermore, it will be reviewed in the future as new information becomes available and the macroeconomic uncertainties are reduced.

The collective fund was reduced by EUR 242 million, mainly due to the half-yearly recalibration process of models carried out in the last quarter, as a result of assigning provisions at a specific level, without therefore changing the overall coverage level (the fund's balance stood at EUR 1,137 million at the end of 2022).

3.2.3 Refinancing operations

The breakdown of refinancing by economic sector is as follows:

Refinancing operations - 30-06-2023*
(Millions of euros)

	Unsecured loans		Secured loans				
					Maximum amount of the collateral		
	No. of operations	Gross carrying amount	No. of operations	Gross carrying amount	Real estate mortgage secured	Other collateral	Impairment due to credit risk
Public administrations	135	101	593	10	9		(1)
Other financial corporations and individual entrepreneurs (financial business)	40	34	22	87	83		(15)
Non-financial corporations and individual entrepreneurs (non-financial business)	19,865	3,278	9,881	2,059	1,444	16	(1,305)
Of which: Financing for real estate construction and development (including land)	*214*	*14*	*1,141*	*294*	*178*		*(113)*
Other households	51,442	332	97,865	3,983	2,988	4	(1,058)
TOTAL	**71,482**	**3,745**	**108,361**	**6,139**	**4,524**	**20**	**(2,379)**
Of which: in Stage 3							
Public administrations	122	2	474	5	4		(1)
Other financial corporations and individual entrepreneurs (financial business)	20	20	11	37	32		(14)
Non-financial corporations and individual entrepreneurs (non-financial business)	11,011	1,309	6,348	1,088	595	8	(1,193)
Of which: Financing for real estate construction and development (including land)	*162*	*13*	*852*	*169*	*77*		*(102)*
Other households	26,855	198	54,668	2,170	1,352	4	(955)
TOTAL STAGE 3	**38,008**	**1,529**	**61,501**	**3,300**	**1,983**	**12**	**(2,163)**

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

Refinancing operations - 01-01-2023 *
(Millions of euros)

	Unsecured loans		Secured loans				
					Maximum amount of the collateral		
	No. of operations	Gross carrying amount	No. of operations	Gross carrying amount	Real estate mortgage secured	Other collateral	Impairment due to credit risk
Public administrations	155	142	783	18	16		(2)
Other financial corporations and individual entrepreneurs (financial business)	44	38	28	90	89		(12)
Non-financial corporations and individual entrepreneurs (non-financial business)	25,913	4,029	10,669	2,196	1,530	26	(1,392)
Of which: Financing for real estate construction and development (including land)	*209*	*14*	*1,347*	*335*	*209*		*(124)*
Other households	56,432	363	101,391	3,971	2,962	7	(1,160)
TOTAL	**82,544**	**4,573**	**112,871**	**6,275**	**4,597**	**33**	**(2,566)**
Of which: in Stage 3	*41,422*	*1,758*	*69,667*	*3,651*	*2,346*	*16*	*(2,240)*

(*) 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

Linked risk by geographic area is as follows:

Concentration by geographic location

(Millions of euros)

	Total	Spain	Portugal	Rest of the European Union	America	Rest of the world
Central banks and credit institutions	68,508	41,288	3,342	12,620	3,061	8,197
Public administrations	154,711	121,647	4,754	23,243	3,386	1,681
Central government	130,593	101,352	991	23,187	3,383	1,680
Other public administrations	24,118	20,295	3,763	56	3	1
Other financial corporations and individual entrepreneurs (financial business)	29,376	10,009	469	15,138	1,470	2,290
Non-financial corporations and individual entrepreneurs (non-financial business)	189,794	134,168	14,139	23,632	9,175	8,680
Real estate construction and development (including land)	4,693	4,604	73	1	14	1
Civil engineering	7,526	5,653	898	82	893	
Other	177,575	123,911	13,168	23,549	8,268	8,679
Large corporates	120,182	76,053	6,712	22,342	7,262	7,813
SMEs and individual entrepreneurs	57,393	47,858	6,456	1,207	1,006	866
Other households	174,829	156,847	15,910	673	234	1,165
Homes	140,522	124,242	14,340	629	216	1,095
Consumer lending	20,009	18,368	1,557	33	10	41
Other purposes	14,298	14,237	13	11	8	29
TOTAL 30-06-2023	**617,218**	**463,959**	**38,614**	**75,306**	**17,326**	**22,013**
TOTAL 01-01-2023	**588,761**	**447,797**	**37,655**	**64,895**	**16,480**	**21,934**

The breakdown of risk by Spanish Autonomous Community is as follows:

Concentration by Autonomous Community

(Millions of euros)

	Total	Andalusia	Balearic Islands	Canary Islands	Castile-La Mancha	Castilla-León	Catalonia	Madrid	Navarra	Valencia	Basque Country	Other *
Central banks and credit institutions	41,288	281			1		418	38,777		468	768	575
Public administrations	121,647	1,287	874	1,287	528	1,642	3,043	5,994	184	2,519	617	2,320
Central government	101,352											
Other public administrations	20,295	1,287	874	1,287	528	1,642	3,043	5,994	184	2,519	617	2,320
Other financial corporations and individual entrepreneurs (financial business)	10,009	80	3	15	2	37	841	7,728	116	180	856	151
Non-financial corporations and individual entrepreneurs (non-financial business)	134,168	9,232	5,404	3,478	2,046	2,341	20,889	64,130	1,815	10,222	3,628	10,983
Real estate construction and development (including land)	4,604	425	183	177	76	104	1,277	1,654	109	231	242	126
Civil engineering	5,653	470	173	141	102	130	670	2,660	113	351	197	646
Other	123,911	8,337	5,048	3,160	1,868	2,107	18,942	59,816	1,593	9,640	3,189	10,211
Large corporates	76,053	2,064	3,146	1,399	320	489	6,578	51,090	610	4,517	1,457	4,383
SMEs and individual entrepreneurs	47,858	6,273	1,902	1,761	1,548	1,618	12,364	8,726	983	5,123	1,732	5,828
Other households	156,847	23,512	7,111	7,830	4,293	4,726	36,847	32,656	3,006	17,078	4,076	15,712
Homes	124,242	18,044	5,898	6,096	3,474	3,730	27,982	27,083	2,386	13,559	3,412	12,578
Consumer lending	18,368	3,012	716	1,142	496	536	4,845	2,942	331	2,015	420	1,913
Other purposes	14,237	2,456	497	592	323	460	4,020	2,631	289	1,504	244	1,221
TOTAL 30-06-2023	**463,959**	**34,392**	**13,392**	**12,610**	**6,870**	**8,746**	**62,038**	**149,285**	**5,121**	**30,467**	**9,945**	**29,741**
TOTAL 01-01-2023	**447,797**	**35,308**	**13,402**	**12,899**	**7,083**	**8,879**	**60,822**	**129,642**	**5,112**	**31,009**	**10,222**	**30,650**

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

Concentration by economic sector

Total gross loans to customers by activity were as follows (excluding advances):

Concentration by activity of loans to customers - 30-06-2023
(Millions of euros)

	Total	*Of which real estate collateral*	*Of which other collateral*	Secured loans. Carrying amount based on latest available appraisal (loan to value)				
				≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	20,321	*381*	*217*	159	272	58	57	52
Other financial corporations and individual entrepreneurs (financial business)	10,528	*835*	*632*	256	308	476	241	186
Non-financial corporations and individual entrepreneurs (non-financial business)	147,670	*24,127*	*2,786*	10,205	8,103	3,956	1,480	3,169
Real estate construction and development (including land)	4,352	*3,751*	*21*	1,292	1,243	624	259	354
Civil engineering	6,517	*532*	*169*	282	164	75	31	149
Other	136,801	*19,844*	*2,596*	8,631	6,696	3,257	1,190	2,666
Large corporates	84,849	*6,300*	*1,675*	2,641	2,205	1,218	481	1,430
SMEs and individual entrepreneurs	51,952	*13,544*	*921*	5,990	4,491	2,039	709	1,236
Other households	174,294	*144,159*	*860*	47,973	45,767	35,751	9,172	6,356
Homes	140,521	*137,553*	*266*	44,394	43,784	34,895	8,769	5,977
Consumer lending	20,003	*2,173*	*370*	1,354	667	298	134	90
Other purposes	13,770	*4,433*	*224*	2,225	1,316	558	269	289
TOTAL	**352,813**	***169,502***	***4,495***	**58,593**	**54,450**	**40,241**	**10,950**	**9,763**
Memorandum items: Refinancing, refinanced and restructured operations	*7,505*	*4,727*	*88*	*1,266*	*1,385*	*948*	*623*	*593*

Concentration by activity of loans to customers - 01-01-2023
(Millions of euros)

				Collateralised loans carrying amount based on latest available appraisal (loan to value)				
	Total	*Of which real estate collateral*	*Of which other collateral*	≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	20,212	*412*	*210*	147	266	83	65	61
Other financial corporations and individual entrepreneurs (financial business)	7,757	*643*	*594*	295	210	168	497	67
Non-financial corporations and individual entrepreneurs (non-financial business)	147,835	*24,370*	*3,031*	10,734	8,287	3,991	1,619	2,770
Other households	174,823	*148,400*	*906*	48,900	48,581	36,965	8,519	6,341
TOTAL	**350,627**	***173,825***	***4,741***	**60,076**	**57,344**	**41,207**	**10,700**	**9,239**
Memorandum items: Refinancing, refinanced and restructured operations	*8,282*	*4,749*	*89*	*1,314*	*1,362*	*959*	*579*	*624*

Loans and advances to customers by nature were as follows:

Breakdown of credit risk - Loans to customers *
(Millions of euros)

	30-06-2023		01-01-2023	
	Accounting exposure	Hedge	Accounting exposure	Hedge
Public administrations	20,326	(5)	20,218	(6)
Other financial corporations and individual entrepreneurs (financial business)	10,566	(38)	7,787	(30)
Non-financial corporations and individual entrepreneurs (non-financial business)	151,498	(3,829)	151,581	(3,746)
Real estate construction and development (including land)	11,435	(567)	11,767	(520)
Other non-financial companies and individual entrepreneurs	140,063	(3,262)	139,814	(3,226)
Other households	177,779	(3,485)	178,432	(3,609)
Homes	142,507	(1,986)	146,465	(2,074)
Other	35,272	(1,499)	31,967	(1,535)
TOTAL	**360,169**	**(7,357)**	**358,018**	**(7,391)**
Allowance identified individually		(1,545)		*(1,424)*
Allowance identified collectively		(5,812)		*(5,967)*

(*) 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 according to credit quality

The risk concentration according to credit quality of credit risk exposures associated with debt instruments for the Group is stated as follows:

Concentration according to credit quality - 30-06-2023

(Millions of euros)

	Banking and other business											Insurance business **		
	FA at amortised cost					FA held for training - Debt sec.	FA not designated for trading* - Debt sec.	FA at FV w/changes in other comprehensive income	Financial guarantees, loan commitments and other commitments given			FA held for training - Debt sec.	FA at FV w/changes in other compr.income - Debt sec.	FA at amortised cost - Debt sec.
	Loans and advances to customers													
	Stage 1	Stage 2	Stage 3	POCI	Debt sec.				Stage 1	Stage 2	Stage 3			
AAA/AA+/AA/AA-	18,929	5			11,350	33		2,962	15,276	5			2,247	240
A+/A/A-	42,740	87			57,782	442		4,699	10,762	10			42,410	2,537
BBB+/BBB/BBB-	83,887	612	1		7,410	365		2,152	44,321	222	1		10,116	692
INVESTMENT GRADE	**145,556**	**704**	**1**		**76,542**	**840**		**9,813**	**70,359**	**237**	**1**		**54,773**	**3,469**
Allowances for impairment	*(457)*	*(9)*	*(1)*		*(1)*			*(1)*	*(18)*	*(6)*				
BB+/BB/BB-	62,598	4,167	1		594	7		73	28,640	2,137			85	
B+/B/B-	17,353	11,111	25						6,391	2,109	1			
CCC+/CCC/CCC-	1,390	5,704	133						305	581	7			
No rating	97,805	6,439	9,163	426	2,731		6		43,532	466	914		32	16
NON-INVESTMENT GRADE	**179,146**	**27,421**	**9,322**	**426**	**3,325**	**7**	**6**	**73**	**78,868**	**5,293**	**922**		**117**	**16**
Allowances for impairment	*(744)*	*(1,313)*	*(4,618)*	*(220)*	*(18)*				*(86)*	*(96)*	*(417)*			
TOTAL	**323,501**	**26,803**	**4,704**	**206**	**79,848**	**847**	**6**	**9,885**	**149,227**	**5,530**	**923**		**54,890**	**3,485**

Concentration according to credit quality - 01-01-2023

(Millions of euros)

	Banking and other business											Insurance business **		
	FA at amortised cost					FA held for training - Debt sec.	FA not designated for trading * - Debt sec.	FA at FV w/changes in other comprehensive income	Financial guarantees, loan commitments and other commitments given			FA held for training - Debt sec.	FA at FV w/changes in other comprehensive income	FA at amortised cost - Debt sec.
	Loans and advances to customers													
	Stage 1	Stage 2	Stage 3	POCI	Debt sec.				Stage 1	Stage 2	Stage 3			
AAA/AA+/AA/AA-	17,060	9			9,575			2,689	13,297	9			1,597	192
A+/A/A-	43,744	96			55,648	24		6,656	11,899	19			39,537	2,108
BBB+/BBB/BBB-	79,277	747			6,827	43		2,162	41,934	218	1		10,288	901
INVESTMENT GRADE	**140,081**	**852**			**72,050**	**67**		**11,507**	**67,130**	**246**	**1**		**51,422**	**3,201**
Allowances for impairment	*(545)*	*(13)*							*(12)*					
BB+/BB/BB-	68,996	6,692	1		488			74	33,018	2,627	16		142	
B+/B/B-	17,700	10,980	28						6,497	2,091	4			
CCC+/CCC/CCC-	842	4,319	106		18			1	309	474	4			
No rating	93,957	5,719	9,486	468	5,192	119	6	9	48,345	483	920		26	3
NON-INVESTMENT GRADE	**181,495**	**27,710**	**9,621**	**468**	**5,698**	**119**	**6**	**84**	**88,169**	**5,675**	**944**		**168**	**3**
Allowances for impairment	*(799)*	*(1,355)*	*(4,459)*	*(222)*	*(15)*				*(83)*	*(70)*	*(382)*			
TOTAL	**320,232**	**27,194**	**5,162**	**246**	**77,733**	**186**	**6**	**11,591**	**155,299**	**5,921**	**945**		**51,590**	**3,204**

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 through profit or loss are not included, as they primarily cover investments related to life insurance product operations, when the investment risk is taken on by the holder (Unit-links 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 for the Group is presented below:

Exposure to sovereign risk - 30-06-2023

(Millions of euros)

Country / Supranational body	Residual maturity ***	Banking and other business					Insurance business **		
		FA at amortised cost	FA held for trading	FA at FV w/changes in other comprehensive income	FA not held for trading *	FL held for trading - Short positions	FA held for trading	FA at FV w/changes in other comprehensive income	FA at amortised cost
Spain	< 3 months	2,437	37	836		(12)		48	29
	Between 3 months and 1 year	12,143	58	1,514		(84)		2,114	51
	Between 1 and 2 years	15,426	121	1,319		(134)		1,703	40
	Between 2 and 3 years	6,916	43					1,494	203
	Between 3 and 5 years	14,269	1	1,019		(1)		4,742	460
	Between 5 and 10 years	15,784	45	18		(60)		10,630	407
	Over 10 years	7,889	3			(3)		19,150	689
	TOTAL	**74,864**	**308**	**4,706**		**(294)**		**39,881**	**1,879**
Italy	< 3 months							428	29
	Between 3 months and 1 year							30	
	Between 1 and 2 years			281				292	6
	Between 2 and 3 years	524						98	
	Between 3 and 5 years	1,031	25			(1)		831	8
	Between 5 and 10 years	2,334		549				808	
	Over 10 years		102					3,190	33
	TOTAL	**3,889**	**127**	**830**		**(1)**		**5,677**	**76**
Portugal	< 3 months	8	5						
	Between 3 months and 1 year	591						26	
	Between 1 and 2 years	23						3	8
	Between 2 and 3 years	356		280				44	3
	Between 3 and 5 years	432						67	8
	Between 5 and 10 years	1,241						141	6
	Over 10 years	805							
	TOTAL	**3,456**	**5**	**280**				**281**	**25**
US	< 3 months								
	Between 3 months and 1	138						222	
	Between 1 and 2 years								
	Between 2 and 3 years	320							
	Between 5 and 10 years			2,206					
	Over 10 years								
	TOTAL	**458**		**2,206**				**222**	
France	< 3 months								

Exposure to sovereign risk - 30-06-2023

(Millions of euros)

Country / Suprana tional body	Residual maturity ***	Banking and other business					Insurance business **		
		FA at amorti-sed cost	FA held for trading	FA at FV w/changes in other comprehend-sive income	FA not held for trading *	FL held for trading - Short positions	FA held for trading	FA at FV w/changes in other comprehend-sive income	FA at amortised cost
	Between 2 and 3 years	52						2	7
	Between 3 and 5 years	263							
	Between 5 and 10 years	1,747						10	
	Over 10 years							10	
	TOTAL	**2,062**						**22**	**7**
Japan	< 3 months								
	Between 3 months and 1 year	108							
	Between 3 and 5 years	544							
	Over 10 years								
	TOTAL	**652**							
European Union	< 3 months		**10**						
	Between 3 months and 1 year		10					1	
	Between 2 and 3 years							161	10
	Between 3 and 5 years	2,365		267					10
	Between 5 and 10 years	2,987							
	Over 10 years			131					
	TOTAL	**5,352**	**20**	**398**				**162**	**20**
Other	< 3 months	53							
	Between 3 months and 1 year	53		301		(16)			
	Between 1 and 2 years	69				(5)			
	Between 2 and 3 years	90							
	Between 3 and 5 years							2	10
	Between 5 and 10 years	288						10	11
	Over 10 years	1,258							
	TOTAL	1,811		301		(21)		12	21
TOTAL		**92,544**	**460**	**8,721**		**(316)**		**46,257**	**2,028**
Of which: Debt securities		*71,910*	*460*	*8,721*		*(316)*		*46,257*	*2,028*

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

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

(**) Financial assets allocated at fair value through profit or loss are not included, as they primarily cover investments related to life insurance product operations, when the investment risk is taken on by the holder (unit-links).

(***) Segregation by maturity of the sovereign debt securities corresponding to the insurance activity corresponds strictly to the maturity of these securities, without taking into consideration the swaps (see Note 10) contracted to align flows with the management of obligations with policyholders.

Exposure to sovereign risk - 01-01-2023
(Millions of euros)

	Banking and other business					Insurance business **		
Country/Supra national body	FA at amortised cost	FA held for trading	FA at FV w/changes in other comprehensive income	FA not designated for trading *	FL held for trading - Short positions	FA held for training	FA at FV w/changes in other comprehensive income	FA at amortised cost
Spain	77,430	23	6,644	50	(28)		37,986	1,863
Italy	3,854	4	810				5,435	76
Portugal	3,361		276				305	14
US	466		2,242				212	
France	2,073						22	7
Japan	730							
European	2,900		391				2	20
Other	403		2		(10)		16	19
TOTAL	**91,217**	**27**	**10,365**	**50**	**(38)**		**43,978**	**1,99**
Of which: Debt securities	*70,922*	*27*	*10,365*	*50*	*(38)*		*43,978*	*1,999*

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

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

(**) Financial assets allocated at fair value through profit or loss are not included, as they primarily cover investments related to life insurance product operations when the investment risk is taken on by the holder (unit-links).

3.2.5 Information regarding financing for property development, home purchasing, and assets acquired in payment of debts

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

Financing for real estate construction and development

The tables below show financing for real estate construction and development, including developments carried out by non-developers (business in Spain):

Financing for real estate construction and development
(Millions of euros)

	30-06-2023		01-01-2023	
	Total amount	*Of which: Non-performing*	Total amount	*Of which: Non-performing*
Gross amount	4,675	*280*	4,824	*274*
Allowances for impairment	(238)	*(167)*	(244)	*(152)*
CARRYING AMOUNT	**4,437**	***113***	**4,580**	***122***
Excess gross exposure over the maximum recoverable value of effective collateral	1,014	*164*	943	*147*
Memorandum items: Asset write-offs	*1,842*		*1,885*	
Memorandum items: Loans to customers excluding public administrations (business in Spain) (carrying amount)	*290,052*		*293,745*	

The tables below show the breakdown of financing for real estate developers and developments, including developments carried out by non-developers (business in Spain), by collateral:

Financing for real estate developers and developments by collateral
(Millions of euros)

	Gross amount	
	30-06-2023	01-01-2023
Without mortgage collateral	**637**	**620**
With mortgage collateral	**4,038**	**4,204**
Buildings and other completed constructions	2,774	2,911
Homes	1,786	1,958
Other	988	953
Buildings and other constructions under construction	947	952
Homes	802	811
Other	145	141
Land	317	341
Consolidated urban land	122	156
Other land	195	185
TOTAL	**4,675**	**4,824**

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)

	30-06-2023	01-01-2023
Financial guarantees given related to real estate construction and development	**172**	**210**
Amount recognised under liabilities		

The table below provides information on guarantees received for real estate development loans by classification of customer insolvency risk:

Guarantees received for real estate development transactions *
(Millions of euros)

	30-06-2023	01-01-2023
Value of collateral *	**11,606**	**11,921**
Of which: guarantees non-performing risks	*591*	*622*

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

Information regarding financing for home purchasing

Home purchase loans with mortgage at these dates by the loan-to-value (LTV) ratio, based on the latest available appraisal, are as follows:

Home purchase loans by LTV *
(Millions of euros)

	30-06-2023		01-01-2023	
	Gross amount	*Of which: non-performing*	Gross amount	*Of which: non-performing*
Not real estate mortgage secured	**1,027**	***9***	**1,077**	***10***
Real estate mortgage secured, by LTV ranges **	**120,187**	***3,084***	**124,018**	***3,176***
LTV ≤ 40%	36,800	*377*	37,543	*373*
40% < LTV ≤ 60%	38,061	*551*	40,068	*560*
60% < LTV ≤ 80%	30,681	*592*	31,475	*630*
80% < LTV ≤ 100%	7,043	*481*	7,238	*514*
LTV > 100%	7,602	*1,083*	7,694	*1,099*
TOTAL	**121,214**	***3,093***	**125,095**	***3,186***

(*) Includes financing for home purchases granted by subsidies Unión de Créditos para la Financiación Inmobiliaria, EFC, SAU (Credifimo) and Corporación Hipotecaria Mutual.

(**) LTV calculated according to the latest available appraisals. The ranges for non-performing transactions are updated in accordance with prevailing regulations.

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

Foreclosed real estate assets - 30-06-2023 *
(Millions of euros)

	Gross carrying amount	Allowances for impairment **	*Of which from foreclosure*	Net carrying amount
Real estate acquired from loans to real estate constructors and developers	**934**	**(366)**	***(248)***	**568**
Buildings and other completed constructions	725	(250)	*(153)*	475
Homes	609	(201)	*(117)*	408
Other	116	(49)	*(36)*	67
Buildings and other constructions under	41	(21)	*(14)*	20
Homes	25	(12)	*(9)*	13
Other	16	(9)	*(5)*	7
Land	168	(95)	*(81)*	73
Consolidated urban land	84	(49)	*(43)*	35
Other land	84	(46)	*(38)*	38
Real estate acquired from mortgage loans to homebuyers	**2,642**	**(738)**	***(502)***	**1,904**
Other real estate assets or received in lieu of payment of debt	**885**	**(293)**	***(237)***	**592**
TOTAL	**4,461**	**(1,397)**	***(987)***	**3,064**

(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 1,183 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 122 million, net. Excludes foreclosed assets of Banco BPI, with a gross carrying amount of EUR 2 million, as this is not included in business in Spain.

(**) Cancelled debt associated with the foreclosed assets totalled EUR 6,136 million and total write-downs of this portfolio amounted to EUR 3,072 million, EUR 1,397 million of which are impairment allowances recognised in the balance sheet.

Foreclosed real estate assets - 01-01-2023 *

(Millions of euros)

	Gross carrying amount	Allowances for impairment **	*Of which from foreclosure*	Net carrying amount
Real estate acquired from loans to real estate constructors and developers	**1,041**	**(406)**	***(273)***	**635**
Buildings and other completed constructions	815	(279)	*(169)*	536
Buildings and other constructions under	46	(25)	*(17)*	21
Land	180	(102)	*(87)*	78
Real estate acquired from mortgage loans to homebuyers	**2,857**	**(786)**	***(536)***	**2,071**
Other real estate assets or received in lieu of payment of debt	**939**	**(326)**	***(265)***	**613**
TOTAL	**4,837**	**(1,518)**	***(1,074)***	**3,319**

(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 1,285 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 142 million, net. Does not include the foreclosed properties of Banco BPI, which have a total net book value of EUR 3 million, as this business is not in Spain.

(**) Cancelled debt associated with the foreclosed assets totalled EUR 6,662 million and total write-downs of this portfolio amounted to EUR 3,342 million, EUR 1,518 million of which are impairment losses recognised in the balance sheet.

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)

	30-06-2023		01-01-2023	
	Market value	Applicable weighted amount	Market value	Applicable weighted amount
Level 1 assets	97,308	97,164	93,888	93,850
Level 2A assets	124	105	363	308
Level 2B assets	1,633	841	1,664	905
TOTAL HIGH-QUALITY LIQUID ASSETS (HQLA) (1)	**99,066**	**98,110**	**95,915**	**95,063**
Available in facility not made up of HQLAs		48,536		43,947
TOTAL LIQUID ASSETS		**146,646**		**139,010**

(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.

Total liquid assets amounted to EUR 146,646 million at 30 June 2023, up EUR 7,636 million in the year, mainly due to balance sheet liquidity generation and to the generation of retained securities that are part of the available balance under the facility.

The drawn balance of the ECB's policy as at 30 June 2023 amounts to EUR 8,477 million corresponding to TLTRO III, following the redemption of the tranche maturing on 28 June 2023 in the amount of EUR 7,143 million.

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

LCR and NSFR
(Millions of euros)

	30-06-2023	31-12-2022 *
High-quality liquid assets – HQLA (numerator)	98,110	95,063
Total net cash outflows (denominator)	47,359	48,911
Cash outflows	62,951	60,823
Cash inflows	15,592	11,912
LCR (LIQUIDITY COVERAGE RATIO) (%) (1)	**207 %**	**194 %**
NSFR (NET STABLE FUNDING RATIO) (%) (2)	**138 %**	**142 %**

(*) Information corresponding to the consolidated financial statements formulated

(1) According to Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 (as amended by Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 and Commission Delegated Regulation (EU) 2022/786 of 10 February 2022) to supplement Regulation (EU) No 575/2013 of the European Parliament and of the Council as regards the liquidity coverage requirement for credit institutions. The established regulatory minimum for the LCR is 100%.

(2) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 entered into force in June 2021 and sets the regulatory minimum for the NSFR ratio at 100%.

The degree of collateralisation and overcollateralisation of CaixaBank's mortgage covered bonds issued is as follows:

Collateralisation of mortgage covered bonds of CaixaBank
(Millions of euros)

		30-06-2023	01-01-2023
Mortgage covered bonds issued	(A)	60,480	59,571
Portfolio of loan and credit collateral for mortgage covered bonds	(B)	105,873	107,778
COLLATERALIZATION	**(B)/(A)**	**175 %**	**181 %**
OVERCOLLATERALIZATION	**[(B)/(A)]-1**	**75 %**	**81 %**

Key credit ratings of CaixaBank are displayed below:

CaixaBank credit ratings

	Issuer rating						
	Long-term debt	Short-term debt	Outlook	Preferred senior debt	Assessment date	Rating of mortgage covered bonds	Last review date of mortgage covered bonds
S&P Global	A-	A-2	Stable	A-	25-04-2023	AA+	26-01-2023
Fitch Ratings	BBB+	F2	Stable	A-	13-06-2023		
Moody's	Baa1	P-2	Stable	Baa1	25-01-2023	Aa1	04-11-2022
DBRS	A	R-1(low)	Stable	A	14-03-2023	AAA	13-01-2023

3.4 OTHER RISKS

During the first half of 2023 there have been no material changes in the policies or levels for market risk (relating to the trading portfolio), nor to financial-actuarial risk. This period also saw a slight reduction in the levels of structural interest rate risk.

Particularly noteworthy in relation to operational risk in the first six months of 2023 was the reduction in the flow of claims and complaints in the core matters related to the marketing of financial products, as well as the increase in fraud because of the greater use of digital channels and the growth in fraud against customers by criminal groups (mainly investment scams and bogus employee scams). However, these actions are being mitigated by awareness-raising measures, training and the implementation of preventive and detection controls. The Group continues to work intensively to prevent and mitigate operational risk through cross-cutting actions across all lines of defence.

4. CAPITAL ADEQUACY MANAGEMENT

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

Eligible own funds

(Millions of euros)

	30-06-2023		31-12-2022 *	
	Amount	In %	Amount	In %
Net equity	**34,045**		**34,262**	
Shareholders' equity	36,168		36,639	
Capital	7,502		7,502	
Profit/(loss)	2,137		3,145	
Reserves and other	26,529		25,992	
Minority interests and OCI	(2,123)		(2,377)	
Other CET1 instruments	**(697)**		**(800)**	
Adjustments applied to the eligibility of minority interests and OCI	501		466	
Other adjustments (1)	(1,198)		(1,266)	
CET1 Instruments	**33,348**		**33,462**	
Deductions from CET1	**(6,038)**		**(5,968)**	
Intangible assets	(3,471)		(3,463)	
Deferred tax assets	(2,088)		(1,901)	
Other deductions from CET1	(479)		(604)	
CET1	**27,310**	**12.5%**	**27,494**	**12.8%**
AT 1 instruments (2)	4,486		4,238	
TIER 1	**31,796**	**14.6%**	**31,732**	**14.8%**
T2 instruments (3)	6,263		5,575	
TIER 2	**6,263**	**2.9%**	**5,575**	**2.6%**
TOTAL CAPITAL	**38,059**	**17.5%**	**37,307**	**17.3%**
Other eligible subordinated instruments. MREL	11,717		11,048	
MREL, SUBORDINATED (4)	**49,776**	**22.8%**	**48,355**	**22.5%**
Other computable instruments MREL	5,954		7,448	
MREL (4)	**55,730**	**25.6%**	**55,803**	**25.9%**
RISK WEIGHTED ASSETS (RWA)	**217,908**		**215,103**	
Individual CaixaBank ratios:				
CET1		12.6%		12.9%
TIER 1		14.8%		15.0%
Total capital		17.8%		17.8%
RWAs	203,941		199,250	

(*) Information corresponding to the consolidated financial statements formulated

(1) Mainly includes the forecast for dividends, and IFRS 9 transitional adjustment.

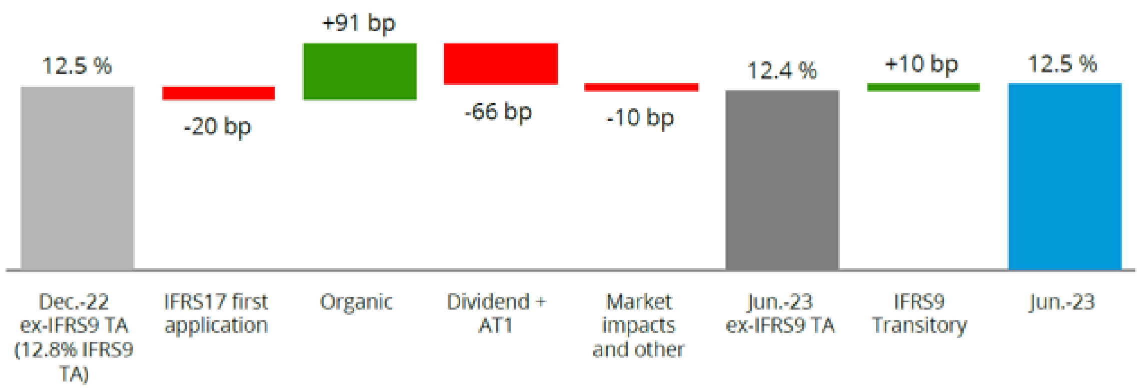
(2) An issue of Tier 1 eligible instruments for EUR 750 million was completed in the first half of 2023 (see Note 16), and it includes early full redemption of an issuance of AT1 instruments for EUR 500 million, announced in July, which will take place in September 2023.

(3) Tier 2 eligible issues for GBP 500 million sterling and EUR 1,000 million were completed in the first half of the year (see Note 16).

(4) See Note 16 for the senior preferred and senior non-preferred issuances conducted during the year.

The causative details of the main aspects of the first six months of 2023 that have influenced the Group's CET1 ratio are presented below:

Changes in CET1



The Common Equity Tier 1 (CET1) ratio stands at 12.5% (12.4% without applying the IFRS 9 transitional adjustments), following the extraordinary impact from the first application of IFRS 17 (-20 basis points).

The organic change in the first half of the year was +91 basis points, and -66 basis points caused by the forecast of dividends and AT1 coupon payment and -10 basis points by the performance of the markets and other factors. The impact from phasing in IFRS 9 is +10 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)

	30-06-2023		31-12-2022 **	
	Amount	In %	Amount	In %
BIS III minimum requirements				
CET1 *	18,513	8.50%	17,929	8.34%
Tier 1	22,458	10.31%	21,822	10.15%
Total capital	27,714	12.72%	27,010	12.56%

(*) Includes the minimum Pillar 1 requirement of 4.5%; the requirement of Pillar 2 (supervisory review process) of 0.93%; the capital conservation buffer of 2.5%, the estimated countercyclical buffer of 0.07% (+4 basis points compared to the previous quarter) and the OEIS (Other Systemically Important Entity) buffer of 0.5% in 2023.

The following chart provides a breakdown of the leverage ratio:

Leverage ratio
(Millions of euros)

	30-06-2023	31-12-2022 *
Exposure	583,430	563,692
Leverage ratio (Tier 1/Exposure)	5.4%	5.6%

In July 2023, the European Banking Authority (EBA) published the results of the stress tests, with a scope of 75% of the European banking sector's assets, which have been carried out on 70 banks (of which 57 belong to the European Union), including the CaixaBank Group.

The ECB will use the results of the stress test to assess the Pillar 2 capital needs of the various banks in the framework of its Supervisory Review and Evaluation Process (SREP). The qualitative results will be incorporated into the risk governance part of the SREP, thereby influencing the setting of Pillar 2 capital requirements (P2R). The quantitative results will be used as a core element in setting the Pillar 2 guidance (P2G), which is the level of capital that the ECB expects institutions to hold in addition to their mandatory capital requirements (P2R).

The exercise involves two macroeconomic scenarios (baseline and adverse), over a 3-year time horizon with a starting point in December 2022. The adverse scenario is built on a hypothetical increase in geopolitical tensions, including high inflation and higher interest rates, which would have strong adverse effects on private consumption and investment, both domestically and globally. In terms of GDP decline, the 2023 adverse scenario has been the most severe scenario used so far in EU-wide stress. As in previous years, the stress test involved a bottom-up exercise with some top-down elements.

In this adverse scenario, the CaixaBank Group would achieve a fully loaded CET1 capital ratio of 9.3% in the last year of the projection, down -313 bps from the starting position at December 2022 (12.5%). In the baseline scenario, it would achieve a fully loaded CET1 capital ratio of 15.2% in the last year of the projection, up +276 bps from the starting position at December 2022 (12.5%).

5. SHAREHOLDER REMUNERATION AND EARNINGS PER SHARESTOCK

5.1. SHAREHOLDER REMUNERATION

The Annual General Meeting held on 31 March 2023 resolved to pay a dividend of EUR 23.06 per share charged to 2022 profits, which represents a payout of 55%, paid on 12 April 2023. In the same meeting it approved the Dividend Policy for the 2023 fiscal year, consisting of a cash distribution of 50% - 60% of consolidated net profit, to be paid in a single payment in April 2024.

The following dividends were distributed in this year:

Dividends paid - 2023
(Millions of euros)

	Euros per share	Amount paid in cash	Date of announcement	Date of approval by AGM	Payment date
Dividend	0.2306	1,730	02-02-2023	31-03-2023	12-04-2023
TOTAL	**0.2306**	**1,730**			

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)

	30-06-2023	30-06-2022
Numerator	2,002	1,433
Profit attributable to the Parent	2,137	1,573
Less: Preference share coupon amount (AT1)	(135)	(140)
Denominator (millions of shares) (1)	7,495	8,018
Average number of shares outstanding (1)	7,495	8,018
Adjusted number of shares (basic earnings per share)	7,495	8,018
Basic earnings per share (in euros)	0.27	0.18
Diluted earnings per share (in euros) (2)	0.27	0.18

(1) Average number of shares in circulation, excluding the average number of own shares held in treasury stock during the period (in millions). 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 2022 consolidated financial statements provides information pertaining to the subsidiary entities.

Business combinations – 2023

No business combination has taken place in the first six months of 2023

7. REMUNERATION OF "KEY MANAGEMENT PERSONNEL"

7.1. REMUNERATION OF THE BOARD OF DIRECTORS

Note 9 to the Group's 2022 consolidated financial statements provides details on remuneration and other benefits paid to members of the Board of Directors and Senior Management in 2022.

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)

	30-06-2023	30-06-2022
Remuneration for board membership	1,451	1,366
Non-variable remuneration	1,848	1,772
Variable remuneration	645	614
In cash	*245*	*233*
Share-based remuneration schemes	*400*	*381*
Other long-term provisions *	270	257
Other items **	202	177
Of which: life insurance premiums	*199*	*173*
Other positions in Group companies	629	623
TOTAL	**5,045**	**4,809**
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	13	14
TOTAL REMUNERATION	**5,058**	**4,823**
Number of persons on the Board of Directors	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 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)

	30-06-2023	30-06-2022
Salary (1)	6,337	5,409
Post-employment benefits (2)	686	814
Other long-term provisions (3)	64	65
Other positions in Group companies	567	503
TOTAL	**7,654**	**6,791**
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	17	73
TOTAL REMUNERATION	**7,671**	**6,864**
Number of persons in Senior Management	15	13

(1) This amount includes fixed remuneration, remuneration in kind and total variable remuneration received by members of the Senior Management. It does not include accrued severance payments in the first half of 2023 for an amount of EUR 2 million.

(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 income statement 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
(Thousands of euros)

	30-06-2023	31-12-2022
Post-employment commitments	16,491	18,792

8. FINANCIAL ASSETS

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

The breakdown of this heading is as follows:

Breakdown of financial assets not designated for trading compulsorily measured at fair value through profit or loss
(Millions of euros)

	30-06-2023		01-01-2023	
	Banking and other business	Insurance business	Banking and other business	Insurance business
Equity instruments *	**126**	**12,443**	**127**	**11,168**
Debt securities	**6**		**6**	
Loans and advances			**50**	
Customers			50	
TOTAL	**132**	**12,443**	**183**	**11,168**

(*) "Equity instruments" under the insurance business 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).

8.2. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

The breakdown of this heading is as follows:

Breakdown of financial assets designated at fair value through profit or loss
(Millions of euros)

	30-06-2023		01-01-2023	
	Banking and other business	Insurance business *	Banking and other business	Insurance business *
Debt securities		**7,528**		**7,985**
Loans and advances				**37**
Credit institutions				37
TOTAL		**7,528**		**8,022**

(*) Financial instruments under the insurance business 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).

8.3. 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)

	30-06-2023		01-01-2023	
	Banking and other business	Insurance business	Banking and other business	Insurance business
Equity instruments	**1,344**	**1**	**1,351**	
Shares in listed companies	751		684	
Shares in non-listed companies	593	1	667	
Debt securities	**9,885**	**54,890**	**11,591**	**51,590**
Spanish government debt securities	4,706	39,881	6,644	37,986
Foreign government debt securities	4,015	6,376	3,721	5,992
Other issuers	1,164	8,633	1,226	7,612
TOTAL	**11,229**	**54,891**	**12,942**	**51,590**

Equity instruments

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

Changes in equity instruments - 30-06-2023
(Millions of euros)

	01-01-2023	Acquisitions and capital increases	Disposals and capital decreases	Gains (-) / Losses (+) transferred to reserves	Adjustments to market value and exchange differences	Transfers and other	30-06-2023
Telefónica, S.A. *	683				67		750
Banco Fomento de Angola	411				(100)		311
Other	257				1	25	283
TOTAL	**1,351**				**(32)**	**25**	**1,344**

(*) The stake in Telefónica, S.A. is 3.51% at 30 June 2023, following the share capital reduction agreed at its shareholders' meeting on 31 March 2023. The stake was 3.50% at 31 December 2022. CaixaBank holds a fair value hedge for 0.96% of Telefónica's share capital since the reduction.

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 - Banco Fomento de Angola
(Percentage)

	30-06-2023	01-01-2023
Forecast periods	5 years	5 years
Discount rate *	22.1%	21.6%
Objective capital ratio	20.0%	20.0%

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

8.4. FINANCIAL ASSETS MEASURED AT AMORTISED COST

Debt securities

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

Debt securities *
(Millions of euros)

	30-06-2023		01-01-2023	
	Banking and other business	Insurance business	Banking and other business	Insurance business
Public debt	71,910	2,028	70,922	1,999
Of which: Senior debt - Sareb	*17,082*		*17,502*	
Other Spanish issuers	138	262	174	1,160
Other foreign issuers	7,800	1,195	6,637	45
TOTAL	**79,848**	**3,485**	**77,733**	**3,204**

(*) See ratings classification in Note 3.2.4 "Concentration according to credit quality" and the breakdown by country of government debt in Note 3.2.4, section "Concentration according to sovereign risk".

Loans and advances to customers

The breakdown of the impairment situation of the portfolio of loans and advances to customers from the banking and other business is as follows:

Breakdown of Loans and advances to customers
(Millions of euros)

	30-06-2023					01-01-2023				
				POCI					POCI	
	Stage 1	Stage 2	Stage 3	Not impaired	Impaired	Stage 1	Stage 2	Stage 3	Not impaired	Impaired
Gross carrying	324,702	28,125	9,323	7	419	321,576	28,562	9,621	3	465
Impairment allowances	(1,201)	(1,322)	(4,619)	(2)	(218)	(1,344)	(1,368)	(4,459)		(222)
TOTAL	**323,501**	**26,803**	**4,704**	**5**	**201**	**320,232**	**27,194**	**5,162**	**3**	**243**

The breakdown of changes in the gross book value of loans and advances to customers in the banking and other business is as follows:

Changes in Loans and advances to customers - 2023
(Millions of euros)

	To Stage 1:	To Stage 2:	To Stage 3:	Total
Opening balance	**321,576**	**28,562**	**9,621**	**359,759**
Transfers	(2,324)	1,638	686	
From stage 1:	(10,835)	10,391	444	
From stage 2:	8,478	(9,588)	1,110	
From stage 3:	33	835	(868)	
New financial assets	38,338	1,283	367	39,988
Financial asset disposals (other than write-offs)	(32,888)	(3,358)	(746)	(36,992)
Write-offs			(605)	(605)
CLOSING BALANCE	**324,702**	**28,125**	**9,323**	**362,150**

Changes in the hedging of loans and advances to customers in banking and other business is as follows:

Changes in impairment allowances of loans and advances to customers - 2023
(Millions of euros)

	To Stage 1:	To Stage 2:	To Stage 3:	Total
Opening balance	**1,344**	**1,368**	**4,459**	**7,171**
Net allowances	(143)	(46)	525	336
From stage 1:	(4)	96	122	214
From stage 2:	(13)	(161)	130	(44)
From stage 3:	(4)	(18)	166	144
New financial assets	111	48	157	316
Disposals	(233)	(11)	(50)	(294)
Amounts used			(427)	(427)
Transfers and other			62	62
CLOSING BALANCE	**1,201**	**1,322**	**4,619**	**7,142**

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

Guarantees received *
(Millions of euros)

	30-06-2023	01-01-2023
Value of collateral	**464,017**	**468,114**
Of which: guarantees watch-list risks	*41,340*	*37,484*
Of which: guarantees non-performing risks	*15,956*	*12,108*

(*) 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.

8.5. 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)

	30-06-2023
OPENING BALANCE	**18,276**
Additions:	**829**
Disposals:	**(813)**
Cash recovery of principal	(100)
Due to expiry of the statute-of-limitations period, forgiveness or any other cause	(713)
CLOSING BALANCE	**18,292**

9. REINSURANCE CONTRACT ASSETS AND INSURANCE CONTRACT LIABILITIES

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

Breakdown of reinsurance contract assets and insurance contract liabilities
(Millions of euros)

	30-06-2023	01-01-2023
Assets under reinsurance contracts	**67**	**63**
Insurance contract liabilities	**66,866**	**62,595**
Estimated Present Value of Future Cash Flows (PVCF)	61,505	57,380
Risk adjustment (RA)	493	477
Contractual Service Margin (CSM)	3,249	3,155
Liabilities for incurred claims (LIC)	1,619	1,583

On 29 June 2023, VidaCaixa reached an agreement with MedVida to transfer part of the portfolio of the insurance company Sa Nostra Vida with an associated liability value of EUR 160 million. The more than 30,000 policies transferred are part of the insurance business that VidaCaixa acquired in November 2022 and which correspond to life savings insurance, life risk insurance and life annuities for retail customers, in addition to others. The transaction, which is subject to formal approval by the DGSFP and is expected to be finalised in the first half of next year, is limited to policies that are no longer open for sale. No material accounting or solvency impacts are expected for CaixaBank Group.

10. DERIVATIVES - HEDGE ACCOUNTING (ASSETS AND LIABILITIES)

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

Breakdown of hedging derivatives (product and counterparty)

(Millions of euros)

	30-06-2023		01-01-2023	
	Assets	Liabilities	Assets	Liabilities
Interest rates	86	77	244	70
Equity instruments	20		38	
Currencies and gold	3		8	7
Other		98		98
Total banking and other business	**109**	**175**	**290**	**175**
Net position - insurance business *	806	6,221	821	6,398
Total insurance business	**806**	**6,221**	**821**	**6,398**
TOTAL FAIR VALUE HEDGES	**915**	**6,396**	**1,111**	**6,573**
Interest rates				1
Currencies and gold	143	144	351	127
Other	1	1,094		1,068
Total banking and other business	**144**	**1,238**	**351**	**1,196**
TOTAL CASH FLOW HEDGES	**144**	**1,238**	**351**	**1,196**
TOTAL	**1,059**	**7,634**	**1,462**	**7,769**
Memorandum items				
Of which: OTC - credit institutions	*1,059*	*7,633*	*1,462*	*7,769*
Of which: OTC - other financial corporations		*1*		
Of which: OTC - other				

(*) Corresponds to the position in derivatives entered into by VidaCaixa in order to neutralise the impact on economic value caused by interest rate fluctuations on the net position of the bond portfolio and liabilities associated with commitments with policyholders. This means that VidaCaixa ensures that the market value of the investments assigned to insurance transactions is equal to or higher than the present value of the flows corresponding to the obligations arising from the contracts and that the sensitivity to changes in interest rates of the present values of assets and liabilities is equivalent.

In fair value macro-hedges, gains or losses arising on the hedged items attributable to interest rate risk are recognised directly in the statement of profit or loss, but the balancing entry is recognised in "Assets – Fair value changes of the hedged items in portfolio hedge of interest rate risk" or "Liabilities – Fair value changes of the hedged items in portfolio hedge of interest rate risk" depending on the substance of the hedged item, rather than in the items under which the hedged items are recognised.

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Appendices 2 and 3 to the 2022 consolidated financial statements specify the investments in joint ventures and associate companies.

The changes in investments in joint ventures and associates in the first half of 2023 are as follows:

Changes in investments - 2023

(Millions of euros)

	01-01-2023						30-06-2023	
	Carrying amount	% Stake	Acquisitions and capital increases	Disposals and capital decreases	Measurement using the equity method	Transfers and other	Carrying amount	% Stake
UNDERLYING BOOK VALUE	1,692		9	(9)	61	(71)	1,682	
Coral Homes	495	20.00%			(25)	(54)	416	20.00%
SegurCaixa Adeslas	622	49.92%			110	16	748	49.92%
Other	575		9	(9)	(24)	(33)	518	
GOODWILL	375					(13)	362	
SegurCaixa Adeslas	300						300	
Other	75					(13)	62	
IMPAIRMENT ALLOWANCES	(57)					(24)	(81)	
TOTAL ASSOCIATES	**2,010**		**9**	**(9)**	**61**	**(108)**	**1,963**	
UNDERLYING BOOK VALUE	44		2			(40)	6	
Other	44		2			(40)	6	
TOTAL JOINT VENTURES	**44**		**2**			**(40)**	**6**	

Allowances for impairment of associates and joint ventures

The Group has a methodology in place (described in Note 16 to the consolidated financial statements for 2022) 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, 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 2022. 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.

At 30 June 2023, after value adjustments made where applicable, there are no signs that question whether the recoverable amount of the shares exceeds their book 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 2023, there were no significant gains or losses on any individual sale.

At 30 June 2023, 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 have been no major changes under this heading in the first half of 2023, except for those arising from the first-time application of IFRS 17 (see Note 1.4).

As set out in Note 19 to the 2022 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. A summary of the ranges of assumptions used and the ranges of contrasting sensitivity at 30 June 2023 are provided below:

Assumptions used and banking business CGU sensitivity scenarios

(Percentage)

	30-06-2023	01-01-2023	Sensitivity
Discount rate (after taxes) *	9.0%	9.0%	[-0.5%; + 2.5%]
Growth rate **	1.0%	1.0%	[-0.5%; + 1.0%]
Net interest income over average total assets (NII) ***	[0.97% - 1.29%]	[0.92% - 1.29%]	[-0.05%; + 0.05%]
Cost of risk (CoR)	[0.27% - 0.39%]	[0.27% - 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 2023 and on 31 December 2022 was 12.9%.

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

(***) Net interest income on average total assets.

Assumptions used and insurance business CGU sensitivity scenarios

(Percentage)

	30-06-2023	01-01-2023	Sensitivity
Discount rate (after tax)	10.5%	10.5%	[-0.5%; + 0.5%]
Growth rate *	1.5%	1.5%	[-0.5%; + 0.5%]

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

On 30 June 2023, 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.

14. OTHER ASSETS AND LIABILITIES

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

Details of other assets
(Millions of euros)

	30-06-2023	01-01-2023
Inventories	129	101
Other assets	2,118	2,516
Prepayments and accrued income	938	853
Net pension plan assets	285	408
Ongoing transactions	660	542
Dividends on equity securities accrued and receivable	26	173
Other	209	540
TOTAL	**2,247**	**2,617**

Breakdown of other liabilities
(Millions of euros)

	30-06-2023	01-01-2023
Prepayments and accrued income	1,239	1,611
Ongoing transactions	1,063	1,019
Other	263	220
TOTAL	**2,565**	**2,850**

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

The proceeds from sales of "Non-current assets and disposal groups classified as held for sale" during the first six months of 2023 do not include individually material operations.

The remaining changes in the first half of 2023 related to ordinary business transactions, with no additional individual transaction for a material amount.

16. FINANCIAL LIABILITIES

16.1. FINANCIAL LIABILITIES HELD FOR TRADING

The breakdown of this heading is as follows:

Breakdown of financial liabilities held for trading

(Millions of euros)

	30-06-2023		01-01-2023	
	Banking and other business	Insurance business	Banking and other business	Insurance business
Derivatives	3,601		3,971	
Short positions	342		59	
TOTAL	**3,943**		**4,030**	

16.2. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

The breakdown of this heading is as follows:

Breakdown of financial liabilities designated at fair value through profit or loss

(Millions of euros)

	30-06-2023		01-01-2023	
	Banking and other business	Insurance business	Banking and other business	Insurance business
Deposits		**3,363**		**3,409**
Customers		3,363		3,409
Other financial liabilities		**8**		
TOTAL		**3,371**		**3,409**

16.3. FINANCIAL LIABILITIES AT AMORTISED COST

The breakdown of this heading is as follows:

Breakdown of financial liabilities at amortised cost

(Millions of euros)

	30-06-2023		01-01-2023	
	Banking and other business	Insurance business	Banking and other business	Insurance business
Deposits	**442,110**	**768**	**421,870**	**574**
Central banks	9,951		16,036	
Credit institutions	35,882	5	12,777	
Customers	396,277	763	393,057	574
Debt securities	**53,006**		**52,608**	
Other financial liabilities	**9,177**	**311**	**7,673**	**322**
TOTAL	**504,293**	**1,079**	**482,151**	**896**

The net issuances placed on the market carried out in 2023 are set out below:

Net issuances - 2023

(Million euros / million pounds sterling / Million US dollars)

Issue	Amount	Currency	Issue date	Maturity	Cost *
Senior non-preferred debt	1,250	USD	January 2023	6 years	6.208 % (UST +2.50%)
Subordinated debt	500	GBP	January 2023	10 years and 9 months	6.970% (UKT +3.70%)
Preference shares	750	EUR	March 2023	Perpetual	8.25% (mid-swap +5.14%)
Senior non-preferred debt	1,000	EUR	May 2023	4 years	4.689% (mid-swap + 1.50%)
Subordinated debt	1,000	EUR	May 2023	11 years	6.138% (mid-swap + 3.00%)
Mortgage covered bonds	100	EUR	June 2023	3 years and 7	3.471% (mid-swap + 0.245%)
Mortgage covered bonds	100	EUR	June 2023	12 years and 9 months	3.732% (mid-swap + 0.64%)
Covered bond - BPI	500	EUR	July 2023	5 years	3.749% (mid-swap + 0.58%)
Senior non-preferred debt	1,000	EUR	July 2023	6 years	5.097% (mid-swap + 1.65%)
Senior non-preferred debt	500	EUR	July 2023	11 years	5.202% (mid-swap + 1.95%)

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

17. PROVISIONS

Note 23 of the 2022 consolidated financial statements details the nature of the provisions recorded. The breakdown of the changes of the balance under this heading is as follows:

Changes in provisions - 2023

(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	
BAL. AT 01-01-2023	**579**	**2,582**	**654**	**317**	**460**	**87**	**552**
With a charge to the statement of profit or loss	10	20	104	(17)	33	33	(21)
Actuarial (gains)/losses	(4)						
Amounts used	(26)	(264)	(139)	(2)			(54)
Transfers and other	1	(12)	3		12	(2)	(10)
BAL. AT 30-06-2023	**560**	**2,326**	**622**	**298**	**505**	**118**	**467**

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

	30-06-2023	01-01-2023
Discount rate (1)	3.54%	3.62%
Mortality tables (2)	PERM-F/2000 - P	PERM-F/2000 - P
Annual pension review rate	0.35 %	0.35 %
Annual cumulative CPI (3)	3.47%	3.39%
Annual salary increase rate	1% 2023; CPI + 0.5% 2024 and onwards	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) 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 business in Portugal are as follows:

Actuarial assumptions in Portugal

	30-06-2023	01-01-2023
Discount rate (1)	3.61%	3.80%
Mortality tables for males	TV 88/90 - 1 year	TV 88/90 - 1 year
Mortality tables for females	TV 99/01 - 2 years	TV 99/01 - 2 years
Annual pension review rate	4.50% 2023; 3.00% 2024; 0.75% and onwards	4.00% 2023; 3.00% 2024; 0.75% and onwards
Annual salary increase rate	[5.00 - 6.00]% 2023; [3.50 - 4.50] % 2024; [1.25 - 2.25]% following	[4.50 - 5.50] % 2023; [3.50 - 4.50] % 2024; [1.25 - 2.25]% following

(1) Rate resulting from using a rate curve based on high-rated corporate bonds, with the same currency and terms as the commitments assumed.

17.2. PROVISIONS FOR PENDING LEGAL ISSUES AND TAX LITIGATION

Litigiousness in the field of banking and financial products is subject to comprehensive monitoring and control to identify risks that may lead to the outflow of funds from the entity, making the necessary allocations and taking the appropriate measures in terms of adaptation and improving procedures, products and services. 2020 was marked by highly irregular flows conditioned by the effect that the health crisis and the state of emergency also caused on the normal functioning of the Administration of Justice, although its operation was deemed to be normalised during the period between 2021 and the first half of 2023, but the order has again been disrupted by the declaration of successive strikes by officials of the Administration of Justice which have impacted on admissions, notifications and the development of a large number of judicial procedures.

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)

The four rulings handed down by the Court of Justice of the European Union (CJEU) to date have brought clarity to the judgment of claims challenging the lack of transparency of loans that included the IRPH index —Judgment of 3 March 2020, Orders of 17 November 2021 and Order of 28 February 2023. The judgments issued by the First Chamber of the Spanish High Court have also implemented the CJEU doctrine.

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.

Notwithstanding the clarity of the CJEU's rulings and the Spanish High Court's coherent criterion with their postulates, further questions have continued to be referred for preliminary rulings by various courts concerning the clause that establishes the IRPH as the reference index. A new ruling has recently been handed down by the CJEU which establishes that it is appropriate to offer the customer, prior to taking out the mortgage loan, information on the "negative differential", as a new element for assessing a possible lack of transparency. However, the positive and decisive point of this ruling is that it confirms that, in the event that a lack of transparency is declared, it is necessary to carry out an abusiveness control (the parameters of which are not altered compared to the already established doctrine: it is deemed that there is good faith and that an imbalance is not generated for the consumer).

Taking the present context of the known doctrine of the CJEU and the Spanish High Court as a starting point, we understand that the full validity of the procurement and the absence of current risk on the eventual outflow of funds due to a possible declaration of lack of transparency have been clarified.

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.

At 30 June 2023, the total amount of current mortgage loans indexed to the IRPH (mortgage loan reference rate) with individuals is approximately EUR 4,491 million (the majority of which are with consumers).

Litigation linked to consumer credit contracts ("revolving" cards) through the application of the Usury Repression Act of 1908, following the doctrine of the Spanish High Court established between 2020 and 2023

The Spanish High Court (TS) has dictated several sentences with regard to credit revolving between 2020 and 2023. The Spanish High Court has progressively completed the applicable legal framework for assessing when the interest in this specific type of financing is significantly higher than the market price.

The gradual establishment of this legal framework over a three-year period has meant that, in the interim, there has been a huge dispersion of legal criteria, which has resulted in considerable litigation in a context of marked legal uncertainty for this specific type of financing.

Currently the legal framework defined by the Spanish High Court is determined by the following factors, namely i) revolving cards are a specific market within credit facilities, ii) the Bank of Spain publishes a specific reference interest rate for this product in its Boletín Estadístico, which is the initial reference for determining what the "normal interest rate of money" is, iii) the Bank of Spain publishes the so-called TEDR (Restricted Denomination Cash Rate), iv) in order to establish whether an interest rate is "grossly disproportionate", the Annual Percentage Rate of Charge (APR) should be compared, v) a contract will be deemed usurious if the interest exceeds by six percentage points the APR that can be deemed as the normal interest rate, which will be the average interest rate in the credit card and revolving section of the Bank of Spain's statistics, and if the TEDR is published and not an APR (as is the case so far), it will have to be increased by 20 or 30 hundredths of a percentage point, vi) with regard to revolving card contracts prior to June 2010, when determining the "normal interest rate" as a benchmark, the most recent specific information from the Bank of Spain statistics (credit card and revolving card section) should be used as the closest point in time, vii) in cases where an open-ended financial services contract provides for the possibility of unilaterally changing the interest rate of the credit operation (with prior notification to the borrower and with the option for the borrower to terminate the contract and simply pay what is due at the agreed interest rate), each interest change is to be deemed to entail the conclusion of a new contract fixing a new interest rate.

To date, CaixaBank Group has been —and will continue to be— conducting ongoing monitoring of the risk and evolution of litigation associated with this specific kind of financing, as well as establishing a provision to cover the potential outflow of funds in terms of financial prudence, according to the best estimate at any given time. It also adopted a series of effective measures in the field of contracting and customer service with a view to improving transparency, risk prevention and understanding of customers' concerns. It will continue in this endeavour, taking into consideration that the legal framework now in place facilitates greater legal certainty regarding the concretisation and implementation of any specific action.

Additionally, CaixaBank and its card-issuing subsidiary, CaixaBank Payments and Consumer, received a class action brought by an Association of Consumers and Users (ASUFIN), which was partially dismissed by Valencia Commercial Court No. 4 on 30 December 2020. Firstly, the process was reduced to an action of eventual cessation of general conditions; the possibility of claiming refunds of amounts was rejected for the ASUFIN and in favour of CaixaBank. Subsequently, the judgment reaffirms this situation, fully dismisses the claim against CaixaBank and solely requests CaixaBank Payments and Consumer to discontinue the advance maturity clause, disregarding all other requests regarding lack of transparency in the operation of cards, interest calculation methods, the right to compensation for debt and the change of conditions under contracts of an indefinite duration. After both parties appealed the judgment, the 9th Section of the Valencia Provincial Court issued ruling no. 1152/2021 of 3 October 2021, by virtue of which it dismissed ASUFIN's appeal and upheld CaixaBank Payments and Consumer's appeal, and consequently dismissed the claim in its entirety, partially overturning the first instance judgment. This ruling is not final.

Based on the best information available to date, the heading "Other Provisions" includes the estimate of present obligations that could arise from legal proceedings, including those relating to revolving and/or deferred payment cards or, to a lesser extent, from personal loans at the interest rate subject to judicial review under these jurisprudential considerations, the occurrence of which has been considered probable. In any case, any disbursements that may ultimately be necessary will depend on the specific terms of the judgments which the Company must face, and/or the number of claims that are brought, among others. Given nature of these obligations, the expected timing of the outflow of financial resources is uncertain, and, in accordance with the best available information today, the Group also deems that any responsibility arising from these proceedings will not, as a whole, have a material adverse effect on the Group's businesses, financial position or the results of its operations.

Coral Homes

On 28 June 2018, CaixaBank, S.A., the Company and Coral Homes Holdco, S.L.U., a company belonging to the Lone Star group, executed an investment agreement for the purpose of establishing the terms on which the Company and Coral Homes Holdco, S.L.U. would be —through a newly created company called Coral Homes, S.L.— the owners and managers of the business consisting of a specific group of real estate assets owned by the Company and 100% of the share capital of Servihabitat Servicios Inmobiliarios, S.L., a company dedicated to the provision of real estate management services. As part of the operation, Servihabitat Servicios Inmobiliarios, S.L. will go on servicing the Group's property assets during a period of 5 years under a new contract concluded on market terms.

The sale entered into with Lone Star contemplated a representations and warranties clause in relation to, among other matters, the ownership of the real estate assets transferred to Coral Homes, S.L. which, under specific circumstances, could give rise to claims against the Company until June 2020.

In July 2020, Coral Homes Holdco, S.L.U. brought arbitration proceedings before the International Court of Arbitration of the International Chamber of Commerce in order to unwind the contribution of a small group of real estate assets included in the business transferred to Coral Homes, S.L. and to claim alleged damages.

The arbitration proceedings that are currently underway and their resolution, after certain vicissitudes that have led to their prolongation, are expected prior to the first quarter of 2024. In the event that the arbitration is not successful, it is not expected to have a material impact on equity not included in the financial statements closed at 30 June 2023.

Sareb Bonds

Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (Sareb) requests the Court to declare "that the Senior Bonds issued by Sareb from the 2017-3 and 2018-1 and successive Issues, may generate negative yields, as well as to oblige the defendant Financial Institutions to comply with said declaration".

The Group deems that this dispute has already been finally and bindingly resolved in law by the Decision, favourable to the Entities, rendered on 30 October 2018 by the College of Arbitrators (the "Decision"), and therefore the matter is res judicata. This and other arguments well-founded in law that have been raised by the defendant entities in their defence and the absolute reasonableness of the arbitrators' conclusions (the bonds cannot generate interest in favour of Sareb), lead the Group to consider the risk of this claim being upheld to be remote. In the proceedings, a recent ruling has been handed down rejecting the claim filed by Sareb, which is subject to appeal.

Mapfre, proceedings after termination of insurance banking alliance with Bankia

There are two proceedings related to the termination of Mapfre's insurance banking alliance with Bankia.

The first involves an arbitration in which Mapfre and CaixaBank agreed to submit the issue of whether CaixaBank was required, under the bancassurance agreements between Bankia and Mapfre, to pay Mapfre an additional amount equivalent to 10% of the valuations of the life and non-life business as calculated by the independent expert chosen by both parties (Oliver Wyman). The total amount is EUR 52 million (EUR 29 million for the life business and EUR 23 million for the non-life business). The Group has not recorded a provision in this respect as it deems that its position should prevail in the arbitration. The arbitration tribunal has recently agreed to extend the deadline for the award, which is expected to be notified by the end of July.

The second process comprises a lawsuit filed by Mapfre against Oliver Wyman and CaixaBank because the former disagrees with Oliver Wyman's valuation of the Bankia Vida (BV) shares (life business). Mapfre requests the Court to declare the Oliver Wyman's breach of the order received to conduct the valuation of the BV shares and that this valuation be replaced by a higher valuation to be fixed in court, condemning CaixaBank to pay the difference between the price already paid for 51% of the BV shares and the price arising from the new valuation fixed in court. The Group understands that Oliver Wyman complied with the assignment and has a strong case to dispute this claim, and therefore no provision has been made.

Judicial proceedings relating to the 2011 Bankia rights offering

<u>Civil proceedings in respect of the nullity of the subscription of shares</u>

Claims are currently still being processed, although in a very small number, requesting both the cancellation of share purchases in the rights offering made in 2011 on the occasion of the listing of Bankia and those relating to subsequent purchases, in relation to the latter scenario, however, they are residual claims.

On 19 July 2016, Bankia was notified of a collective claim filed by ADICAE; the processing of the proceedings is currently suspended.

In a judgment of 3 June 2021, the Court of Justice of the European Union resolved a preliminary question raised by the Spanish High 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 Spanish High 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 other judgments 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 claims to be justified.

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

Ongoing investigation in Central Investigation Office No. 2 (PD 16/18)

In April 2018, the Anti-Corruption Prosecutor's Office started legal proceedings against CaixaBank, the Entity's former head of Regulatory Compliance and 11 employees, for events that could be deemed to constitute a money laundering offence, primarily due to the activity carried out in 10 branches of CaixaBank by alleged members of certain organisations formed of Chinese nationals, who allegedly conducted fraud against the Spanish Treasury between 2011 and 2015. The judge has asked the Public Prosecutor's Office to instigate the next steps. In addition, as of today, the filing of proceedings has already been agreed for four employees. Neither CaixaBank nor its legal advisers consider the risk associated with these criminal proceedings as being likely to arise. The potential impact of these events is not currently considered material, although CaixaBank is exposed to reputational risk due to these ongoing proceedings.

Investigation dismissed before the Central Investigation Office No. 6 (DDPP 96/17) Separate part No. 21. Potential subsidiary civil liability

The criminal liability of the legal person was dismissed. The process is presently at an intermediate stage. Potential subsidiary civil liability. Recently, the Public Prosecutor's Office requested the subsidiary civil liability of CaixaBank for an amount of EUR 8,000. This is strictly a financial and subsidiary liability, for a non-material amount and which will have to be the subject of prosecution.

As a consequence, the potential impact that could arise, where applicable, from the possible subsidiary civil liability for the events described is not material, although CaixaBank is exposed to reputational risk as a result of the processing of these proceedings.

Investigation dismissed before the Central Investigation Office No. 5 of Madrid Bandenia Proceedings Preliminary Proceedings 115/2015

The investigation has resulted in the dismissal of the case. The Group has definitively closed this contingency favourably.

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 preliminary proceedings 65/2013-10 of the Central Investigation Office no. 1 of the National Court.

Subsequently, a second claim filed by several individuals (“Banco de Valencia”) is included. Following on from this, by Order of 6 June 2016, the Central Investigation Office no. 1 of the National Court has admitted —to be included in previous proceedings 65/2013-10— a new claim filed by shareholders of Banco de Valencia against various directors of Banco de Valencia, the external auditor and Bankia, S.A. ("as a substitute for Bancaja"), for a corporate crime of falsification of accounts set out in article 290 of the Criminal Code.

On 13 March 2017, the Criminal Chamber, section 3 of the National Court, issued an order confirming that i) Bankia cannot be held liable for criminal acts and, ii) Bankia must be continue to be the secondary civilly liable party.

On 13 December 2017, Central Investigation Office no. 1 issued an Order agreeing to bring BFA, Tenedora de Acciones, S.A.U. and the Bancaja Foundation to the proceedings as secondary civilly liable parties.

On 2 December 2019, the Central Investigation Office no. 1 issued the conversion order agreeing to the continuation of these previous proceedings through the abridged procedures for the alleged participation in an ongoing corporate crime of falsehood in the annual accounts of Banco de Valencia for the fiscal years 2009-2010, punishable under art. 290 paragraphs 1 and 2 and art. 74 of the Criminal Code, against the members of the board of directors of Banco de Valencia and against various companies as secondary civilly liable parties, which include: BFA, Bankia, Bankia Hábitat S.L. y Valenciana de Inversiones Mobiliarias, S.L. Following the presentation by the prosecution of their provisional pleadings, on 31 October 2022, an order was issued to open the oral hearing, confirming the subsidiary civil liability of the former companies. After the submission of the defence briefs, the trial has been scheduled from 9 September to 19 December 2024.

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

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

17.3. OTHER PROVISIONS

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 Spanish High Court. A ruling dated 29 June 2022 agreed to raise several issues for preliminary rulings in which the Spanish High 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

	30-06-2023	01-01-2023
Number of fully subscribed and paid up shares (units) *	7,502,131,619	7,502,131,619
Par value per share (euros)	1	1
Closing price at year-end (euros)	3.787	3.672
Market cap at year end, excluding treasury shares (million euros) **	28,384	25,870

(*) 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 - 2023
(Number of shares / Million euros)

	01-01-2023	Acquisitions and other	Disposals and other	30-06-2023
Number of treasury shares	7,676,276	4,884,404	(5,465,768)	7,094,912
% of share capital	0.090%	0.065%	(0.073%)	0.082%
Cost / Sale	25	19	(19)	25

18.2. OTHER COMPREHENSIVE INCOME

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

19. TAX MATTERS

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

Similarly, CaixaBank and some of its subsidiaries have belonged to a consolidated tax group for value added tax (VAT) since 2008, the parent company of which is CaixaBank.

19.2. DEFERRED TAX ASSETS AND LIABILITIES

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

Changes in deferred tax assets - 2023

(Millions of euros)

	01-01-2023	Regularisations	Additions due to changes in the period	Disposals due to changes in the period	30-06-2023
Contributions to pension plans and funds for pre-retirement liabilities	873			(15)	858
Allowances for credit losses	9,248			(141)	9,107
Provision for foreclosed property	2,641			(40)	2,601
Other temporary differences *	2,826		320	(249)	2,897
Unused tax credits	739			(108)	631
Tax loss carryforwards	1,977			(107)	1,870
TOTAL	**18,304**		**320**	**(660)**	**17,964**
Of which: monetisable	*12,762*			*(196)*	*12,566*

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

Changes in deferred tax liabilities - 2023

(Millions of euros)

	01-01-2023	Regularisations	Additions due to changes in the period	Disposals due to changes in the period	30-06-2023
Revaluation of property on first time adoption of IFRS	289			(13)	276
Intangible assets generated in business combinations	214			(13)	201
Others from business combinations	181			(30)	151
Other	796		61		857
TOTAL	**1,480**		**61**	**(56)**	**1,485**

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

Nature of the deferred tax assets recognised in the consolidated balance sheet - 30-06-2023

(Millions of euros)

	Temporary differences	*Of which are monetisable **	Tax loss carryforwards	Unused tax credits
Spain	15,306	12,535	1,870	631
Portugal	157	31		
TOTAL	**15,463**	**12,566**	**1,870**	**631**

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

At 30 June 2023, the Group has a total of EUR 3,091 million of tax assets deferred by unregistered tax credits, of which EUR 2,853 million correspond to tax loss carryforwards and EUR 238 million to deductions.

Twice per year, in collaboration with an independent expert, the Group assesses the recoverable amount of its recognised deferred tax assets in the balance sheet, on the basis of a budget consisting in a 6-year horizon with the forecasted results used to estimate the recoverable value of the banking CGU (see Note 13) and forecast, subsequently, applying a sustainable net interest income (NII) to the average total assets and a normalised cost of risk (CoR) of 1.30% and 0.39%, respectively.

In keeping with the projections and the assessment exercise, the maximum timeline for recovering the tax assets in their entirety remains below 15 years.

The Group carries out sensitivity analyses on the key flow projection assumptions of the recovery model with no significant variations concluded in the estimated term in the baseline scenario.

The exercises to evaluate the recoverability of tax assets, which have been carried out since 2014, are strengthened by backtesting exercises, which show stable behaviour.

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

19.3. OTHER

Tax audit

On 3 May 2023, CaixaBank received notification of the initiation of general tax audits for the main taxes for the periods from 2016 to 2020, inclusive. These tax audits also concern certain companies belonging to the consolidated tax group of which CaixaBank is the parent company.

Banking sector levy

Under the provisions of Law 38/2022 of 28 December to establish, inter alia, temporary levies on the banking sector of 4.8% on net interest income and net fee and commission income, CaixaBank and certain Group companies subject to this law, at 1 January 2023, recognised EUR 373 million under "Other operating expenses" in the income statement.

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) (2)		Associates and joint ventures		Directors and senior management (3)		Other related parties (4)		Employee pension plan	
	30-06-2023	31-12-2022	30-06-2023	31-12-2022	30-06-2023	31-12-2022	30-06-2023	31-12-2022	30-06-2023	31-12-2022
ASSETS										
Loans and advances to credit institutions										
Loans and advances	16	17	546	878	8	10	21	25		
Mortgage loans	*15*	*16*			*8*	*10*	*11*	*11*		
Other	*1*	*1*	*546*	*878*			*10*	*14*		
Of which: valuation adjustments			*(1)*	*(2)*			*(1)*			
Equity instruments			1	1						
Debt securities (Note 8.4.)	17,082	17,503					5	5		
TOTAL	**17,098**	**17,520**	**547**	**879**	**8**	**10**	**26**	**30**		
LIABILITIES										
Customer deposits	423	486	510	825	16	20	18	15	325	533
TOTAL	**423**	**486**	**510**	**825**	**16**	**20**	**18**	**15**	**325**	**533**
PROFIT OR LOSS										
Interest income			17	20						
Interest expense									(5)	(1)
Fee and commission income		1	163	323						
Fee and commission expenses			(1)	(2)						
TOTAL		**1**	**179**	**341**					**(5)**	**(1)**
OTHER										
Contingent liabilities	20	16	24	43			1			
Contingent commitments			423	555	1	1	4	4		
Assets under management (AUMs) and assets under custody (5)	28,697	27,169	1,122	1,632	33	30	22	20	3,177	3,218
TOTAL	**28,717**	**27,185**	**1,569**	**2,230**	**34**	**31**	**27**	**24**	**3,177**	**3,218**

(1) They refer to balances and operations carried out with the "Fundación la Caixa" Banking Foundation, CriteriaCaixa, BFA Tenedora de Acciones, SAU, the FROB and its dependent companies. At 30 June 2023, according to the latest publicly available information, CriteriaCaixa's and BFA's stakes in CaixaBank were 32.24% and 17.3%, respectively.

(2) As regards the cost of lawsuits relating to preferential shares and subordinate obligations of the former Bankia, pursuant to the agreement with BFA to distribute costs in this field, Bankia already assumed a maximum loss of EUR 246 million resulting from the costs related to the execution of the sentences in which it was convicted in the various proceedings against Bankia (now CaixaBank) due to the aforementioned issues. The potential contingency arising from current and future claims including interest and costs would be, where applicable, paid by BFA under the said agreement.

(3) Directors and Senior Management of CaixaBank.

(4) Family members and entities related to members of the Board of Directors and Senior Management of CaixaBank.

(5) Includes collective investment institutions, insurance contracts, pension funds and securities depositary.

There are no Related-party Transactions, as defined in Article 529s of the Spanish Capital Companies Act that have exceeded, either individually or aggregated, the thresholds for their breakdown.

There were no significant transactions between Group companies during the first half of 2023.

In the first half of the year, the Group selected Solvía Intrum, Azzam and Haya Real Estate for property sales and maintenance and property rental management for a period of 3, 2 and 3 years , respectively (extendable between 12 and 18 months, depending on the case). This award terminates the current servicing contracts held, inter alia, with Servihabitat Servicios Inmobiliarios, SLU (a subsidiary of Coral Homes HoldCo, SLU, an associate of 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.

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.
- **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, that is, Telefónica, BFA, BCI, Coral Homes and Gramina Homes. This line of business shows earnings from the stakes net of funding expenses.

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

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

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

Consolidated statement of profit or loss of CaixaBank Group - By business segment
(Millions of euros)

	Banking and insurance				BPI		Corporate centre		CaixaBank Group	
	January–June				January–June		January–June		January–June	
	2023		2022							
		Of which: Insurance activity		*Of which: Insurance activity*	2023	2022	2023	2022	2023	2022
NET INTEREST INCOME	**4,185**	***66***	**2,742**	***17***	**430**	**232**	**9**	**5**	**4,624**	**2,979**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	153	*139*	88	*76*	12	17	125	138	290	243
Net fee and commission income	1,699	*64*	1,783	*68*	147	145			1,846	1,928
Gains/(losses) on financial assets and liabilities and others	165	*(6)*	206	*21*	17	18	(40)	20	142	244
Insurance service result	501	*495*	421	417					501	421
Other operating income and expense	(683)	*1*	(346)		(41)	(41)	(6)	(8)	(730)	(395)
GROSS INCOME	**6,021**	***759***	**4,894**	***599***	**564**	**371**	**88**	**155**	**6,673**	**5,420**
Administration expenses, depreciation and amortisation	(2,614)	*(76)*	(2,543)	*(71)*	(254)	(226)	(31)	(29)	(2,899)	(2,798)
PRE-IMPAIRMENT INCOME	**3,407**	***683***	**2,351**	***528***	**310**	**145**	**57**	**126**	**3,774**	**2,622**
Impairment losses on financial assets and other provisions	(517)		(493)		(38)	28			(555)	(465)
NET OPERATING INCOME/(LOSS)	**2,890**	***683***	**1,858**	***528***	**272**	**173**	**57**	**126**	**3,219**	**2,157**
Gains/(losses) on disposal of assets and others	(36)		(37)		1	1	(30)		(65)	(36)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**2,854**	***683***	**1,821**	***528***	**273**	**174**	**27**	**126**	**3,154**	**2,121**
Income tax	(947)	*(159)*	(498)	*(134)*	(88)	(48)	17		(1,018)	(547)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**1,907**	***524***	**1,323**	***394***	**185**	**126**	**44**	**126**	**2,136**	**1,574**
Profit/(loss) attributable to minority interests	(1)		1						(1)	1
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**1,908**	***524***	**1,322**	***394***	**185**	**126**	**44**	**126**	**2,137**	**1,573**
Total assets	581,197	*85,414*	555,088	*80,081*	39,853	38,804	4,547	4,959	625,597	598,850

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	
	2023	2022	2023	2022
Domestic market	**6,127**	**2,717**	**7,069**	**3,762**
International market	**326**	**82**	**932**	**347**
European Union	322	79	925	337
Eurozone	194	33	797	291
Non-eurozone	128	46	128	46
Other	4	3	7	10
TOTAL	**6,453**	**2,799**	**8,001**	**4,109**

Distribution of ordinary income *
(Millions of euros)

	January–June					
	Ordinary income from customers		Ordinary income between segments		Total ordinary income	
	2023	2022	2023	2022	2023	2022
Banking and insurance	**11,439**	**7,577**	**66**	**47**	**11,505**	**7,624**
Spain	10,979	7,420	66	47	11,045	7,467
Other countries	460	157			460	157
BPI	**756**	**443**	**38**	**32**	**794**	**475**
Portugal/Spain	755	439	38	32	793	471
Other countries	1	4			1	4
Corporate centre	**89**	**158**	**51**	**34**	**140**	**192**
Spain	35	33	35	28	70	61
Other countries	54	125	16	6	70	131
Ordinary adjustments and eliminations between segments			**(155)**	**(113)**	**(155)**	**(113)**
TOTAL	**12,284**	**8,178**			**12,284**	**8,178**

(*) 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. Ordinary insurance income

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)

	30-06-2023		30-06-2022	
	CaixaBank	CaixaBank Group	CaixaBank	CaixaBank Group
Male	15,314	19,416	16,053	20,052
Female	20,762	25,236	21,390	25,832
TOTAL	**36,076**	**44,652**	**37,443**	**45,884**

(*) At 30 June 2023 there were 596 employees with a disability equal to or above 33% (567 employees as at 30 June 2022).

The branches of the Group are specified below:

Branches of the group

(No. of branches)

	30-06-2023	31-12-2022
Spain	3,911	4,081
Abroad	325	331
TOTAL	**4,236**	**4,412**

23. GUARANTEES AND CONTINGENT COMMITMENTS GIVEN

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

Breakdown of exposure and hedging on guarantees and contingent commitments - 30-06-2023
(Millions of euros)

	Exposure			Hedge		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial guarantees given	9,408	647	179	(19)	(58)	(171)
Loan commitments given	106,638	3,688	360	(72)	(19)	(27)
Other commitments given	33,181	1,195	384	(13)	(25)	(219)

Breakdown of exposure and hedging on guarantees and contingent commitments - 01-01-2023
(Millions of euros)

	Exposure			Hedge		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial guarantees given	10,067	668	189	(22)	(41)	(173)
Loan commitments given	108,527	3,920	353	(57)	(12)	(18)
Other commitments given	36,705	1,333	403	(16)	(17)	(191)

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 financial statements for 2022 describes the classification criteria by levels, according to the methodology used to obtain their fair value. In this regard, there were no significant changes in the first six months of 2023 with respect to those described in the consolidated financial statements 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 measured at fair value (FV) - Banking and other business

(Millions of euros)

		30-06-2023					01-01-2023				
		Carrying amount	Fair value				Carrying amount	Fair value			
	NOTE		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Financial assets held for trading		**8,013**	**8,013**	**1,160**	**6,791**	**62**	**7,382**	**7,382**	**452**	**6,872**	**58**
Derivatives		6,894	6,894	45	6,791	58	6,963	6,963	37	6,872	54
Equity instruments		272	272	272			233	233	233		
Debt securities		847	847	843		4	186	186	182		4
Non-marketable financial assets mandatorily valued at fair value through profit or loss	8.1	**132**	**132**	**47**	**5**	**80**	**183**	**183**	**44**	**4**	**135**
Equity instruments		126	126	47	5	74	127	127	44	4	79
Debt securities		6	6			6	6	6			6
Loans and advances							50	50			50
Financial assets at FV with changes in other comprehensive income	8.3	**11,229**	**11,229**	**10,618**	**18**	**593**	**12,942**	**12,942**	**12,275**		**667**
Equity instruments		1,344	1,344	751		593	1,351	1,351	684		667
Debt securities		9,885	9,885	9,867	18		11,591	11,591	11,591		
Derivatives - Hedge accounting	10	**253**	**253**		**253**		**641**	**641**		**641**	

Fair value of financial assets measured at fair value (FV) - Insurance business

(Millions of euros)

		30-06-2023					01-01-2023				
		Carrying amount	Fair value				Carrying amount	Fair value			
	NOTE		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Non-marketable financial assets mandatorily valued at fair value through profit or loss	8.1	**12,443**	**12,443**	**12,443**			**11,168**	**11,168**	**1,148**		
Equity instruments		12,443	12,443	12,443			11,168	11,168	1,148		
Financial assets designated at FV through profit or loss	8.2	**7,528**	**7,528**	**7,501**	**4**	**23**	**8,022**	**8,022**	**7,930**	**42**	**50**
Debt securities		7,528	7,528	7,501	4	23	7,985	7,985	7,930	5	50
Loans and advances							37	37		37	
Financial assets at FV with changes in other comprehensive income	8.3	**54,891**	**54,891**	**53,987**	**890**	**14**	**51,590**	**51,590**	**50,707**	**841**	**42**
Equity instruments		1	1	1							
Debt securities		54,890	54,890	53,986	890	14	51,590	51,590	50,707	841	42
Derivatives - Hedge accounting	10	**806**	**806**		**806**		**821**	**821**		**821**	

Fair value of financial liabilities (FL) measured at fair value (FV) - Banking and other business

(Millions of euros)

		30-06-2023					01-01-2023				
		Carrying amount	Fair value				Carrying amount	Fair value			
	NOTE		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Financial liabilities held for trading	16.1	**3,943**	**3,943**	**377**	**3,510**	**56**	**4,030**	**4,030**	**95**	**3,882**	**53**
Derivatives		3,601	3,601	35	3,510	56	3,971	3,971	36	3,882	53
Short positions		342	342	342			59	59	59		
Derivatives - Hedge accounting	10	**1,413**	**1,413**		**1,413**		**1,371**	**1,371**		**1,371**	

Fair value of financial liabilities (FL) measured at fair value (FV) - Insurance business

(Millions of euros)

		30-06-2023					01-01-2023				
		Carrying amount	Fair value				Carrying amount	Fair value			
	NOTE		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Financial liabilities designated at FV through profit or loss	16.2	**3,371**	**3,371**	**3,371**			**3,409**	**3,409**	**3,409**		
Deposits		3,363	3,363	3,363			3,409	3,409	3,409		
Other financial liabilities		8	8	8							
Derivatives - Hedge accounting	10	**6,221**	**6,221**		**6,221**		**6,398**	**6,398**		**6,398**	

The change that took place in the Level 3 balance, on instruments recognised at fair value, is detailed below:

Changes in Level 3 financial instruments - Banking and other business ** - 30-06-2023
(Millions of euros)

	FA not designated for trading *		FA at FV w/changes in other comprehensive
	Debt sec.	Equity instruments	Equity instruments
BALANCE AT 01-01-2023	**6**	**79**	**667**
Total gains/(losses)		(3)	(98)
In the statement of profit or loss		(3)	
To equity valuation adjustments			(98)
Acquisitions		1	
Settlements and other		(3)	24
BALANCE AT 30-06-2023	**6**	**74**	**593**

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

Changes in Level 3 financial instruments - Insurance business * - 30-06-2023
(Millions of euros)

	FA at FV w/changes in other comprehensive income - Debt	FA at FV through profit or loss - Debt
BALANCE AT 01-01-2023	**42**	**50**
Reclassifications to other levels	(28)	(16)
Total gains/(losses)		1
In the statement of profit or loss		1
Acquisitions		36
Settlements and other		(48)
BALANCE AT 30-06-2023	**14**	**23**

FA: Financial assets; Debt sec.: Debt securities; FV: Fair value

(*) No significant impacts have materialised as a result of the sensitivity analyses carried out on the level 3 financial instruments

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 - Banking and other business
(Millions of euros)

		30-06-2023 *					01-01-2023				
			Fair value					Fair value			
	NOTE	Carrying amount	Total	Level 1	Level 2	Level 3	Carrying amount	Total	Level 1	Level 2	Level 3
Financial assets measured at amortised cost	8.4	**447,207**	**445,845**	**50,348**	**18,898**	**376,599**	**442,574**	**441,210**	**44,594**	**18,683**	**377,933**
Debt securities		79,848	73,623	50,305	17,787	5,531	77,733	70,998	43,983	18,044	8,971
Loans and advances		367,359	372,222	43	1,111	371,068	364,841	370,212	611	639	368,962

(*) The difference between carrying amount and fair value amounted to EUR -1,362 million (EUR -683 million adjusted for macro interest rate hedges).

Fair value of financial assets measured at amortised cost - Insurance business
(Millions of euros)

		30-06-2023					01-01-2023				
			Fair value					Fair value			
	NOTE	Carrying amount	Total	Level 1	Level 2	Level 3	Carrying amount	Total	Level 1	Level 2	Level 3
Financial assets measured at amortised cost	8.4	**3,967**	**3,767**	**3,100**	**351**	**316**	**3,594**	**3,433**	**2,762**	**526**	**145**
Debt securities		3,485	3,285	3,100	155	30	3,204	3,043	2,762	281	
Loans and advances		482	482		196	286	390	390		245	145

Fair value of financial liabilities measured at amortised cost - Banking and other business
(Millions of euros)

		30-06-2023 *					01-01-2023				
			Fair value					Fair value			
	NOTE	Carrying amount	Total	Level 1	Level 2	Level 3	Carrying amount	Total	Level 1	Level 2	Level 3
Financial liabilities at amortised cost	16.3	**504,293**	**465,174**	**44,658**	**3,323**	**417,193**	**482,151**	**454,139**	**44,517**	**3,036**	**406,586**
Deposits		442,110	406,608	331	591	405,686	421,870	397,834	391	419	397,024
Debt securities issued		53,006	49,389	44,297	2,732	2,360	52,608	48,745	43,739	2,617	2,389
Other financial liabilities		9,177	9,177	30		9,147	7,673	7,560	387		7,173

(*) The difference between carrying amount and fair value amounted to EUR 39,119 million (EUR 33,670 million adjusted for macro interest rate hedges).

Fair value of financial liabilities measured at amortised cost - Insurance business
(Millions of euros)

		30-06-2023					01-01-2023				
			Fair value					Fair value			
	NOTE	Carrying amount	Total	Level 1	Level 2	Level 3	Carrying amount	Total	Level 1	Level 2	Level 3
Financial liabilities at amortised cost	16.3	**1,079**	**1,079**		**768**	**311**	**896**	**896**		**574**	**322**
Deposits		768	768		768		574	574		574	
Other financial liabilities		311	311			311	322	322			322

APPENDIX I. BALANCE SHEET OF CAIXABANK, SA

Assets

(Millions of euros)

	30-06-2023
Cash and cash balances at central banks and other demand deposits	**37,759**
Financial assets held for trading	**14,577**
Derivatives	13,462
Equity instruments	272
Debt securities	843
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	**61**
Equity instruments	61
Financial assets at fair value with changes in other comprehensive income	**9,781**
Equity instruments	864
Debt securities	8,917
Financial assets measured at amortised cost	**420,538**
Debt securities	73,905
Loans and advances	346,633
Credit institutions	13,196
Customers	333,437
Derivatives - Hedge accounting	**258**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**(577)**
Investments in joint ventures and associates	**9,292**
Group entities	9,274
Associates	18
Tangible assets	**5,619**
Property, plant and equipment	5,518
For own use	5,518
Investment property	101
Intangible assets	**839**
Other intangible assets	839
Tax assets	**16,793**
Current tax assets	1,177
Deferred tax assets	15,616
Other assets	**3,723**
Insurance contracts linked to pensions	2,075
Inventories	10
Remaining other assets	1,638
Non-current assets and disposal groups classified as held for sale	**575**
TOTAL ASSETS	**519,238**
Memorandum items	
Off-balance-sheet exposures	
Loan commitments given	82,521
Financial guarantees given	10,231
Other commitments given	32,755
Financial instruments loaned or delivered as collateral with the right of sale or pledge	
Financial assets held for trading	843
Financial assets at fair value with changes in other comprehensive income	6,528
Financial assets measured at amortised cost	24,592
Tangible assets acquired under a lease	**1,503**
Investment property, leased out under operating leases	**101**

Liabilities

(Millions of euros)

	30-06-2023
Financial liabilities held for trading	**10,499**
Derivatives	10,157
Short positions	342
Financial liabilities at amortised cost	**475,457**
Deposits	416,179
Central banks	9,358
Credit institutions	33,349
Customers	373,472
Debt securities issued	50,670
Other financial liabilities	8,608
Derivatives - Hedge accounting	**1,394**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**(5,390)**
Provisions	**4,526**
Pensions and other post-employment defined benefit obligations	558
Other long-term employee benefits	2,321
Pending legal issues and tax litigation	799
Commitments and guarantees given	566
Other provisions	282
Tax liabilities	**1,688**
Current tax liabilities	854
Deferred tax liabilities	834
Other liabilities	**1,873**
TOTAL LIABILITIES	**490,047**
Memorandum items	
Subordinated liabilities	
Financial liabilities at amortised cost	11,588

Equity

(Millions of euros)

	30-06-2023
SHAREHOLDERS' EQUITY	**31,249**
Capital	**7,502**
Share premium	**13,470**
Other equity items	**42**
Retained earnings	**12,004**
Other reserves	**(4,080)**
(-) Treasury shares	**(23)**
Profit/(loss) for the period	**2,334**
ACCUMULATED OTHER COMPREHENSIVE INCOME	**(2,058)**
Items that will not be reclassified to profit or loss	**(1,260)**
Actuarial gains or (-) losses on defined benefit pension plans	(49)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income	(1,211)
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]	(20)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income [hedging instrument]	20
Items that may be reclassified to profit or loss	**(798)**
Hedging derivatives. Reserve of cash flow hedges [effective portion]	(534)
Fair value changes of debt securities measured at fair value with changes in other comprehensive income	(264)
TOTAL EQUITY	**29,191**
TOTAL LIABILITIES AND EQUITY	**519,238**

CaixaBank — January–June 2023

Consolidated
Interim Management Report

Legal notice

The purpose of this document is purely informative, and it does not claim to provide a financial advisory service or the offer of a sale, exchange, acquisition or invitation to acquire any kind of securities, product or financial services of CaixaBank, S.A. (hereinafter, "CaixaBank", or the "Entity"), or of any other companies mentioned within it. The information contained therein is subject to, and should be treated as complementary to, all other publicly available information. The information refers to CaixaBank Group; 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 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 statement of profit or loss and the consolidated balance sheet and the corresponding breakdowns of those statements provided in this report, are presented under management criteria, but have still been prepared in accordance with International Financial Reporting Standards ("IFRS") 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.

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

Further to the financial information drawn up pursuant to the IFRS, this report contains a number of the Alternative Performance Measures (APMs) set out in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415) ("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 CaixaBank Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. As such, they may not be comparable. Please refer to the 'Glossary' section of the document for details of the APMs used, as well as for the reconciliation of certain management indicators to the indicators presented in the consolidated financial statements prepared under the IFRS. The Group has applied IFRS 17: "Insurance Contracts" and IFRS 9: "Financial Instruments" to the assets and liabilities under the insurance business as of 1 January 2023 and hence the income statement for the fiscal year 2022 and the balance sheet at 31 December 2022 have been restated for comparative purposes. The Group has also considered the IFRS 9 requirements, an accounting standard that it had already been applying to recognise and measure its financial assets and liabilities in its banking business.

The content of this document is governed by Spanish law that applies at the time of its preparation, and is not intended for any natural or legal person located in any other jurisdiction. Thus, it does not necessarily comply with the regulations or legal requirements that apply in other jurisdictions.

Notwithstanding the legal requirements or any limitation imposed by CaixaBank that may be applicable, any form of use or exploitation of the contents of this document, as well as the use of the signs, trademarks and logos contained herein, is expressly prohibited. This prohibition extends to any type of reproduction, distribution, transfer to third parties, public communication and transformation, by means of any type of support or medium, for commercial purposes, without the prior and express authorisation of CaixaBank and/or other respective owners of the presentation. Failure to comply with this restriction may constitute an offence punishable by law in such cases.

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 2022 Consolidated Management Report written by the Board of Directors on 16 February 2023.

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

From 1 January 2023 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 2023

> CLIENTS

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

20.1m customers

18.2m Spain | 1.9m Portugal

12.3m digital customers

4,228 branches

Best Bank in Spain 2023, by *Euromoney*

> EMPLOYEES

Commitment to **diversity**

44,683 Employees

56.5% Female

43.5% Male

42.7% of women in managerial positions at CaixaBank, S.A.

Certificate with excellence level A

> SHAREHOLDERS AND INVESTORS

Result underpinned by the progress of commercial activity and the recovery of the macro environment

€2,137m Attributed profit/(loss)

€7,110m Core income

10.2% 12 months ROE

Solid capital position

12.5% CET1

17.5% Total capital

Improvement in the credit quality metrics

2.6% NPL ratio

0.27% Cost of risk - 12 months

Greater shareholder remuneration

55% cash pay-out

€0.2306 earnings per share

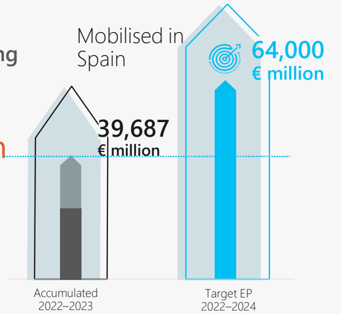
€500m announced

2023 SHARE BUYBACK PROGRAMME[1]

> SUSTAINABILITY

Mobilisation of sustainable financing

+€2,484m mobilised in Portugal



> ENVIRONMENT AND CLIMATE

15,553 + 29,884 KtCO2

Emissions financed Scope 1+2 / 3

MEMBER OF PCAF AND FOUNDING MEMBER OF THE NET-ZERO BANKING ALLIANCE (NZBA)

Renewal and extension of certifications and fostering efficiency

> SOCIETY

Committed to the **senior collective**

1 Social bond issued for **1,000 million euros**

169,461 MicroBank beneficiaries (accum.2022–2023)

10,446 Social housing

[1] Subject to the regulatory approval,

Milestones for **the first half of 2023**

JANUARY

First issue of debt in the American market, for €1,250m in senior non-preferential bond format

CaixaBank, third best company in the world in gender equality, according to Bloomberg.

FEBRUARY

CaixaBank will train its entire workforce in sustainability in 2023.

CaixaBank has rolled out a plan to provide support to the main NGOs that are working on the emergency following the earthquakes in Turkey and Syria.

MARCH

CaixaBank strengthens its capital position by issuing 750 million euros in preferred stock convertible into shares.

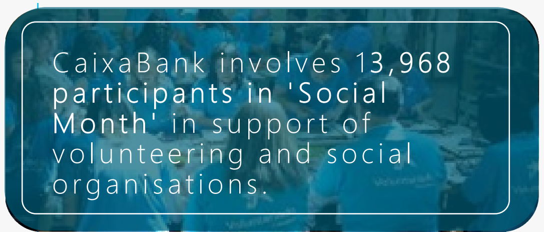
Euromoney names CaixaBank the 'Best Private Bank in Spain' 2023

APRIL

Launch of a new edition of the "*Entrepreneur woman prizes*" and the talent program for young people entitled "*New Graduates Program*".

CaixaBank, leader in digital banking in Spain according to GfK DAM

MAY



CaixaBank issues the first social bond of the year for an amount of 1,000 million euros.

JUNE

CaixaBank is partnering with the European Central Bank in an experimental exercise to develop a prototype for instant payments using the digital euro.

Global Finance acknowledges CaixaBank for its global leadership in ESG loans and for its support of society in Western Europe.

01 Our identity

CaixaBank Group is a financial group with a socially responsible, **long-term universal banking model,**

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

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

Impact on the Company

Our mission

To contribute to the financial well-being of our customers and the progress of society as a whole

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 BEING:

- Close to people for everything that matters

> WE DO THIS WITH

- Specialised advice,
- Personal finance simulation and monitoring tools,
- Comfortable and secure payment methods,
- A broad range of saving, pension and insurance products,
- Responsibly-granted loans,
- Overseeing the security of our customers' personal information.

> WE CONTRIBUTE TO THE PROGRESS OF SOCIETY

- Effectively and prudently channelling savings and financing, and guaranteeing an efficient and secure payment system,
- Through financial inclusion and education; environmental sustainability; support for diversity; with housing aid programmes; and promoting corporate voluntary work,
- And, of course, through our collaboration with the Obra Social (social work) of the "la Caixa" Foundation, whose budget is partly nourished through the dividends that CriteriaCaixa earns from its stake in CaixaBank. A major part of this budget is funnelled into identified local needs through the CaixaBank branch network in Spain and BPI in Portugal.

1.1 Ethical and responsible behaviour

CaixaBank applies best practices to ensure ethical and responsible behaviour, and for this reason has ethics and integrity policies approved by the Board of Directors, a mature and certified compliance model, together with a series of internal measures to ensure effective compliance with these policies.

Policy update

In the first half of 2023, the following ethics and integrity policies were updated:

- **Corporate Criminal Compliance Policy (updated in March):** To ensure the existence of a robust control environment that helps to prevent and avoid the commission of crimes in conduct for which the legal entity is criminally liable. This Policy lays down a general framework that guides CaixaBank Group's Criminal Prevention Model.
- **Code of Ethics and Principles of action (updated in May):** It includes the principles that govern the actions of all the people who make up the CaixaBank Group, it is the highest-level internal regulation and, as such, It is mandatory for all Group professionals.
- **Corporate Anti-Corruption Policy (updated in May):** To lay down a framework for action and rejection of any conduct that may be directly or indirectly related **to corruption in particular and to the basic principles of action in general.**
- **Corporate Internal Information System Policy (updated in June)**: It defines the principles and premises that regulate the internal information system, whose purpose is to provide adequate protection against reprisals that may be suffered by natural persons who report on any of the actions or omissions that may constitute infringements.

CaixaBank maintains an effectively implemented compliance management system **with a high degree of maturity.**

Renewal of certifications

In the first half of 2023, the following certifications issued by AENOR were renewed:

- UNE 37301 **Compliance Management Systems**, an international standard that sets out the requirements and provides a guide to *compliance* management systems and recommended practices.
- UNE 37001 **Anti-bribery Management Systems** is an international standard (150) that sets out the requirements and provides a guide for establishing, implementing, maintaining, revising and enhancing an anti-bribery management system.
- UNE 19601 **Criminal Compliance Management Systems** is the national standard for Criminal Compliance, drawn up by the Spanish Association for Standardisation (UNE), and lays down the structure and methodology necessary to implement organisational and management models for crime prevention.

Due Diligence in Human Rights

In the first semester of 2023, the Human Rights due diligence process was carried out, followed by the evaluation process with the objective of updating said exercise and giving it greater depth and scope.

CaixaBank

In March 2023, Law 2/2023 came into force, governing the protection of persons who report **regulatory breaches and the fight to combat corruption**.

CaixaBank has taken the following actions to comply with this law:

1. Adapting and redefining governance. The following actions have been undertaken in this field:

- **Approval of the Corporate Policy of the Internal Information System** (IIS) to grant protection to natural persons who report possible infringements.
- **Approval of the Information Management Procedure** to lay down the necessary provisions for the IIS to fulfil the requirements of the Law.
- **Appointment of the Compliance Director as Head of the IIS.**
- **Updating and drafting of internal regulations.**

2. Consultation with the Legal Representation of CaixaBank Group IIS Employees.

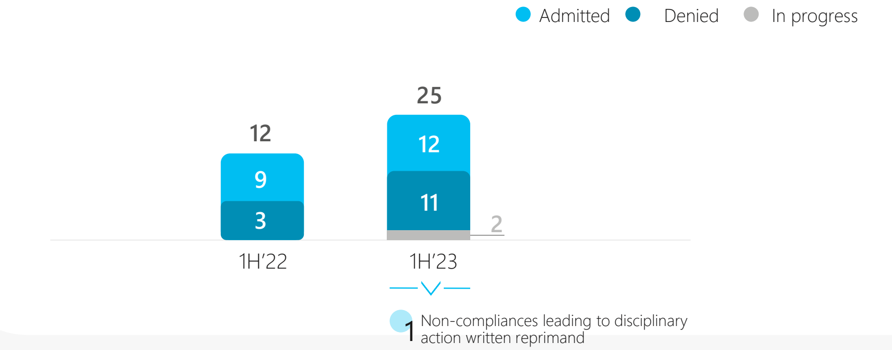
3. Incorporation of new groups into the Whistle-blowing Channel: Shareholders, workers for or under supervision and management of contractors, subcontractors and suppliers, former employees, and candidates.

4. Updating the **categories** included in the Whistle-blowing Channel to adapt them to CaixaBank's reality, adding two new categories in the workplace:

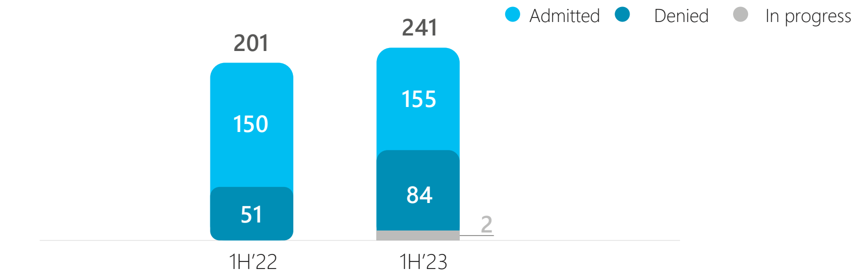
- **Harassment in the workplace** and sexual harassment in the professional sphere
- **Occupational health and safety / Occupational risk prevention**

> DETAILS OF WHISTLE-BLOWING AND QUERIES CHANNELS

> WHISTLE-BLOWING CHANNEL



> QUERIES CHANNEL



2.1 Context and perspectives

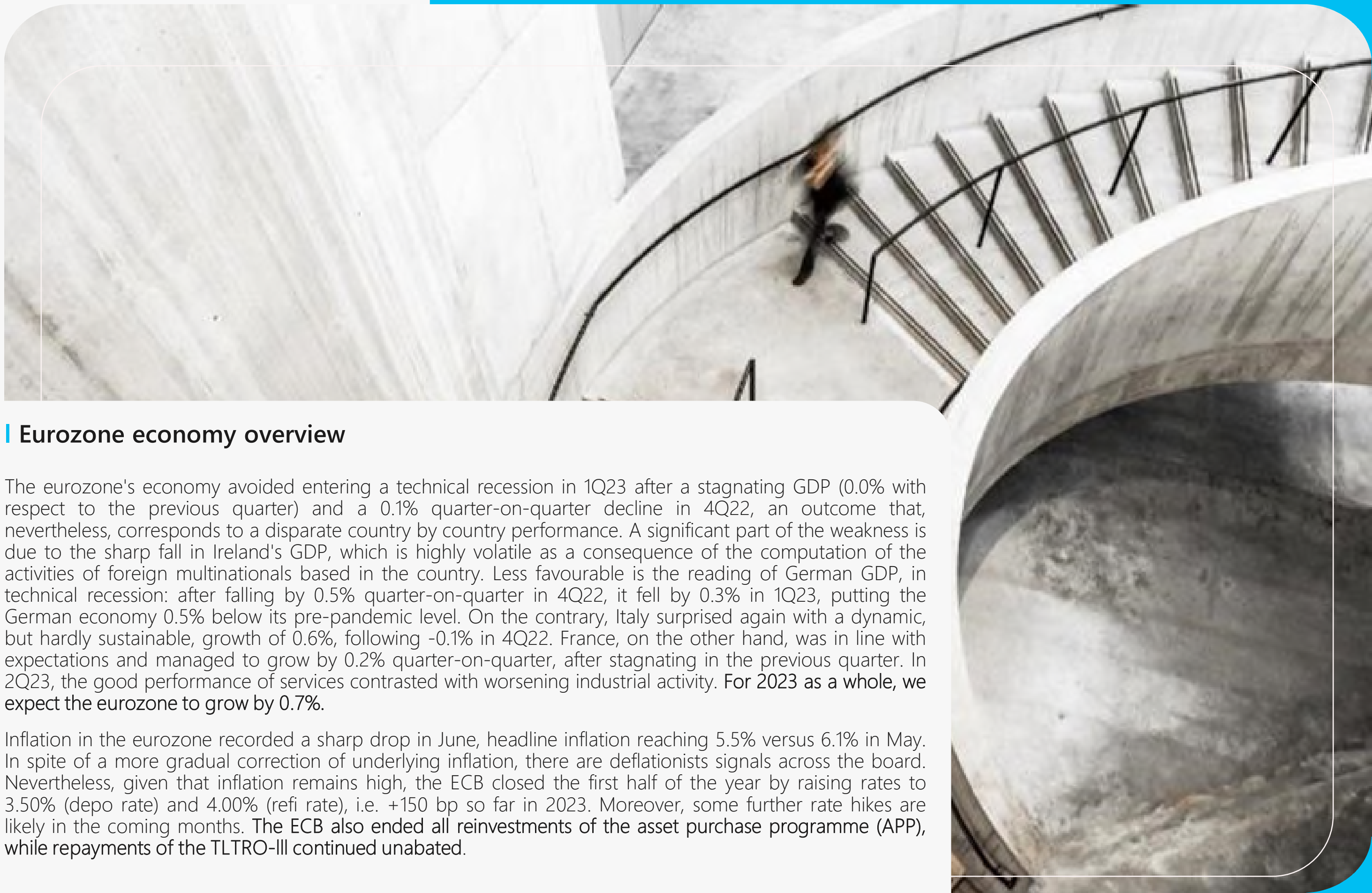
Economic context

Global trends

The performance of the international economy since the start of 2023 has been characterised by three major dynamics. Firstly, energy prices have eased and stabilised at lower levels than expected a few months ago, although still above their pre-pandemic levels. Secondly, activity indicators have been relatively resilient and the labour market has remained highly resilient, while inflation has been mixed, with declines in headline inflation but considerable persistence of core inflation (services and non-energy goods). For these reasons, as a third major dynamic, the major central banks have been pushed to further tighten monetary policy. These rate hikes can be expected to lead to a cooling of the global economy in the upcoming quarters.

As a result of the foregoing, global growth in the first quarter of the year was above expectations, albeit with heterogeneous behaviour among the major regions. The revival of the Chinese economy following its shift away from the zero-COVID policy was a major boost at the beginning of the year, although it loss momentum in the second quarter.

Furthermore, in the US the economic activity shows resilience, with a robust labour market and GDP continuing to grow in the second quarter after a 0.6% quarter-on-quarter increase in the first quarter of 2023. The aftershocks from the collapse of Silicon Valley Bank in March have been fading, with the tightening of financial conditions proceeding on a more gradual course. Inflation has been declining thanks to the easing of energy prices and the base effects, as well as the growing deflationary pressures across the consumer basket. In this context, the Federal Reserve's cycle of rate hikes could be close to an end, although it will have to maintain a restrictive monetary policy for several months.



Eurozone economy overview

The eurozone's economy avoided entering a technical recession in 1Q23 after a stagnating GDP (0.0% with respect to the previous quarter) and a 0.1% quarter-on-quarter decline in 4Q22, an outcome that, nevertheless, corresponds to a disparate country by country performance. A significant part of the weakness is due to the sharp fall in Ireland's GDP, which is highly volatile as a consequence of the computation of the activities of foreign multinationals based in the country. Less favourable is the reading of German GDP, in technical recession: after falling by 0.5% quarter-on-quarter in 4Q22, it fell by 0.3% in 1Q23, putting the German economy 0.5% below its pre-pandemic level. On the contrary, Italy surprised again with a dynamic, but hardly sustainable, growth of 0.6%, following -0.1% in 4Q22. France, on the other hand, was in line with expectations and managed to grow by 0.2% quarter-on-quarter, after stagnating in the previous quarter. In 2Q23, the good performance of services contrasted with worsening industrial activity. For 2023 as a whole, we expect the eurozone to grow by 0.7%.

Inflation in the eurozone recorded a sharp drop in June, headline inflation reaching 5.5% versus 6.1% in May. In spite of a more gradual correction of underlying inflation, there are deflationists signals across the board. Nevertheless, given that inflation remains high, the ECB closed the first half of the year by raising rates to 3.50% (depo rate) and 4.00% (refi rate), i.e. +150 bp so far in 2023. Moreover, some further rate hikes are likely in the coming months. The ECB also ended all reinvestments of the asset purchase programme (APP), while repayments of the TLTRO-III continued unabated.

The Spanish economy recovered its pre-pandemic level of GDP in the first quarter of 2023.

The carry-over effect from the upward revision of growth in the second part of 2022 and the strong start to the year lead us to **raise the GDP growth forecast for 2023 to 2.3%.**

Spanish economy overview

The Spanish economy has shown considerable resilience, performing better than expected at the start of the year. In the first quarter of 2023, it posted a quarter-on-quarter increase of 0.6% in GDP, and managed to exceed pre-pandemic levels (Q42019), boosted by the buoyancy of external demand due to the strong momentum of tourism and exports of other services, while private consumption continued to contract.

The information available for the second quarter offers mixed signals, showing a more or less up and down profile throughout the quarter. On the one hand, industry is weak. On the positive side, foreign tourism continues to post very good figures and job creation shows a good tone, albeit losing buoyancy.

The housing market has been cooling but at a milder pace than expected. Notwithstanding the rise in interest rates, and the consequent cooling of demand, the shortage of supply is holding back the adjustment in prices. Sales recorded a year-on-year decline of 4.1% up to April, while prices in the first quarter were up 0.6% on the previous quarter, according to the price indicator prepared by the INE, mainly due to the rise in prices of new housing.

Inflation has continued to ease, falling to 3.2% in May, the lowest level since July 2021, thanks not only to the base effect of energy prices but also to signs of a slowdown in the other components of the CPI basket. Core inflation, which excludes energy and all food, came in at 4.3% in June, compared with a peak in February of 5.2%

The outlook suggests a gradual slowdown in activity in the coming quarters as a result of the impact of monetary policy tightening. The good performance of activity in the first few months of the year, together with the drag from the INE's revisions of GDP growth in the second half of 2022, are leading to a revision of growth forecasts for the year as a whole, which in our case we place at 2.3%.

Portuguese economy overview

The Portuguese economy surprised positively in the first quarter of the year by posting a strong quarter-on-quarter GDP growth of 1.6%, thanks to the strength of external demand and particularly tourism. Conversely, domestic demand subtracted 0.9 p.p. from quarterly GDP growth, dragged down by weak investment. GDP was more than 4% above the pre-COVID level.

Available indicators for the second quarter show a positive tone but a gradually decelerating trend as the impact of higher interest rates is felt.

Inflation eased during the first half of the year and came in at 3.4% in June, compared to 9.6% at the close of 2022, mainly due to the correction in energy prices. Similarly, an adjustment in food prices is starting to be seen in the wake of the application of the VAT exemption on several food groups.

Regarding the outlook, after the positive surprise of the strong GDP growth in the first quarter of the year, we have revised upwards the GDP growth for 2023 as a whole to 2.6%.

.

Social, technological and competitive context

Business profitability and capital adequacy

The profitability of the Spanish banking sector continues to strengthen, which stands close to the cost of capital[1]. Thus, the yearly return on equity (ROE) reached 11.3% in the fourth quarter of 2023[2] (versus 10.3% at the end of 2022).

This improvement was largely due to an increase in net interest income, thanks to the change of course in monetary policy, which drove interest rates higher than initially expected. In that regard, the 12-month Euribor continued its upward trend and surpassed the 4% threshold in June 2023. For the time being, the price effect has been passed on to a higher extent to the credit portfolio than to deposits, which continue to have relatively low levels of remuneration.

In the forthcoming quarters, we expect this interest rate environment to continue to make a positive contribution to net interest income. However, high inflation and the current complex macroeconomic environment have led to a tightening of financing conditions, which could, in turn, raise the risks of deteriorating credit quality. In fact, banking activity has begun to register a contraction in credit granted —the credit portfolio to the private sector in Spain recorded a fall of 2.4% year-on-year in May 2023, being particularly relevant in the mortgage credit portfolio.

In any case, credit quality remains low. The NPL ratio came to 3.59% in May 2023, that represents an accumulated increase of 8 rp in the last 12 months, whereas with respect to the prepandemic levels of February 2020, accumulates a fall of 123 rp. However, there are certain signs of impairment of credit quality, as the first increase in volume of non-performing loans because of second consecutive month. The weight of loans was placed to 6.9% in March 2023[3] (-7 rp with respect to March of the previous year), although it remains above the levels pre-pandemic. Regarding the non-performing loans of the ICO loan portfolio, some impairment was observed, standing at 8.2% in March 2023[4].

Capital ratios are also at robust levels and continue to have a comfortable margin over regulatory requirements. In Spain, according to data from the ECB's supervisory statistics, the CET1 ratio stood at 12.7% in the first quarter of 2023. These capital levels are well above those recorded in the previous financial crisis and grant give the banking sector in Spain a high capacity to absorb potential losses, even in more adverse the scenarios. The results of the EBA stress tests will be published in July 2023, which should corroborate this fact.

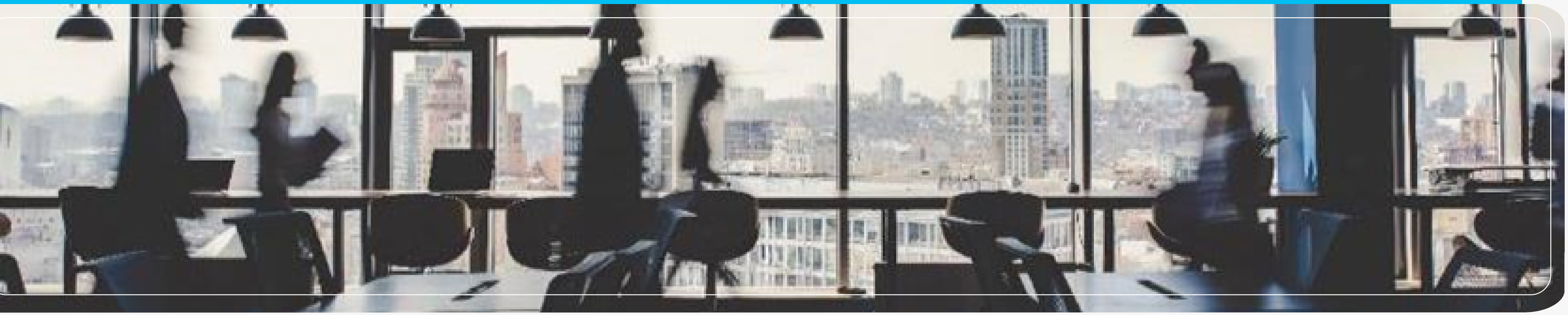
However, it is worth noting that the new bank tax has a significant impact on the Spanish banking sector's income statement and, as a result, on the capacity to generate organic capital over the next two years.

Lastly, liquidity levels in the Spanish financial sector remain high. The system's LCR ratio reached 166.1% in the first quarter of 2023[2] (compared to 203.1% in December 2021), mainly due to the fact that the main Spanish banks have started to repay TLTROs early.

This places the Spanish banking sector in a strong position to face the consequences of the severe financial turmoil that hit the global financial sector in March 2023, culminating in the winding down of 3 regional banks in the United States and the acquisition of a systemically important entity in Switzerland. These events have resulted in a decrease in stock market valuations of financial institutions worldwide, and could lead to an increase in funding costs and liquidity strains.

In any case, the regulatory and supervisory framework in the eurozone is much stronger than that of regional banking in the United States, which is preventing uncertainty from spilling over into the European financial system. Moreover, the Spanish banking sector enjoys significant mitigating factors in the face of these risks, particularly a business model with a high weight of the retail sector and very comfortable levels of liquidity.

[1] According to the ECB in the Financial Stability Review of May 2023, the cost of capital of the European banking sector stands at around 12%.
[2] Data from the ECB's Supervisory Statistics. Annualised return.
[3] Data from the *EBA* Risk Dashboard.
[4] Data from BdE



Digital transformation

The more digital habits and behaviours that have emerged in the wake of the COVID-19 pandemic accelerated the process of digitalisation of the environment in which financial institutions operate.

For the banking industry, digital transformation is leading to a growing focus on the customer and greater demands to keep them satisfied (in terms of convenience, immediacy, customisation and cost). More specifically, customer satisfaction is becoming an increasingly relevant issue; customer loyalty is decreasing as it is easier to switch bank in a digital environment. The digitisation of the banking sector has also facilitated the emergence of new non-traditional competitors, such as fintech companies and bigtech digital platforms, with business models that leverage new technologies, raise service quality standards and increase pressure on the sector's margins.

Thus far, this non-traditional sector has been very small compared to the financial sector as a whole. However, these new entrants have grown quickly in an environment of low interest rates and abundant liquidity, and their presence can be seen throughout the value chain of the financial sector (specifically in the payments and consumer credit segments). Going forward, the ability of fintech companies to adapt their business models to the new interest rate environment will be crucial in determining the sector's evolution. Specifically, the tightening of financial conditions has reduced investor appetite for this sector (in Q123, global fintech funding fell at a global scale by 51% year-on-year)[1]. In consequence, these companies are being forced to transfer a portion of their increased funding costs to their customer base —which may pose a challenge for companies whose growth is based on the provision of low or zero-cost financial services—.

Furthermore, access to data and the ability to generate value from data has become an important source of competitive advantage. In particular, the use, processing and storage of data results 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, blockchain or generative AI) 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 digitalisation 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.

In that regard, digitalisation makes it possible to reach a larger number of potential customers, without having to expand the 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 trend of a reduction in the use of cash in favour of electronic payments has gained speed with COVID-19, becoming established thereafter. 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.

[1] Data from CB Insights, State of Fintech Report

In this case, despite recent developments in the crypto-assets and stablecoins market, its rapid expansion in recent years has driven investment in technologies such as DLT or cryptography, which allow the development of new value-added features in payments (such as the ability to make almost instant payments anywhere in the world or to programme payments through Smart Contracts). Faced with such developments, central banks, particularly in advanced economies, are considering issuing their own digital currencies (CBDCs) as a way to ensure that citizens and businesses continue to have access to central bank money in the digital age.

In the eurozone, the ECB launched the research phase of the digital euro in October 2021. In this phase, which will conclude in October of this year, the ECB has analysed, among others, basic elements of its design, such as how they could be distributed to businesses and the general public and the possible impact on the financial sector. In this research phase, the ECB has also highlighted the development of a digital euro prototype and five selected partners (including CaixaBank).

The Governing Council of the ECB is expected to make a decision in October regarding whether to start developing a digital euro, with a view to a possible launch in 2025–26. The European Commission has recently published its legislative proposal, which establishes the legal framework for a possible digital euro and has been subject to public consultation until the end of the third quarter of 2023.

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 Entity has more than 11 million digital customers in Spain.

Likewise, in response to the change in habits of customers, the Entity is placing special emphasis on initiatives to improve interaction with customers through non-face-to-face channels. Meanwhile, digital transformation is also driving CaixaBank to focus more on the development of skills, such as advanced analytics and the provision of native digital services. Regarding this last point, Imagin features a digital ecosystem and lifestyle platform focused on the younger segment, offering financial and non-financial products and services, it own and of third parties. 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.

Cybersecurity

Although digital transformation is essential for the competitiveness and efficiency of banking, it also increases technological risks. In this regard, the increased digital operations of customers and employees make it necessary to increase the focus on cybersecurity and information protection.

Cyber risk poses a serious threat to financial stability and the global economy. Specifically, cyber incidents can have an impact on a range of financial activities (such as the provision of credit, payment and settlement services) by disrupting the information and communication technologies (ICT) that support them. Cyber incidents can also result in the misuse of the data that these technologies process or store. Inside the financial sector, banks have many points of contact with third parties, which increases their exposure to cyber-attacks and can be used as entry points for attacks in the financial sector.

Furthermore, the cyber threat landscape is in constant evolution and is becoming increasingly complex as a result of the growing digitalisation of the economy, increasing dependencies on third parties and geopolitical tensions. In addition, the cost of cyber incidents has been steadily and significantly increasing over the years.

[1] BIS surveys on central bank digital currencies

Sustainability

The **medium-term goal of decarbonisation of the European economy** is being accompanied by an increasingly strict regulation on how to address sustainability and growing pressure (from investors, authorities, and supervisors) for companies to adjust their strategies accordingly.

In that regard, the entry into force of the **EU's green taxonomy** is noteworthy. It establishes a classification system for sustainable activities and the approval of the information requirements on the degree of alignment with the taxonomy for companies subject to the Non-Financial Reporting Directive (NFRD). The credit institutions (which are also subject to this directive) must disclose the proportion of exposures that are within the scope of the taxonomy, and the proportion of exposures aligned with the taxonomy (Green Asset Ratio) from 2023.

In 2024, **the implementation of the new Non-Financial Reporting Directive (NFRD)** will involve a major step forward in terms of the current ESG reporting requirements of the Management Report, fostering transparency and comparability in reporting. Furthermore, due to its extension to the value chain, the Directive is expected to accelerate the sustainable transition of the business fabric.

In the area of banking supervision, it is worth noting the **ECB's action plan** (with deliverables in 2024) **to explicitly incorporate climate change and energy transition into its framework of operations**. In line with the plan, the ECB has started to include climate criteria into its Corporate Sector Purchase Programme and collateral framework. These measures seek to curb climate risk on the ECB's balance sheet, foster increased transparency and disclosure of climate risks by companies and financial institutions, enhance climate risk management and support the economy's green transition.

In addition, the setting of supervisory expectations within this scope and the assessment of banks' practices related to climate and environmental risk strategy, governance and management are particularly noteworthy.

Meanwhile, in 2021, **the EU approved the European climate law** (which sets the bloc's emissions reduction targets at 55% by 2030 and emission neutrality by 2050 as a legal commitment) and has started to roll out measures and reforms in various economic sectors (from housing to energy and transport) to reduce greenhouse gas (GHG) emissions in line with the targets set and move towards a decarbonised economy. In addition, with the Russian invasion of Ukraine, the European Commission has presented the REPowerEU plan to dramatically accelerate the energy transition and make Europe independent of Russia's fossil fuels. Spain, **thanks to the Next Generation EU (NGEU) Recovery Plan, around 4,600 million euros[1] have been earmarked in 2022 and an additional 7,800 million euros[2] in 2023 are expected** to be destined to investments in renewable energies, sustainable mobility and the energy rehabilitation of buildings, thus driving the economy's green transition.

In this environment, **CaixaBank prioritises making progress in the transition to a low-carbon economy as an essential action to foster sustainable and socially inclusive development and uphold excellence in corporate governance.** Thus, and to materialise the commitment, **Sustainability** (in its environmental, social and governance scope) **is one of the three pillars of the Group's 2022–24 Strategic Plan.** The actions in this strategic axis are outlined in the 2022–24 Sustainability Management Plan.

[1] IGAE Budget execution General State Administration and Bodies
[2] According to the General State Budget for 2023

2.2 2022–2024 Strategic Plan

CaixaBank Group's 2022–2024 Strategic Plan, presented in May 2022 under the slogan "Close to our customers", 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.

The **2022-2024 Strategic Plan** is based on the **three strategic lines and two cross-cutting enablers:**

Business growth

Developing **the best value proposition** for our customers.

Operating with an efficient service model

Accurately tailored to customer preferences.

Sustainability

Leaders in Europe.

Cross-sectional enablers

- Technology.
- People.

The **Strategic Plan is making favourable progress** in terms of the defined strategic goals

01 Business growth

The first strategic line is geared towards **driving business growth, developing the best value proposition for our customers.**

With respect to the set business growth targets, notably the growth in the share of new home purchases, which has already exceeded the target set for 2024. In addition, positive growth of CIB lending, supported by a significant growth in the International Banking portfolio, which also exceeds the 2024 target.

	Starting point 2021	2022	March 2023	Obj. 2024
Long-term saving share	29.4	29.5	29.5	~30

	Starting point 2021	2022	May 2023	Obj. 2024
Non financial companies portfolio share[3]	23.8	23.8	23.9	~24

02 Operating with an efficient service model

The second strategic line seeks to **maintain an efficient service model, adapting it to suit the customer's preferences.**

The CaixaBank customer service model continues to be developed in order to make it more efficient and adapted to suit the needs of each customer. In this regard, the Imagin and Intouch communities are a cornerstone of the Group's strategy, and both are growing at a rapid pace. There are currently more than 11 million customers and almost half are customers that very frequently use the bank's digital channels.

	Starting point 2021	2022	June 2023	Tar. 2024
#Imagin customers (millions)	2.7	3.0	3.1	3.8
#Intouch customers (millions)	2.4	3.4	3.4	4.6

03 Sustainability

This new Plan's third and final strategic line seeks to **consolidate CaixaBank as a benchmark in sustainability in Europe.**

Sustainability is the linchpin of this Strategic Plan. To date, the cumulative mobilization of sustainable funds is showing a very positive evolution, already reaching 62% of the 2024 target. The rating average received from ESG rating agencies remains at A, as set in the 2024 target.

	Starting point 2021	2022	June 2023	Tar. 2024
Mobilisation of sustainable financing (cumulative 2022-24)[1]	18,531	23,583	39,687	64,000
No. of active volunteers[2]	4,997	5,263	4,527	10,000

[1] Mobilisation for the business in Spain
[2] Does not include volunteers of the social month or social week
[3] Spain business.

The Plan also includes **two cross-cutting enablers** that support the execution of these three strategic priorities:

The development of the necessary capacities outlined in the cross-cutting enablers **is progressing as identified in the Strategic Plan**.

People

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.

	Starting point 2021	2022	June 2023	Tar. 2024[2]
Women in managerial positions (%)[1]	39.9	41.8	42.7	43.0

Technology

CaixaBank has outstanding technological capabilities, in which it will continue to invest to continue to drive the business forward.

	Starting point 2021	2022	June 2023	Tar. 2024
Cloud absorption	21	25	26.4	32

As a consequence of deploying and executing this new Strategic Plan, CaixaBank **seeks to achieve the financial targets set for 2024**.

In the first year and a half of the Strategic Plan (2022–2023), the core **financial metrics performed very favourably,** in line with the goals set for 2024.Of particular note was the improvement in the Group's profitability, driven by the growth in net interest income and the good performance of insurance activity, while the NPL ratio stayed at historically low levels. Lastly, the Bank continued to hold very solid levels of solvency and liquidity.

	Starting point 2021	2022	June 2023	Tar. 2024
ROTE	7.6	9.8	12.0	12
NPL ratio	3.6	2.7	2.6	<3

[1] Women in management positions (from sub-management of large office A and B) for CaixaBank S.A.
[2] In 2023, the target initially set for 2024 has been updated from 42% to 43% with the update of the Equality Plan

2023 Annual General Meeting (AGM2023)

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

The Annual General Meeting (AGM2023) took place, in its second call, on 31 March 2023. 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 AGM2023.

> ALL THE POINTS ON THE AGENDA WERE APPROVED AT THE ANNUAL GENERAL MEETING OF MARCH 2023

Quorum of the
76.6%
regarding share capital

92.0%
average approval

	Agreements of the Annual General Meeting of 31 March 2023	% of votes cast in favour out of quorum	% of votes in favour regarding share capital
1	Approval of the separate and consolidated annual accounts and the respective management reports for 2022	98.86%	76.45%
2	Approval of the consolidated non-financial information statement for 2022	99.90%	76.49%
3	Approval of the management of the company by the Board of Directors for financial year 2022	99.79%	76.40%
4	Approval of the proposed distribution of profit for 2022	99.85%	76.45%
5	Re-appointment of the auditors of the accounts of CaixaBank and the Group for 2024	99.79%	76.40%
6.1	Re-appointment of Gonzalo Gortázar	99.44%	76.13%
6.2	Re-appointment of Cristina Garmendia	99.51%	76.18%
6.3	Re-appointment of María Amparo Moraleda	99.17%	75.93%
6.4	Appointment of Peter Löscher	99.66%	76.30%
7	Approval of the change to the Board of Directors' remuneration policy	76.03%	58.21%
8	Establishment of the Board members' remuneration	76.91%	58.88%
9	Delivery of shares to executive directors as payment of the variable components of remuneration by the Company	77.05%	58.99%
10	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	77.01%	58.93%
11	Authorisation and delegation of powers for the interpretation, rectification, supplementation, execution, development, placing on public record and registration of the resolutions	99.91%	76.49%
12	Consultative vote regarding the Annual Report on Directors' Remuneration for 2022	76.63%	58.67%

Data of AGM23 31 March 2023. For more information on the results of the votes, please see:
https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Gobierno_Corporativo/JGA/2023/Quorum_CAST_2023.pdf

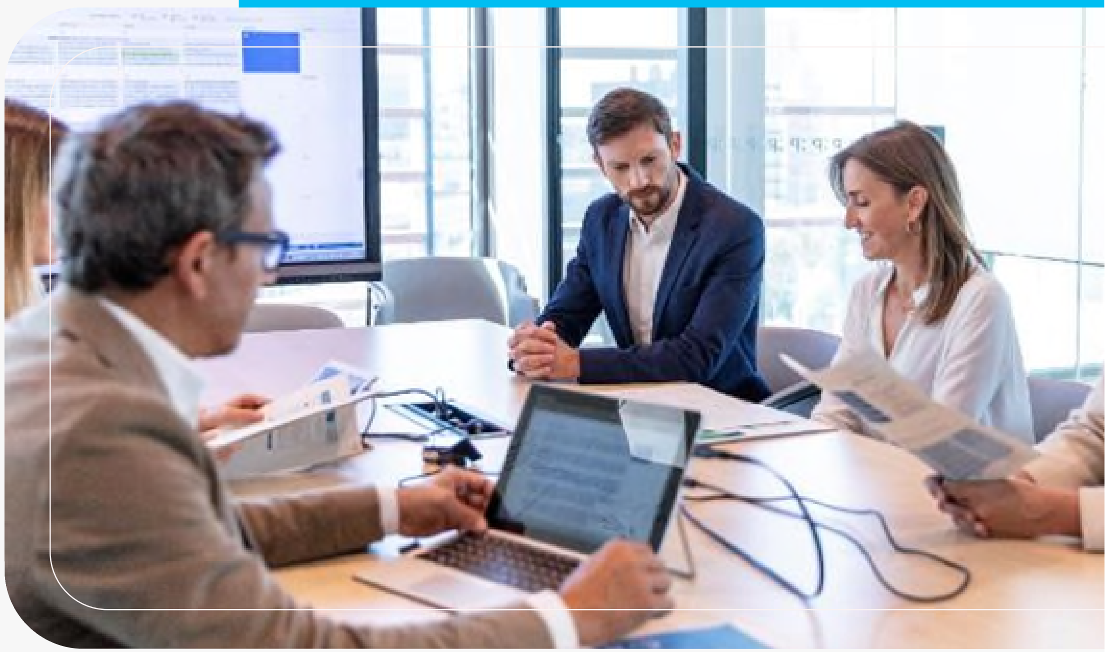
CaixaBank

Changes in the composition of the Board and its committees

At the 2023 AGM, **the re-election** of **Gonzalo Gortázar** (executive director), **María Amparo Moraleda** (independent director) and **Cristina Garmendia** (independent director) **to the Board of Directors was approved.**

Additionally, **the appointment of Peter Löscher** (independent director) as a **new member of the Board of Directors** was approved, to fill the vacancy created by the resignation of director John S. Reed. In May 2023, he was granted his eligibility to serve as a director by the European Central Bank.

Lastly, Eduardo Javier Sanchiz was appointed as Lead Independent Director, following the resignation of John S. Reed.



> BOARD OF DIRECTORS AT 30.06.2023

2 Executive directors

9 Independent directors

3 Proprietary

1 Other external

60% Independent directors

40% women on the Board

8 meetings of the Board of Directors

4 years Average length of service

CaixaBank

Changes in the composition of the Board and its committees

As part of its function of self-organisation, the Board has various committees specialised by subject, with supervisory and advisory powers, and an Executive Committee.

In that regard, following the conclusion of AGM23, **the Board of Directors, at the proposal of the Appointments and Sustainability Committee, has agreed to reorganise the composition of the Board Committees** as follows:

> EXECUTIVE COMMITTEE

Member	Position	Category
José Ignacio Goirigolzarri	Chairman	Executive
Tomás Muniesa	Member	Proprietary
Gonzalo Gortázar	Member	Executive
Eduardo Javier Sanchiz	Member	Independent
Eva Castillo	Member	Independent
María Amparo Moraleda	Member	Independent
Koro Usarraga	Member	Independent

> REMUNERATION COMMITTEE

Member	Position	Category
Eva Castillo	Chairwoman	Independent
Joaquín Ayuso	Member	Independent
Cristina Garmendia	Member	Independent
José Serna	Member	Proprietary
Koro Usarraga	Member	Independent

> APPOINTMENTS AND SUSTAINABILITY COMMITTEE

Member	Position	Category
María Amparo Moraleda	Chairwoman	Independent
Eduardo Javier Sanchiz	Member	Independent
Francisco Javier Campo	Member	Independent
Fernando Maria Ulrich	Member	Other external
Peter Löscher	Member	Independent

> INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

Member	Position	Category
José Ignacio Goirigolzarri	Chairman	Executive
Gonzalo Gortázar	Member	Executive
Francisco Javier Campo	Member	Independent
Eva Castillo	Member	Independent
Cristina Garmendia	Member	Independent
Peter Löscher	Member	Independent
María Amparo Moraleda	Member	Independent

> RISKS COMMITTEE

Member	Position	Category
Koro Usarraga	Chairwoman	Independent
Joaquín Ayuso	Member	Independent
Fernando Maria Ulrich	Member	Other external
María Verónica Fisas	Member	Independent
Tomás Muniesa	Member	Proprietary

> AUDIT AND CONTROL COMMITTEE

Member	Position	Category
Eduardo Javier Sanchiz	Chairman	Independent
Francisco Javier Campo	Member	Independent
Cristina Garmendia	Member	Independent
Teresa Santero	Member	Proprietary
José Serna	Member	Proprietary

Changes in Senior Management

The CEO, the Management Board, and the main committees of the Company are responsible for **the daily management, implementation and development of the decisions made by the Corporate Governance Bodies.**

In January 2023, the Board of Directors agreed to **three new appointments in the area of Business,** which have joined the Management Committee after becoming eligible for the position, in replacement of the former Chief Business Officer.

In this sense, Jaume Masana joined the Management Committee as Business Director; María Vicens as Director of Digital Transformation and Advanced Analytics, and Jordi Nicolau as Director of Payments and Consumption.

The composition of the Management Committee, following the new appointments, is as follows:

Gonzalo Gortázar
CEO

Iñaki Badiola
Head of CIB & *International Banking*

Luis Javier Blas
Director of Communications

Matthias Bulach
Accounting Director
Control of Management and Capital

Óscar Calderón
General Secretary and Secretary to the Board of Directors

Manuel Galarza
Director of Compliance and Control

David López
Director of Human Resources

María Luisa Martínez
Director of Communication and Institutional Relations

Jaume Masana
Business Director[1]

Jordi Mondéjar
Chief Risk Officer

Jordi Nicolau
Director of Payments *and Consumer*

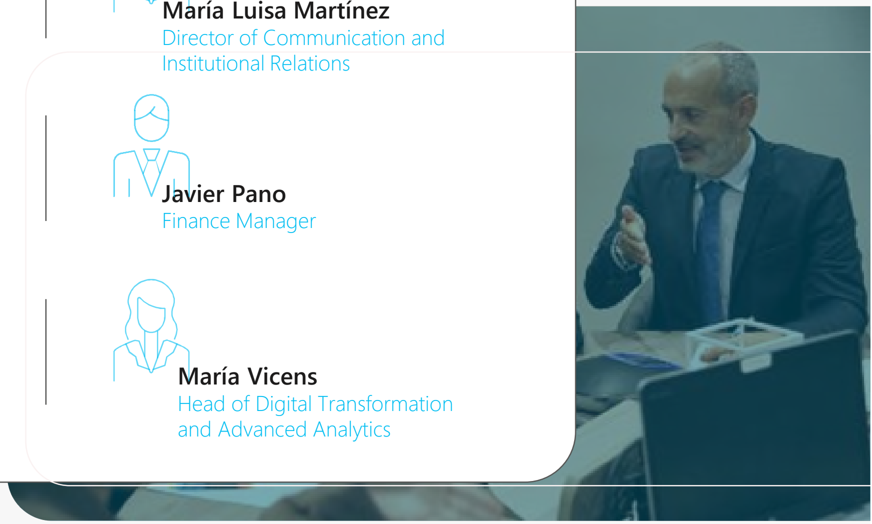
Javier Pano
Finance Manager

Marisa Retamosa
Audit Director

Eugenio Solla
Director of Sustainability

Javier Valle
Director of Insurance

María Vicens
Head of Digital Transformation and Advanced Analytics



[1] Assigned responsibility for financial inclusion

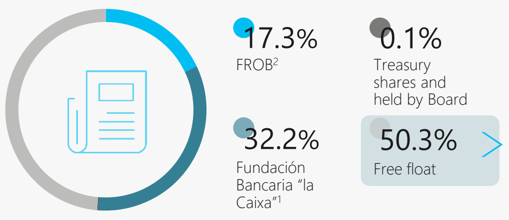
3.1 Share structure

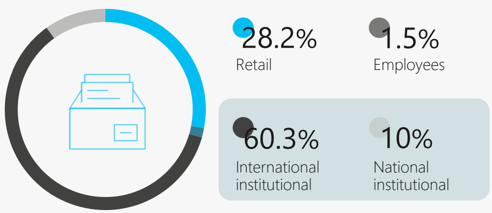
Share capital

At 30 June 2023, CaixaBank's share capital amounted to 7,502,131,619 euros, represented by 7,502,131,619 shares, each with a face value of 1 euro, all belonging to a single class and series and all with identical voting and dividend rights. The shares are represented through book entries. The Company's Bylaws do not contain the provision for double voting shares through loyalty.

Management free float

In order to specify the number of shares available to the public, a definition of free float is used which takes into account issued shares minus treasury shares, shares held by members of the Board of Directors and shares held by the "la Caixa" Banking Foundation and the FROB, which differs from the regulatory calculation.





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

Shareholder structure

Share tranches	Shareholders[1]	Actions	%Share Capital
From 1 to 499	283,409	53,235,383	0.71
From 500 to 999	110,439	79,507,839	1.06
From 1,000 to 4,999	168,470	366,588,102	4.89
From 5,000 to 49,999	43,109	485,068,126	6.47
From 50,000 to 100,000	891	60,537,967	0.81
More than 100,000[2]	646	6,457,194,202	86.07
Total	606,964	7,502,131,619	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.

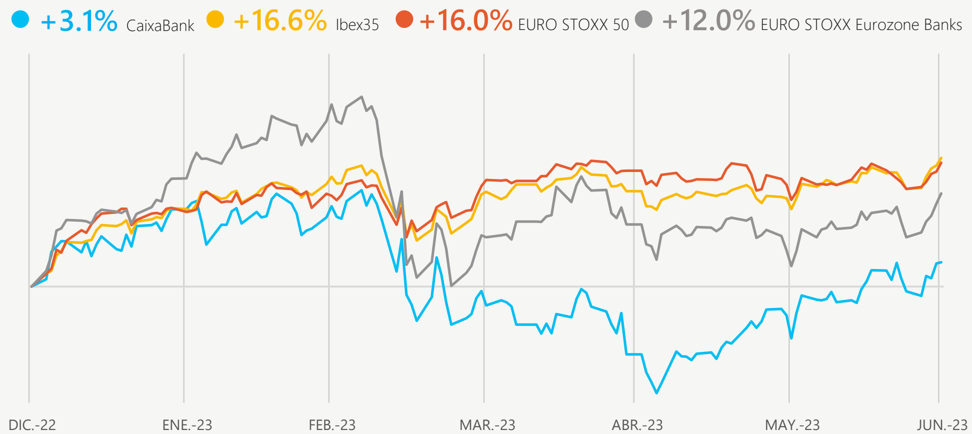
Securities held in treasury

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.

Information on the acquisition and disposal of shares held in treasury during the first six months of 2023 is included in Note 18 "Equity" to the accompanying Consolidated Interim Financial Statements.

The Board stated in July CaixaBank's intention, subject to regulatory approval, to undertake an open-market **share buy-back programme for €500 million**, which is expected to begin before the close of 2023, with the aim distributing the CET1 surplus above 12%. This extraordinary payout is aligned with the objectives established in the 2022–2024 Strategic Plan.

> **PERFORMANCE OF THE MAIN STOCK EXCHANGES IN THE FIRST HALF OF 2023**
> (CLOSING 2022 BASE 100 AND CHANGES)



Evolution of the share in the first half of 2023

The CaixaBank share closed on 30 June 2023 at 3.787 euros per share, with a cumulative annual rise of +3.1% thus far this year.Both the general aggregates and the benchmark banking indices also closed the half-year in positive territory: +16.6% in the case of the Ibex35, +16.0% for the EURO STOXX 50, +16.0% for the Ibex35 Banks and +12.0% for the EURO STOXX Banks.

In general, world stock markets have posted a very good half year —in the case of the Ibex 35, the best in 25 years— in spite of persistent volatility and an accumulation of negative factors that included economic uncertainty, interest rate rises and the banking crisis triggered by the collapse of Silicon Valley Bank and the subsequent bailout of Credit Suisse. While the turmoil took its toll on banking stocks, the prompt response of central banks defused the financial markets and, by the second quarter, investor attention shifted back to the health of the economic cycle, inflation developments and the outlook for monetary policy.

Faced with persistent inflationary pressures, the main central banks continued to tighten policy, with the ECB taking the main rate to 3.5% in June (+150 bps); the BoE ended the half year with the benchmark rate at 5%; while the Fed ended the year in the 5%–5.25% range (+75 bps for the year). In the closing stages of the first half of the year, the message from the ECB and the FED was loud and clear at the Forum on Central Banking held in the Portuguese town of Sintra: the fight against inflation has not ended, with Lagarde anticipating additional rate hikes in July.

Stock market ratios	June 2023	December 2022	Change 2023-2022
Share price (€/share)	3.787	3.672	0.115
Market capitalisation	28,384	27,520	864
Book value per share (€/share)[1]	4.54	4.49	0.05
Tangible book value (€/share)	3.82	3.77	0.05
Net income (ex M&A impacts) Per share (€/share) (12 months)	0.49	0.40	0.09
P/E (price / earnings)	7.76	918	(1.42)
P/tangible BV (Market value / tangible book value)	0.99	0.97	0.02

04 Our customers

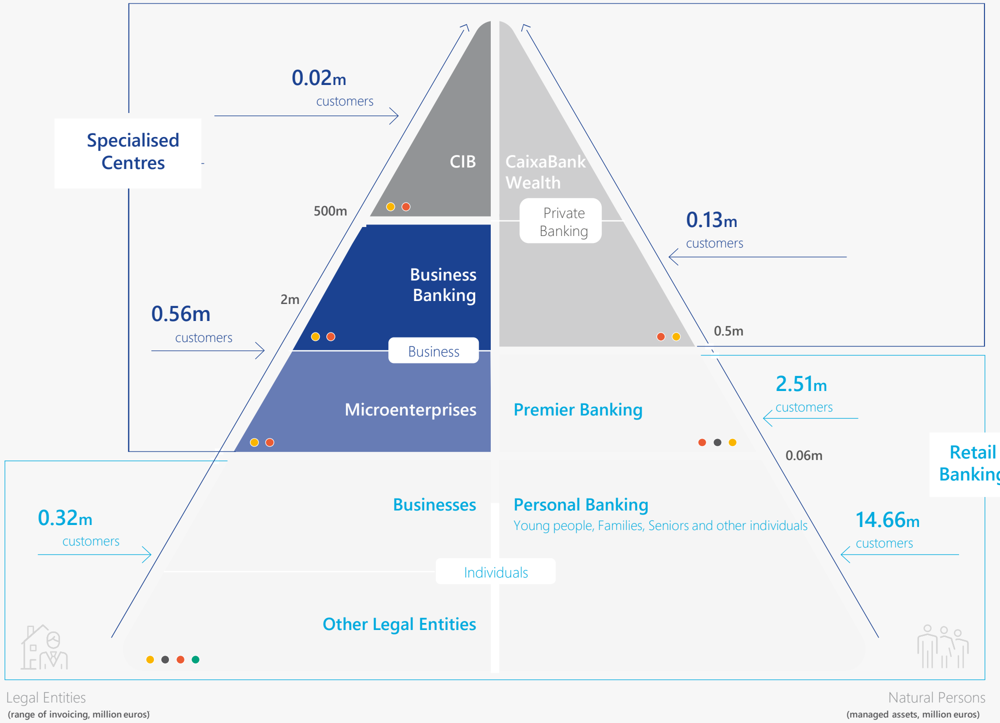
Business model

Customers Spain

0.9m
Number of customers
Legal Entities

17.3m
Number of customers
Natural Persons

> SPECIALISED MANAGEMENT MODEL



distribution channels to which the customers in the segment have access

> DISTRIBUTION MODEL[1]

Branches

6.7m
Customers seeking in-person service and omnichannel customers. Specialist branches according to the customer's profile.

inTouch

3.4m
Customers who are looking for a reference adviser, but who want to be attended remotely.

CaixaBank Now

11.4m
Digital customers (100% digital and omnichannel).

imagin

3.1m
Fully digital customers who prefer the digital relationship, and are looking for the neobank experience.

[1] A customer can use more than one distribution platform

Specialised management model - Milestones in the 1st half of 2023

INDIVIDUAL BANKING

Individual customers with recurring income with a position of up to **60,000 euros.**

- CaixaBank consolidates the MyBox proposal, notably including MyBox Auto with more than 160,000 policies marketed and MyBox Retirement with more than 100,000.
- Launch of the new online account, with fully online banking and no fees.
- Commitment to the senior group
- Boosting the mobility business through leasing and used vehicles, up 31% and 100% compared to 2022, respectively.

PREMIER BANKING

Individual customers with recurring income over 4,000 euros with a position from 60,000 to 500,000 euros.

- Consolidation of the specialist model, via the Premier Store branches, reaching the figure of 77 exclusive centres for Premier customers.
- Consolidation of customer advice and promotion of sustainable solutions.

BANKING BUSINESS

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

- Consolidation of the specialist model, via the Business Store branches, reaching the figure of 68 exclusive centres for self-employed and business customers.
- Launch of the POS smartphone application, which allows contactless payments to be accepted on mobile phones.
- Attraction of 29,000 new retail customers with the MyCommerce flat rate promotion.
- Incorporation of new features on Android POS with two unique apps: bill splitting and tipping, focused on the food and drinks community.

PRIVATE BANKING

Individual customers with a position of more than 500,000 euros.

- CaixaBank Wealth and CaixaBank Banca Privada Independent Advisory reached 32,180 million euros in assets under management in independent advisory services in the first half of the year.
- Boosting the Discretionary Portfolio Management model by rolling out Smart Rentas (delegated management of very long-term funds, based on the target payment of annual dividends) and Dividend Securities Unique Selection (active management of equities, with access to international markets, selecting companies with growing and sustainable dividends).
- Award for the "Best Private Bank in Spain" by Euromoney.

COMPANY BANKING

Business customers with invoicing up to 500 million euros.

- New SME Banking business line with 73 exclusive service centres and dedicated products and services.
- Collaboration agreement with CEOE to make a 35 billion euro financing facility available to member companies over the 2023–2024 period.
- Renewal of AENOR certifications for Corporate Banking and Foreign Trade and Treasury.
- Opening of the pilot business centre with a new layout in Madrid. This new model provides more space for customer service.

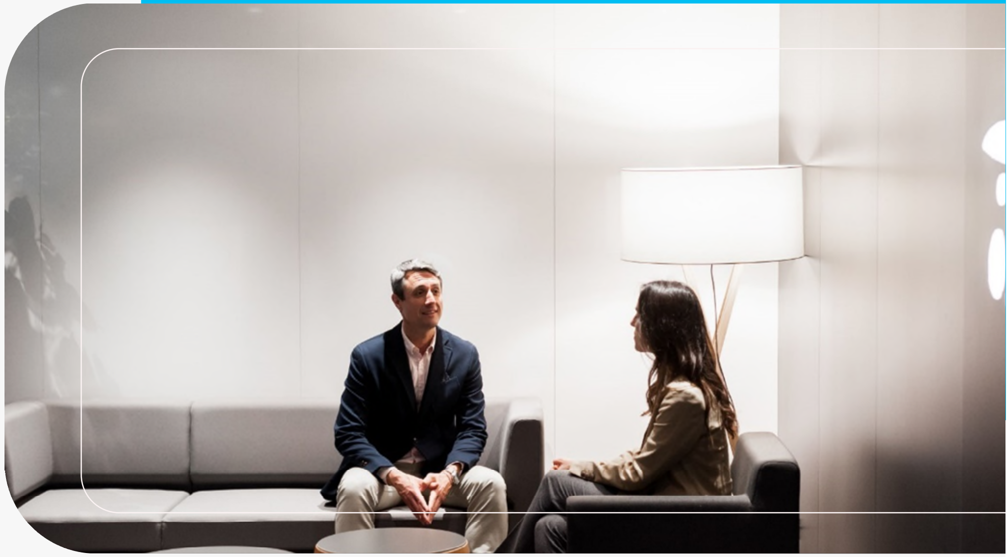
CIB & INTERNATIONAL BANKING

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

- Launch of a new operational service model to enhance the sales service and customer experience.
- Signing of a risk sharing agreement with the EIB to enhance CaixaBank's responsiveness to customers' needs.
- Opening and launch of the branch in Italy, following completion of the transformation from a representative office.
- Strong growth in lending at CaixaBank's branches abroad.

Distribution Model

CaixaBank has a benchmark distribution platform: omnichannel and with multi-product capabilities



> BRANCH NETWORK

3,911
Branches Spain

317
Portugal branches

11,412
ATMs Spain

1,279
ATMs Portugal

> DIGITAL CHANNELS

CaixaBankNow

11.4m
Digital Customers Spain

0.9m
Digital Customers Portugal

Details digital customers in Spain

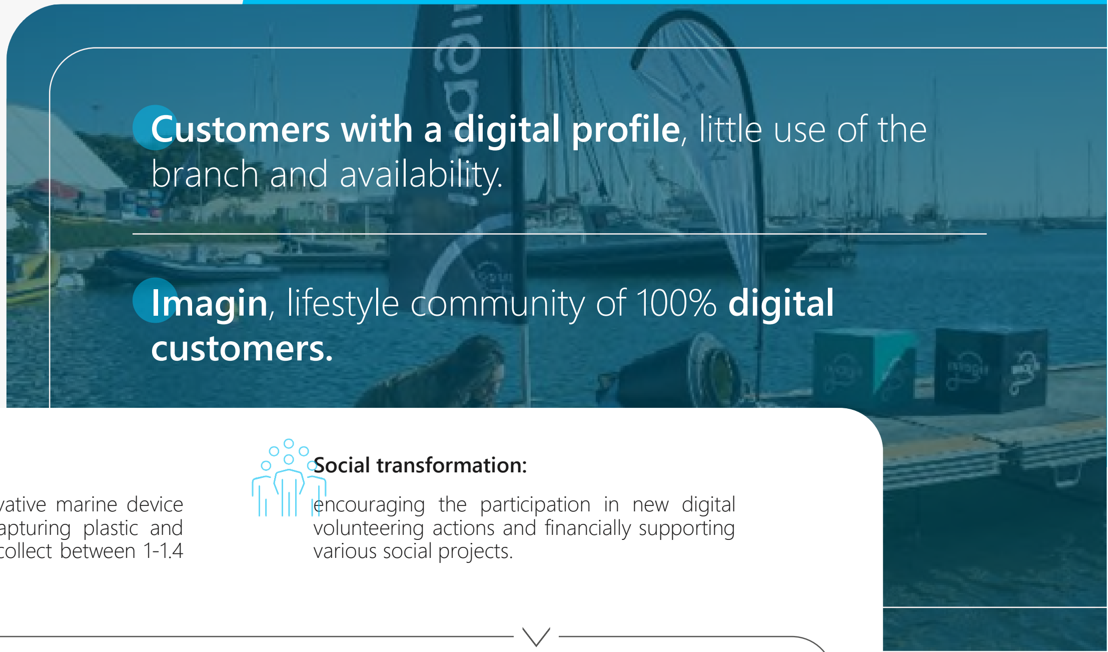
100% Digital Customers
34%
Omnichannel Customer
66%

Web Customers
3%
Mobile + Web Customers
30%
Mobile
67%

In recent years, CaixaBank has launched new digital and remote relationship models

inTouch: Due to its characteristics, this service is especially indicated for customers that mainly operate with the Entity through digital channels. Customers are provided the support of an expert adviser to resolve any queries through their preferred communications channel.

imagin: Imagin, is the digital services and lifestyle platform promoted by CaixaBank



Customers with a digital profile, little use of the branch and availability.

Imagin, lifestyle community of 100% **digital customers.**

ImaginPlanet includes the social and environmental initiatives with a positive impact carried out by Imagin and its community, fostering actions that take care of the planet and people, always related to the community's actions. The commitment to sustainability is based on 3 pillars:

Protection of forests:
It focuses on the reforestation of devastated areas, with 380,000 trees planted and 578 tonnes of CO_2 offset.

Sea and ocean preservation:
Installation in nine harbours in Spain of an innovative marine device that helps clean up the seas and oceans by capturing plastic and floating debris. Every Seabin has the capacity to collect between 1-1.4 tonnes of plastic each year.

Social transformation:
encouraging the participation in new digital volunteering actions and financially supporting various social projects.

> 2023 PROJECTS

Launches of a collection of NFTs dealing with the challenge of collecting plastic from the ocean, for customers who direct deposit their paychecks

For every customer who direct deposits their paycheck, imagin will collect 1 kg of plastic from the ocean and issue a unique NFT with digital images inspired by marine animals and specific information on how cleaning up 100 tonnes of plastic from the ocean contributes to the sustainability challenge.

Launch of imaginAcademy

A new digital content programme aimed at promoting knowledge about finances and economic management among young people.

380,000
Trees planted
at 30/06/2023 (cumulative data)

77
tonnes of collected from the sea with seabins
at 30.06.2023 (cumulative data)

10,095
Digital volunteers
at 30.06.2023

04 Our customers

CaixaBank is the leading financial supermarket for financial and insurance needs.

20.1m customers

18.2m in Spain

1.9m in Portugal

€627,824m customer funds

€363,952m loans and advances to customers, gross

> CUSTOMER EXPERIENCE

The implementation of a system for gathering and managing customer feedback on an ongoing, omnichannel and real time basis has made it possible to continuously improve the perceived customer experience.

Spain at 30.06.2023

71.0% # contract customers out of the total

92.8 IEX Corporations (scale 0-100)

77.6 NPS branch

6.0 MPS improvement CTL[1,2]

> MARKET SHARES

Spain at 30.05.2023

23.9% Loans to individuals and business

25.3% Mortgages

29.5% Long-term saving[3,4]

25.0% Deposits by individuals and business

24.3% Investment funds

33.8% Pension plans

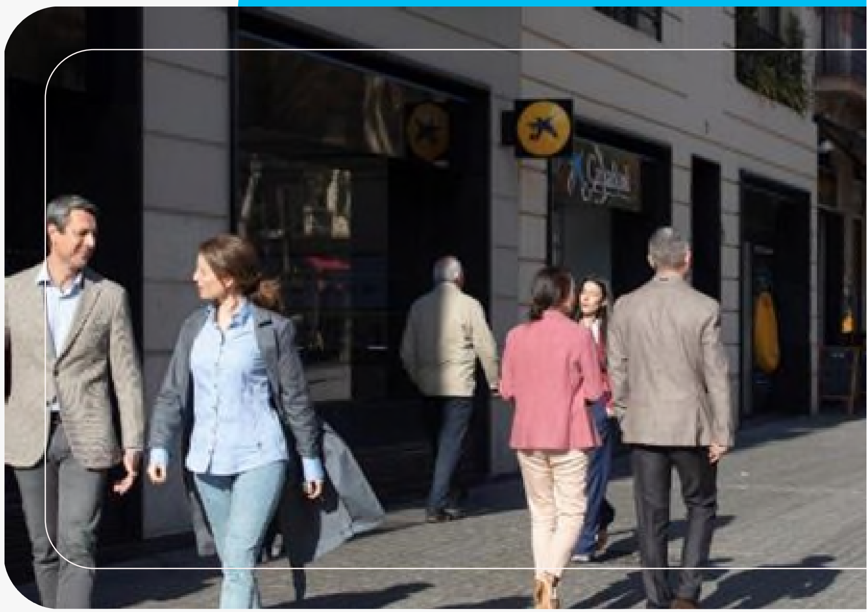
Portugal at 31.05.2023

11.6% Loans to individuals and business

14.2% Mortgages

10.7% Deposits by individuals and business

11.5% Investment funds



[1] Data with regard to the NPS of Retail Banking
[2] Percentage points of NPS improvement by Close the Loop alert management
[3] Market share aggregating investment funds, pension plans and savings insurance. The latter corresponding to sector data, estimated based on the change in total life insurance.
[4] Data of march 2023.

Cybersecurity

Security is one of CaixaBank's priorities. In 2023, the new **Strategic Information Security Plan** for the upcoming three years has been launched.

The **Strategic Information Security Plan**, which was drawn up for the period 2020–2022, has been implemented fulfilling all the planned targets and without any cyber-incidents materialising despite the complex context in which it has been developed (COVID-19 pandemic, technological integration with Bankia, cyber-attacks on third parties and the Russia-Ukraine conflict, as well as others).

All the capabilities of this plan are now part of the Group's day-to-day capabilities.

In 2023, the new **Strategic Information Security Plan** for the forthcoming three years (2023–2025) was drawn up and began to be rolled out, based on the results of the ongoing review of risks, as well as the exhaustive monitoring of global threats. Furthermore, we also collaborate with an international group of experts in this field, ISAB (Information Security Advisory Board), created in 2020, which is helping to validate the strategic goals set and contribute ideas in relation to the challenges and opportunities in such a complex context.

As a result, the main initiatives include

- strengthening the culture of cybersecurity (for customers, employees and senior management),
- reinforcing controls to prevent cyber fraud,
- strengthening capacities to ensure resilience against possible cyber-attacks, in line with the Digital Operational Resilience Act (DORA),

All these plans are reviewed and reported to the established control bodies, in order to report on their progress and effectiveness in mitigating the risk.

Sustained investment in cybersecurity (+€65m invested in information security in 2023).

Governance framework

CaixaBank has a corporate information security model based on robust governance:

The Security strategy reports to the Innovation, Technology and Digital Transformation Committee, which is a delegated committee of the Board of Directors.

The strategy is determined by the Information Technology and Security area (led by the CISO). Operational developments are overseen through various regular first-level committees such as the Information Security Committee.

Information Security Committee

This is the highest executive and decision-making body for all matters relating to Information Security at corporate level, chaired by a member of the Management Committee and chaired by CaixaBank Group's corporate CISO.

Its goal is to ensure information security in CaixaBank Group by applying the Corporate Information Security Policy and mitigating any risks or weaknesses identified.

Furthermore, information will be regularly provided to the Governing Bodies through the Global Risk Committee.

Information Security Policy

The aim of this policy is to have corporate policies forming the foundations of the actions to be carried out within the scope of information security.

The Policy is reviewed annually by the Board of Directors.

The Policy was updated in December 2022. Additionally, in May 2023, the principles of this Policy[2] have been approved.

Corporate model

In recent months, CaixaBank Group has consolidated its corporate information security model with a qualified team distributed in different locations.

The number of people dedicated internally to cybersecurity has risen, reducing the outsourcing ratio.

86 employees
dedicated to the Group's security

98 certifications
(of these employees)

24 hours/7days
External SOC[1]

Control environment

The control environment at CaixaBank is structured around the 3 lines of defence model, comprising Information Security, Non-Financial Risk Control and Internal Audit.

At the close of 2022, CaixaBank had an On-Site Inspection of the ECB on cybersecurity which was concluded in 2023.

Certifications

CaixaBank maintains annual certifications in cybersecurity processes. We maintain annually recognised and prestigious certifications, such as ISO 27001 certification for all our cybersecurity processes, and CERT, which accredits our CyberSOC 24x7 team and enables us to work actively with other national and international CERTs.

[1] Security Operations Center.
[2] https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Sostenibilidad/Principios_actuacion_politica_seguridad_informacion_ESP.pdf

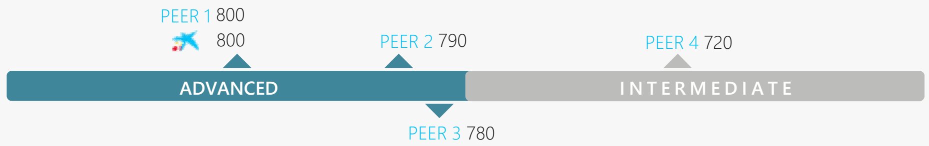
Capacity measurement

CaixaBank also takes part in various exercises in which different tests are conducted to **measure certain cybersecurity capabilities**, and is **ranked** at the **top of the national banking sector**.

> BENCHMARKS

€ million	BITSIGHT[1]	CNPIC[2]	INCIBE[3]	DJSJ[4]
CABK	800/900	9/10	4.6/5	97/100
PEERS	785/900	8.4/10	4.05/5	89/100

BITSIGHT[3]



Review of cybersecurity by external third parties

CaixaBank remains proactive and actively defends itself, by adhering to the main information security frameworks and having its systems tested by third parties. Highlights:

- **RED TEAM exercises** conducted based on TIBER-EU guidelines (6 per year)

Framework TIBER-E

6 exercises

by Red Team each year. The robustness of the systems is tested with real attacks controlled by independent third parties.

CaixaBank was the first Spanish financial institution (in 2020) to deploy a Bug Bounty Programme in partnership with the bug bounty platform **(***Yogosha***)** and a Premier Security Testing platform based on Crowdsourcing (SynAck).

This programme has
520
participants reporting on a yearly (half-yearly) basis

[1] Bitsight. Average of Spanish financial institutions
[2] CNPIC Cyber Resilience Report 2022
[3] INCIBE CyberEX Spain 2022
[4] DJSI 2022. Information Security.

Security culture - Awareness of customers and employees

CaixaBank Group continues to foster a culture of security among both **employees and customers**.

With this goal in mind, **in these months of 2023, the following have been carried out for employees:**

- Phishing simulation campaigns
- Fortnightly newsletters and intranet postings
- An information security course for all employees
- Infoprotect sessions
- Continued use of the gamification game released in October 2022

In particular for **customers**, the following is of note:

- CaixaBank Protect News, a newsletter with tips and advice
- Security notices on various media as well as social media
- Podcast on cybersecurity with Gemma Nierga, winner of the DirCom award for the best Spanish podcast in 2023

INFOPROTECT. Think safely

This brand has been integrating all **security awareness initiatives designed for employees and customers since 2015.**

75%
0-Clickers in phishing campaign
59% in 2022

6
Phishing simulations by employee (in the half-year)
12 in 2022 (annual)

99%
Professionals who have taken the security course in the first half of 2023
99% in 2022 (annual)

CaixaBank's participation in European projects

CaixaBank is one of the leading banks in innovation and cybersecurity, and stands out for its contributions to various European projects where it works with major companies and institutions and European Union funding.

TRAPEZE

Evaluation of the customer's digital identity for authentication and data privacy management.

CONCORDIA

X-sector Pan-European Cybersecurity Centre.

ENSURESEC

Improving securitisation of e-commerce services.

INFINITECH

Data analytics-based controls for the assessment of security and fraud risk in the financial environment.

REWIRE

Skill certification for professionals working in cybersecurity in the European financial sector

It will continue to take part in a number of initiatives in 2023 (some of which date back to the end of 2022), such as:

AI4CYBER (September 2022 - August 2025)

It aims to provide an ecosystem of next-generation cyber security services that leverage AI and Big Data technologies to aid system developers and operators in effectively managing security, resilience and dynamic response against advanced and AI-based cyber-attacks. CaixaBank's primary role in the project will be to lead a pilot of protection against internal or supplier attacks, and to test the solutions developed in the project in a realistic environment of a financial institution. The purpose of this pilot is:

Improving models and reducing false positives in detecting anomalies in the behaviour of corporate users (suppliers and internal).

Reducing incident response time.

GREEN.DAT.AI (January 2023 - Dec 2025)

It aims to develop new energy-efficient, IA-based big data analytics services ready for use in industrial systems. Some services foreseen by the platform include AI-enabled data enrichment, incentive mechanisms for data sharing, synthetic data generation, explainable AI (XAI), privacy-preserving feature learning, federated learning (FL) and automated learning transfer (Auto-TL). CaixaBank is leading a pilot project to explore the use of explainable AI to enhance the efficiency of Fraud Detection systems while avoiding potential biases and unwanted discrimination in the use of Big Data.

ATLANTIS (October 2022 – September 2025)

It aims to enhance the resilience and cyber-physical security of European critical infrastructures, going beyond the scope of individual critical infrastructure assets and systems and tackling resilience at the systemic level to combat major natural hazards and complex attacks that could potentially disrupt vital societal functions. CaixaBank's primary role is to lead the pilot of the financial environment, paving the way for an environment of international cooperation and cyber-intelligence between financial institutions and fintechs, in order to improve resilience against large-scale attacks that transcend the institution.

EMERALD (Third Quarter 2023-Second Quarter 2026)

It aims to transform the concept of ongoing assessment and certification of cloud services into the full realisation of a Certification as a Service (CaaS), enhancing the technology-level interoperability of current monitoring solutions and allowing the incorporation of domain- or topic-specific regulations, such as AI. CaixaBank will lead a use case for the ongoing certification of multi-cloud services, automating the process of collecting and reporting security controls.

05 The people that make up **CaixaBank**

CaixaBank is specifically geared towards people and aims to **"be the preferred financial Group to work for and to have the best talent available to meet the Group's strategic challenges",** in an environment of exponential change and transformation**.**

In order to achieve this, a reflection has been conducted on the levers to be implemented as an enabler of the Strategic Plan, and with this goal in mind, a Master Plan has been drawn up, the main lines of action of which are as follows:

- Fostering an exciting, committed, collaborative, agile and empowering **team culture**. Simultaneously promoting a close, motivating, non-hierarchical leadership with transformational capabilities.
- Promoting new ways of working, diversity, inclusion and sustainability.
- 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.

In addition to the four levers discussed above, there is a fifth lever that impacts cross-sectionally:

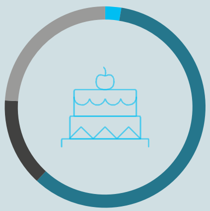
- Evolving towards a **data driven culture**.

> AT 30 JUNE 2023

Employees
44,683

56.5%
Female

43.5%
Male



1,200
< 30 years

5,326
30-39 years

24,975
40-49 years

13,182
> 49 years

5,486
Directors

8,201
Middle management

30,996
Other employees

99.6%
Permanent contracts

46.1 years
Average age

18.3 years
Average length of service

> AT 31 DECEMBER 2022

Employees
44,625

56.5%
Female

43.5%
Male

1,190
< 30 years

5,713
30-39 years

25,818
40-49 years

11,904
> 49 years

5,628
Directors

7,996
Middle management

31,001
Other employees

99.5%
Permanent contracts

45.8 years
Average age

17.9 years
Average length of service

Culture and Leadership model

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 CaixaBank Group.

02 Strengthening knowledge of the attributes and behaviours of the corporate culture to facilitate cultural integration and bring acknowledgement.

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

04 Disseminating a differential value proposition for employees.

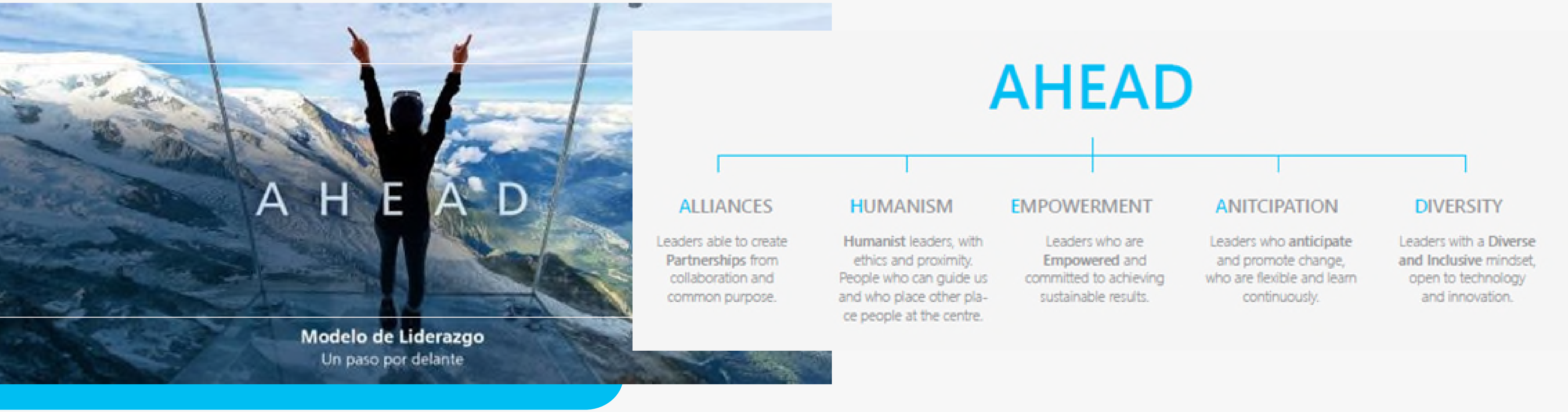
Actions of the Model

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.

Leadership model (AHEAD)

A Leadership Model where all employees are leaders in their sphere of influence.



New ways of working

CaixaBank continues to consolidate new, more agile and cross-cutting ways of working. These include hybrid working (combining in-office and remote work), digital transformation and the application of agile methodologies in order to boost flexibility and efficiency in providing solutions.

In 2022 CaixaBank introduced a remote work model, comprising six days of remote work per month in Central Services (30%) and four days in Regional Services (20%).

Remote working is an element of added value for the Group's employees, given that it cuts down on the stress of commuting and facilitates work-life balance, leading to improved commitment and results.

73.3%
Of employees adhering to remote working from among the potential collective

Diversity and equality

The Diversity Plan for 2022-2024 has 4 major challenges:

01 Consolidating gender diversity in management and pre-management positions and continuing to foster female leadership in the organisation, accompanying their professional development, ensuring equal opportunities and giving visibility to leading women.

Plan 43, creating a cross-cutting working group to develop new initiatives to promote the indicator of women managers and contribute to the identification and emergence of talent.

Diversity Advisory Committee, a forum for analysing, reflecting and exchanging opinions to advise the Management Committee and the Diversity Committee in the areas of diversity and inclusion, providing new perspectives based on its members' experience and knowledge.

02 Strengthening an inclusive and diverse culture and ensuring equal pay.

1st meeting of Equality and Diversity Agents from the entire network, whose mission is to continue to evolve their role and functions, and to co-create new challenges and ways of tackling diversity in all its dimensions. There are currently a total of 24 D&I Agents in CaixaBank Group (16 in the Bank and 8 in Group subsidiaries).

Family Plan with Fundación Adecco: a programme of care, guidance and intervention for children of employees with a disability equal to or greater than 33% and intended to foster competencies and skills to improve personal autonomy, as well as to provide greater possibilities for future employment.

03 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.

3rd Edition of the Self-Employed Professional Woman Award, seeking to highlight the excellence of self-employed women in all professional sectors.

7th edition of the CaixaBank Women in Business Awards, that each year recognise the talent and the professional excellence of 14 leading female entrepreneurs in Spain with standout careers, strategic vision, and transformative innovation and leadership skills.

04 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.

Partnership with Specialisterne, dedicated to the labour inclusion of people with autism and other diagnoses within neurodiversity. People are offered training and job opportunities. And companies are provided with talent and knowledge. The current projects are: software testing service with professionals with ASD and an evaluation and socio-occupational guidance project.

[1] Women in managerial positions (from assistant manager of large A and B branches and above) for CaixaBank S.A.

Transforming the people development 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 structures its training offer through the CaixaBank Campus learning model.CaixaBank Campus's learning plan is a teaching model that encompasses all the tools that the Entity makes available to its professionals, the strategy of which is based on three core elements:

Connected and shared knowledge

Driving the transformation of the business

Ongoing learning

34,941
People that have **carried out training**

1,191,771
Training hours

97.6%
Online training

2.4%
Attendance-based training[1]

1Q23 data

[1] Includes 1.1% in synchronous webinar

CaixaBank Group has training **drivers** for employees, which enable it to implement the strategy and the learning plan:

Virtaula + external platforms. An accessible, user-friendly, intuitive and simple virtual platform, capable of adapting to the potential learning developments of the future. Able to act as a training centraliser with other external platforms.

Trainers. Knowledge leaders who act as internal trainers. By ensuring their knowledge we maintain shared and connected knowledge throughout the company.

External schools. Leading schools in the country offer our workforce regulated knowledge through certifications or postgraduate courses.

CaixaBankCampus
Nunca dejes de aprender

01
Regulations
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 II. In the first half of 2023:

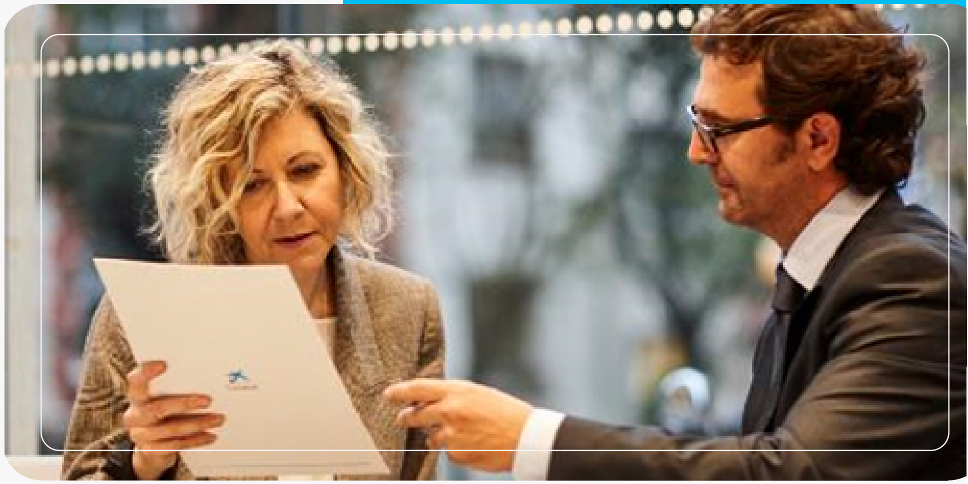
- LCCI 29,080 people
- IDD 30,457 people
- MiFID II 29,413 people

02
Recommended
What CaixaBank suggests

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

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



Specific training

CaixaBank has specific training and itineraries for each of the business segments, notably including:

Training for Senior Managers, aimed at improving customer service for seniors, especially in everyday banking. The training provides managers with greater knowledge of the senior segment in order to create a package of solutions and services increasingly adapted to suit their needs.

ESG training. As part of the 360° ESG Training Plan, in the first six months of the year, the following activities were undertaken:

The following ESG training courses were held in the first half of the year:

- Climate change, decarbonisation and reporting course
- Certification in sustainable financing and investment
- Management development programme in sustainability

30,395
Employees who have received ESG training

Adequate and merit-based remuneration

The principles of the General Remuneration Policy, approved by the Board of Directors, are applicable to all 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 is consistent with sustainability risk management, by integrating metrics linked to this aspect into the variable remuneration component, taking into consideration the responsibilities and functions assigned. Its strategy for attracting and retaining talent is based on providing employees with the opportunity to take part in a distinctive social and business project, the possibility of professional development and full compensation under competitive conditions, without distinguishing between genders or other issues not intrinsic to the position.

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.

  In 2023, the Spanish Confederation of Savings Banks (CECA) and the sector's trade union representatives signed an agreement that includes in the current collective bargaining agreement an additional salary supplement, called "Plus Mejora Convenio", as a measure to mitigate inflation. This agreement involves introducing the "Plus Mejora Convenio" in an amount equivalent to 4.25% of the salary at each level, according to the Collective Bargaining Agreement tables, with a minimum of 1,000 euros.
- 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.

> ESG METRICS IN REMUNERATION SCHEMES

Consistent with the CaixaBank Group's responsible management model, the variable remuneration schemes (annual and long-term) for Executive Directors, Senior Management, Identified Staff, Corporate Services, Private Banking, Business Banking and Corporate & International Banking are tied to ESG factors, such as Quality, the challenges of Conduct and Compliance and the goal of mobilising sustainable finances.

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.

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.

- Health Insurance
- Nursery
- Transport card
- Savings Insurance
- Languages
- Actions
- Training
- Car rental (New in 2023)

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, such as:

- **Employee Office Project (Now In Employees)**, a change in the relationship and service model, becoming closer and more proactive, to ensure that employees have a better experience and become prescribers through their own experience. This new service model is geared towards having a manager trained and specialised in social benefits to provide a 360° service, a remote service, together with extended opening hours to be able to resolve queries and carry out procedures, regardless of the employee's own working hours.
- New web portal People Xperience, in PeopleNow: is a new space that connects people with all the services, benefits, advantages and perks they enjoy as CaixaBank professionals.

New healthy organisation strategy

CaixaBank has a corporate **Health and Well-being Culture** that puts people at the centre: it develops a preventive culture and undertakes actions to foster health and well-being in safe and sustainable working environments.

CaixaBank has a **Healthy Organisation Management System**, as well as an **Occupational Risk Prevention Management System based on the new ISO 45001 standard**, which means it is at a higher level in terms of integrating prevention and the perspective of Health and Well-being in all the Entity's processes.

By developing and rolling out the New Strategy as a Healthy Organisation, new, the Bank has set new, more ambitious goals with the aim of establishing itself as a leading and benchmark organisation in the field of Health and Well-being:

- Strengthening communication and awareness of the culture of Well-being and Health, both internally and externally: customers, society, potential employees.
- Offering more training and information to enhance health and well-being.
- Improving active listening on Health and Well-being issues to all stakeholders.
- Approaching health and well-being from a diversity perspective, addressing the specific needs of diverse profiles and stakeholders.
- Improving the assessment, monitoring and control systems of the initiatives that are developed.

Somos Saludables (We are Healthy) platform

The Somos Saludables (We are Healthy) programme shows our commitment to fostering well-being in healthy and sustainable environments, enhancing employees' 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.

The **"Adeslas Health and Well-being" platform** complements the We are Healthy channel, which offers customised services to care for and manage employee health.

> CORE PILLARS OF THE "SOMOS SALUDABLES" (WE ARE HEALTHY) PLATFORM

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

The pillar, "Vuélcate" (Get Involved), includes activities related to sustainability, the environment and charity.

Data Driven

The People Analytics project seeks to implement a culture of using technology for data management and analysis. The optimised data structure and the application of new technologies will facilitate decision-making.

Human Resources is joining the Bank's digital transformation. People Analytics is not only a technology project, it is also geared towards promoting the data culture.

The People Analytics Plan is based on three pillars:

Data quality audit and roadmap.	Identifying information needs and analysing the quality of the main Human Resources indicators.
Human Resources operating model — Data Driven	3 initiatives have been carried out: › Training and creation of the Data Champions community › Human Resources data model › Dashboarding for decision-making
Implementation of use cases	Adopting artificial intelligence and machine learning in data processing.

Dialogue with employees

Active listening to employees is conducted based on an ongoing improvement model where recurring questions are asked and action plans are put in place to improve the employee experience.

In 2023, a representative sample (approximately 20% of the workforce) will be surveyed to measure the evolution of the main KPIs (eNPS, etc.), identify trends in the various organisational areas and review the effectiveness of the implementation of the Action Plan.

This survey will be adapted to the engagement 360 Model, which includes "everything that matters to the employee" and is in line with the Entity's purpose "To be close to people for everything that matters".

One of the three strategic priorities of CaixaBank under the 2022–2024 Strategic Plan is to **be a European benchmark in sustainability**.

In this context, CaixaBank takes on the responsibility of driving the well-being of people and economic and social development, through three major ambitions:

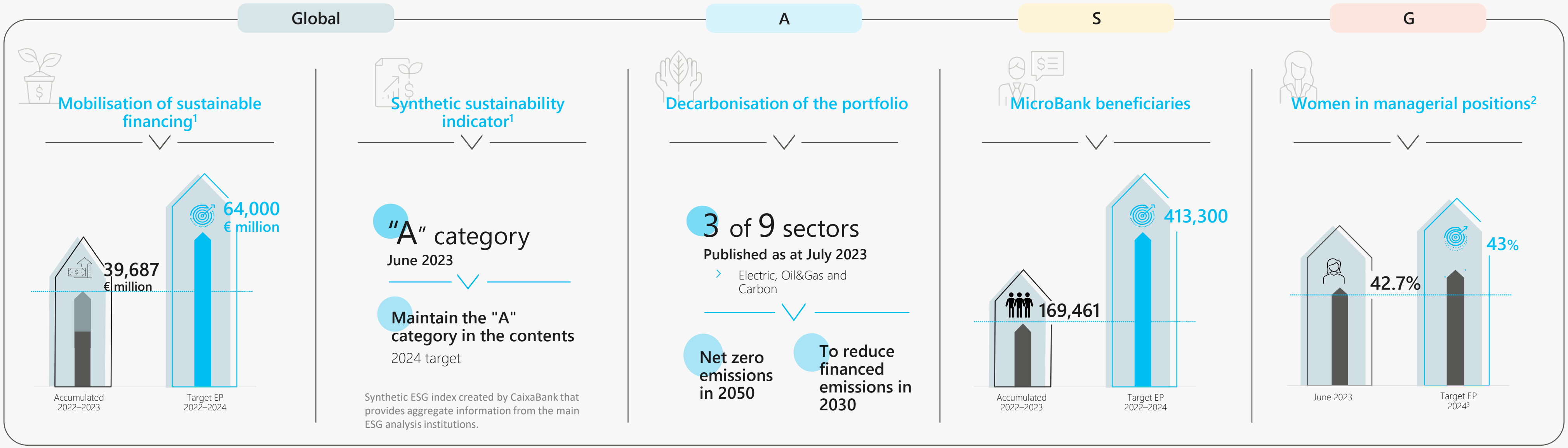
01 **Drive the energy transition of businesses and society as a whole**, by undertaking different actions such as developing solutions for companies and individuals that focus on energy efficiency, mobility and sustainable housing, while also promoting investments with ESG criteria.

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.

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

> INITIATIVES AND ACTION PLANS



[1] See definition in the section *Glossary*.
[2] Women in managerial positions (from assistant manager of large A and B branches and above) for CaixaBank S.A.
[3] In 2023, the target initially set for 2024 has been updated from 42% to 43% with the update of the Equality Plan.

Sustainable business in Spain

CaixaBank **is committed to sustainability by designing and marketing products that integrate environmental, social and governance criteria,** and it fosters activities that contribute to the transition towards a low-carbon and environmentally sustainable economy**.**

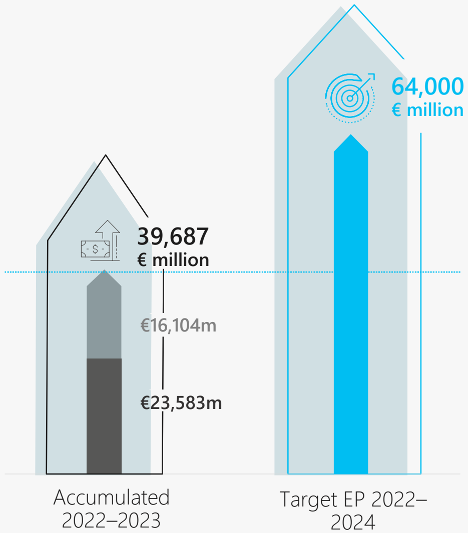
The goal of the **third strategic line of the 2022–2024 Strategic Plan** is to consolidate CaixaBank as a benchmark in sustainability in Europe, and to achieve this one of the initiatives is to drive and offer sustainable solutions in financing and investments. With this aim in mind, CaixaBank has set itself the target of mobilising 64,000 million euros[1] of sustainable production over the period 2022–2024 for its business in Spain.

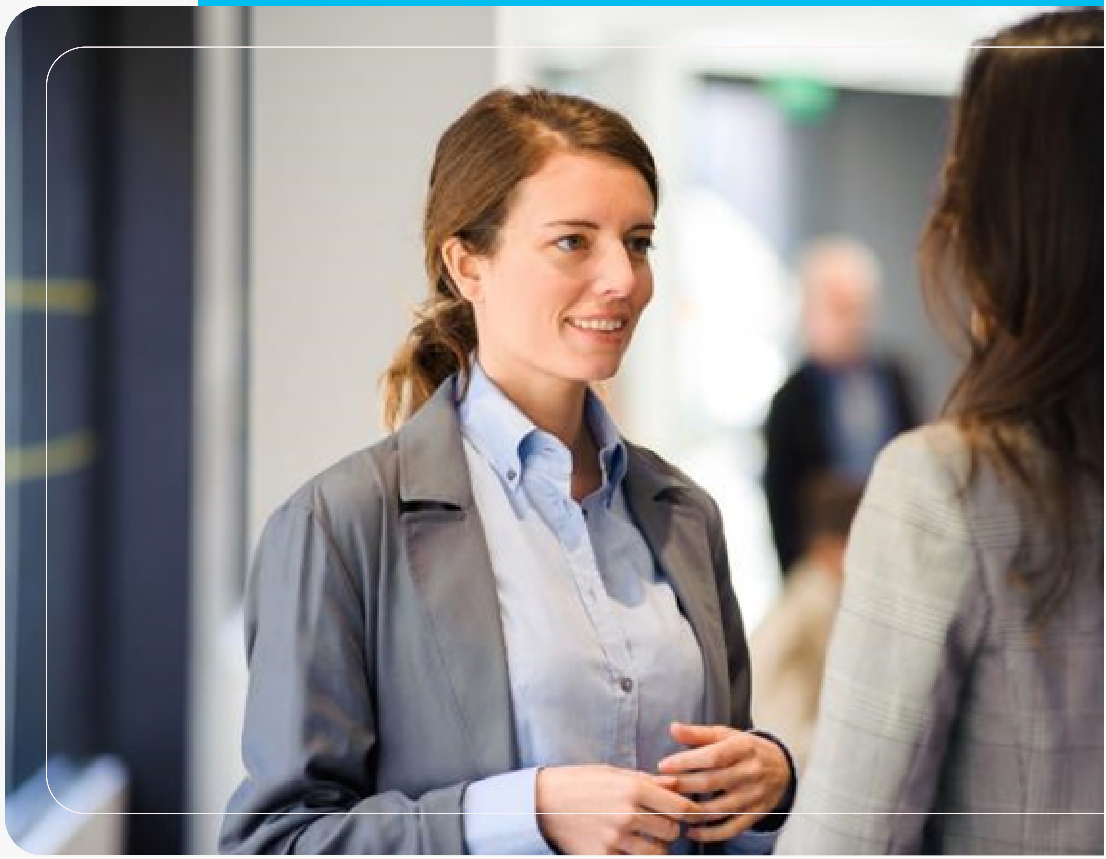
€64,000m
Target EP 2022–2024

€39,687m
Mobilised since January 2022

€35,343m
Sustainable financing

€4,344m
Sustainable brokering





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

Sustainable financing

CaixaBank publishes the **Guide of identification of financing sostenible**[2] that has as an objective the definition of criteria to consider as sustainable the financing operations to individuals and companies by CaixaBank, as well as its contribution to the ODS.

During the **first half of 2023** CaixaBank has boosted the financing of sustainable activities, **granting €14,710m.**

€5,360m
Green

€858m
Retail

€1,586m
Social

€1,996[1]m
Business

€7,764m
Linked to sustainability

€11,856m
CIB&IB

CaixaBank has teams specialising in corporate, institutional and international banking for infrastructure, energy and sustainable financing projects, and in real estate, agriculture, corporate banking and private banking.

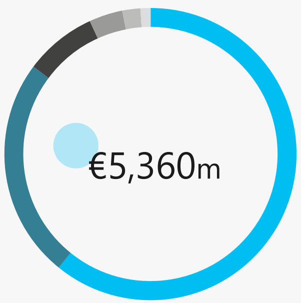
[1] Promotional activity contributes €502m.
[2] https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Sostenibilidad/21.02.23_Guia_Identificacion_Financiacion_Sostenible_PUBLIC.pdf

Green financing

Green financing is funding that has a positive environmental impact and is backed by eligible projects or assets, including, but not limited to, the following: renewable energy, energy efficiency, sustainable transport, waste treatment and sustainable building. The forms of green financing include loans that comply with the Green Loan Principles (GLP) issued by the Loan Market Association (LMA), the so-called Green Loans. In this type of financing, in the first half of 2023, transactional banking operations such as factorings, confirmings, trade finance lines and guarantees from companies such as Siemens, Gamesa, Greenergy o Ecoembes, among others, stand out, totaling a volume of €2,284 million in this semester.

On the other hand, it is also worth noting the long-term green financing, such as the granting of its largest green loan of the year in the real estate sector, with the loans to Greystar and Via Célere, for a value of €200m, destined for the acquisition and management of residential developments.

> **FINANCING BY CATEGORY** - 1st semester 2023



60.8% (€3,259m)
Renewable energy[1]

8.0% (€430m)
Infrastructure

24.4% (€1,310m)
Real estate business

3.7% (€200m)
Transport

1.1% (€60m)
Other

2.0% (€101m)
Transport

Loans indexed to sustainability variables

These are loans linked to ESG indicators in which the terms of funding will vary depending on the achievement of sustainability goals. In most transactions, an external advisor assesses the target set, following the recommendation of the Sustainability Linked Loan Principles. In this area, CaixaBank has led notable transactions in transactional banking, such as the Valls Group's working capital positions for more than €200m, which incorporate 3 ESG indicators: sustainable soy, CO_2 emissions and employee training. In this regard, the factoring and guarantee limits of more than €3,700m from the Endesa group also stand out.

Additionally, in relation to long-term financing, it is worth noting CaixaBank's participation in the largest syndicated transaction of the semester linked to sustainability criteria, a line of credit to Enagas for €1,500m.

78 transactions
In 1st half 2023

€7,764m
In 1st half 2023

Social financing

It mainly corresponds to social financing granted to the public sector and microcredits and other impact financing granted by MicroBank.

In the first half of 2023, the promotion of social financing to the public sector stands out, highlighting the confirming operations with the *Generalitat Valenciana* with an impact on health, public education and social inclusion, as well as the factoring of the *Hospital Clínic*.

Additionally, in relation to long-term financing, a significant operation has been signed with the Community of Madrid for a total of €400 million, the positive impact of which will be reflected in issues related to health and public education.

€1,586m

In 1st half 2023

See the "MicroBank" section for more information on the amount of microcredits granted.

Incentive mechanism for the issuance of sustainable loans (green and social)

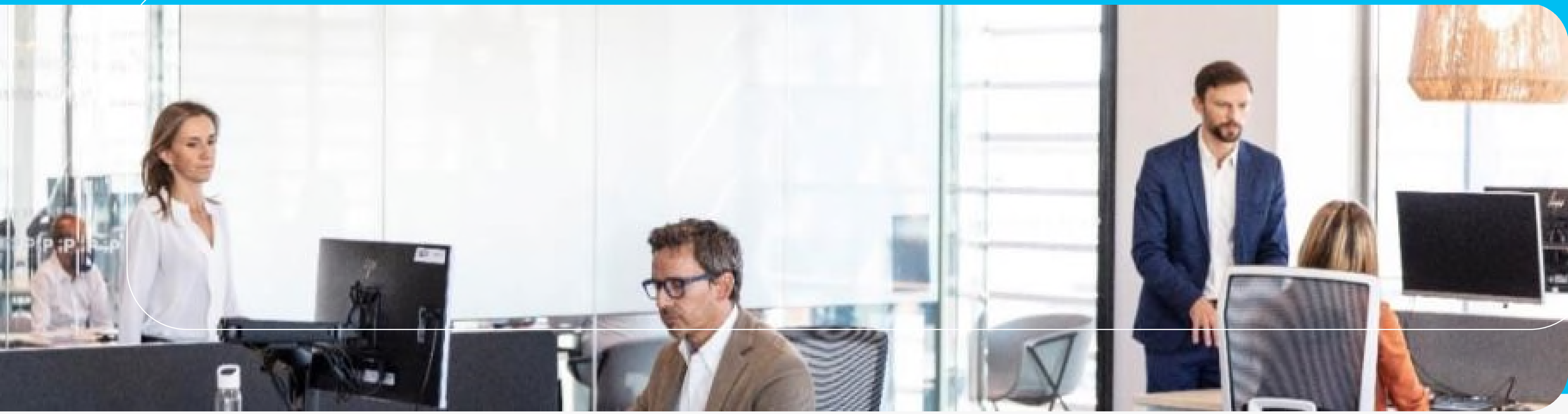
CaixaBank has a financing framework linked to the SDGs[1], whereby it issues financial instruments, such as bonds, to finance the Bank's green, social and/or sustainable financing activity. To encourage the issuance of green/social/sustainable loans by the Bank's business teams, the Bank has an internal incentive mechanism that fosters sustainable financing. The application of this incentive for green assets came into effect in FY 2022 and its extension to social assets comes into effect in FY 2023.

Sustainable brokering

€1,394m

€1,333m
Participation in the placement of sustainable bonds (excluding own issues)

€61m
Increase sustainable assets under management



[1] *Sustainable Development Goals (SDGs) Funding Framework (caixabank.com)*

Participation in the placement of sustainable bonds

CaixaBank has been a signatory to the Green Bond Principles since 2015, established by the International Capital Markets Associations (ICMA). Since then, the Company has participated in the placement of green bonds for projects with a positive climate impact.

Of a total of 15 for €1,333m

7 for €683m
Green bonds
(share amount)[1]

5 for €533m
Sustainable bonds
(share amount)[1]

3 for €117m
Sustainability Linked Bonds (SLB)
(share amount)[1]

> GREEN BONDS[2]

edp
€1,000m
Green Hybrid
5.943% 60.25NC5.2
PTEDP4OM0025
Joint Bookrunner
Jan 2023

redeia
€500m
Green Hybrid
4.625% PNC5.5
XS2552369469
Joint Bookrunner
Jan 2023

Bank Austria
€750m
Green Covered Bond
3.125% 6yr
AT000B049945
Joint Bookrunner
Feb 2023

Prologis
€600m
Green Bond
4.625% 12yr
XS2589820294
Joint Bookrunner
Feb 2023

acciona
€91.4m
Green Bond
4.900% 2.6yr
XS2596338348
Sole Bookrunner
Mar 2023

adif Alta Velocidad
€500m
Green Bond
3.900% 10yr
ES0200002089
Joint Bookrunner
Apr 2023

Comunidad de Madrid
€600m
Green Bond
3.362% Long 5yr
ES00001010L6
Joint Bookrunner
Jun 2023

[1] Corresponds to CaixaBank's share in the issuance and placement of sustainable bonds (green, social or mixed) by customers. It does not include own issues, such as the social bond issued by CaixaBank.
[2] Total amount of the issue is indicated, not only the participation of CaixaBank.

> SUSTAINABLE BONDS[1]

€1,000m
Sustainable Bond
3.596% 10yr
ES00001010K8
Joint Bookrunner
Feb 2023

€500m
Sustainable Bond
3.711% Long 6yr
ES0001352626
Joint Bookrunner
Feb 2023

€600m
Sustainable Bond
3.95% 10yr
ES0000090904
Joint Bookrunner
Mar 2023

€700m
Sustainability Bond
3.5% 2033 10yr
ES0000106742
Joint Bookrunner
Feb 2023

€500m
Sustainable Bond
3.500% Short 10yr
ES0001351602
Joint Bookrunner
Jun 2023

> SLB BONDS[1]

€600m
Inaugural SLB
4.125% 2029 6.5yr
XS2582860909
Joint Bookrunner
Jan 2023

€1,500m
SLB
4.00% 8yr, €750m
4.50% 20yr, €750m
Joint Bookrunner
Feb 2023

[1] Total amount of the issue is indicated, not only the participation of CaixaBank.

Increase sustainable assets under management

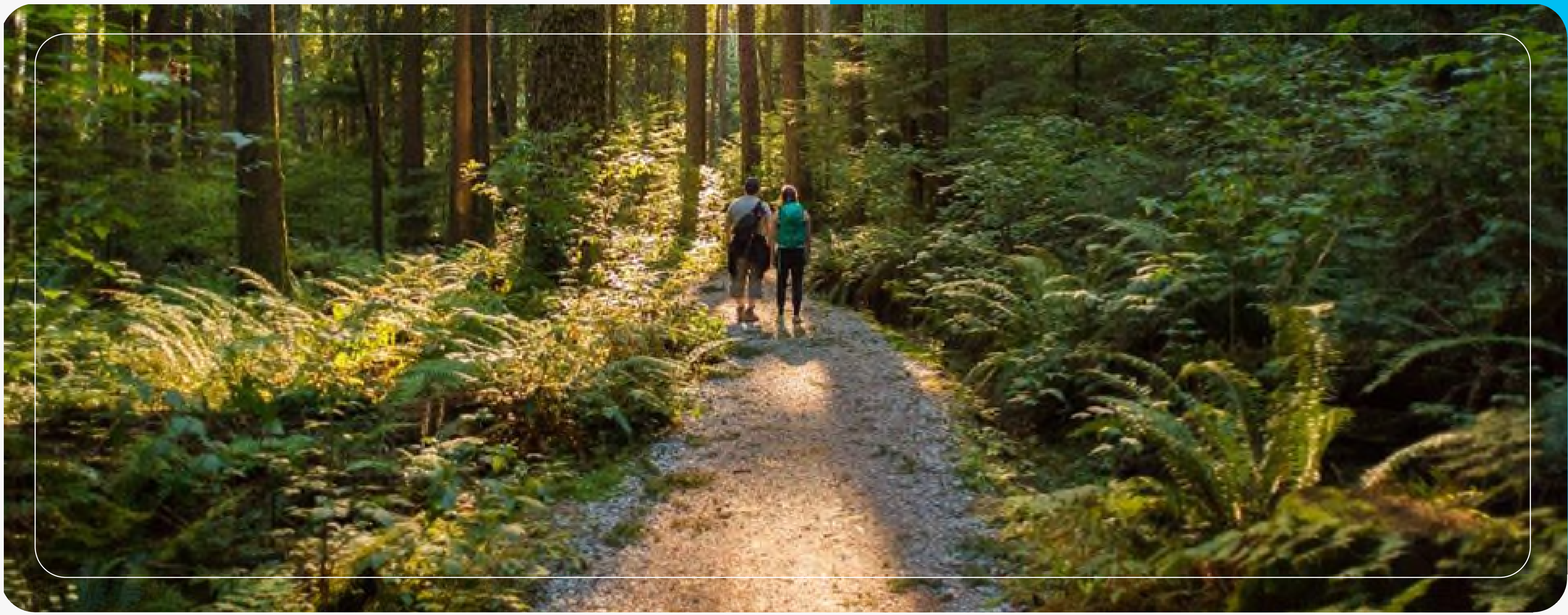
In the first half of 2023, assets under management classified as items 8 and 9 have increased by 61 million euros.

The increase in assets under management classified as items 8 and 9 under CaixaBank Asset Management's SFDR includes the market effect, which was negative these six months due to market trends.

€61m
increase in assets under management classified as article 8 and 9 under SFDR

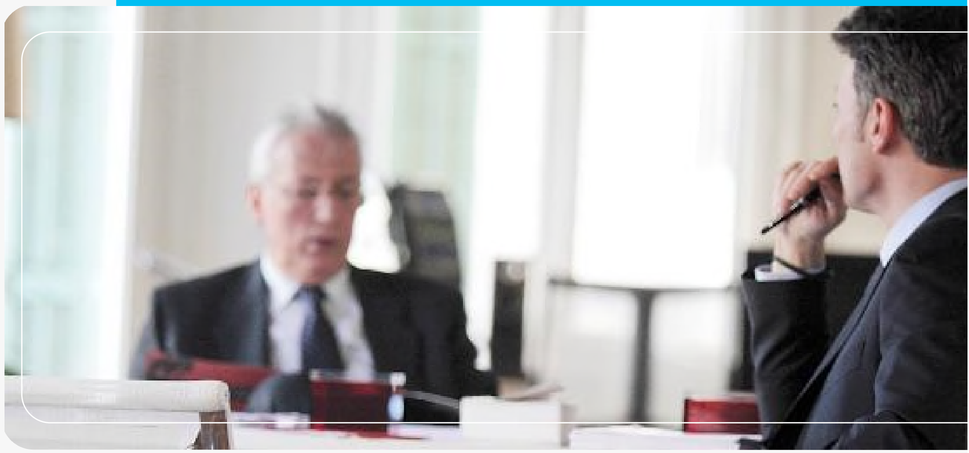
€61m
increase in assets under management classified as article 8 and 9 under SFDR, of VidaCaixa and CaixaBank Asset Management

See the section "Sustainable investment" for further information on the assets under management classified under SFDR.



Mobilisation of sustainable financing – Business in Portugal[1]

CaixaBank Group is also committed to **mobilising sustainable finance** in its Portuguese business, through Banco BPI.

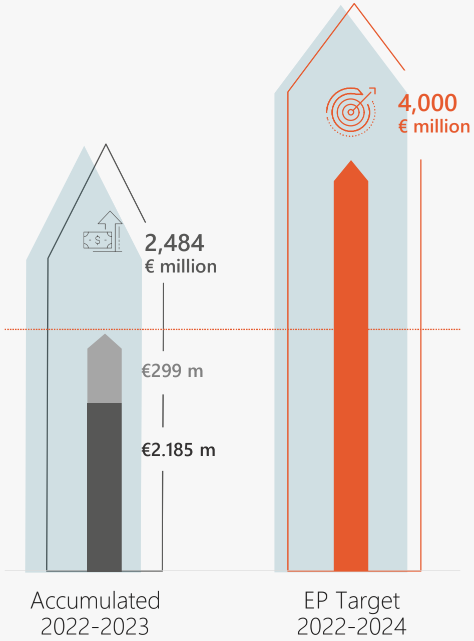


€4,000m
Target EP 2022–2024

€2,484m
Mobilised since january 2022

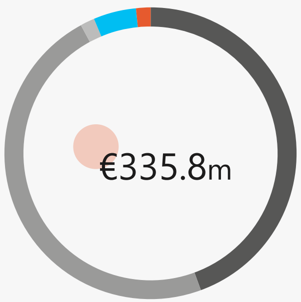
€1,121m
Sustainable financing

€1,363m
Sustainable brokering



> SUSTAINABLE FINANCING

Banco BPI is aware of the importance of adopting measures to ensure environmental sustainability in its product offerings, and has several credit facilities available that foster energy efficiency and support a number of renewable energy and social investment projects.



Financing by category_

- 44.3% (€148.9m) Developments with energy rating A or B
- 4.7% (€15.9m) ESG Companies facility
- 47.6% (€285m) Bond transactions
- 1.6% (€5.5m) Other
- 1.6% (€5.5m) IFFRU facility

> SUSTAINABLE BROKERING

€-37m
Sustaible brokering

[1] Mobilisation of sustainable financing - Businesses in Portugal: It includes loans to companies (companies + CIBs + institutions) and individuals. With regard to sustainable brokerage, this includes article 8 and 9 Funds and Insurance, under SFDR, for both liquid fundraising and transformation, together with third-party adviser funds. It also includes participation in the placement of sustainable bonds.

Responsible Investment

In line with its 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, integrating ASG criteria (environmental, social and good governance).

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 2023

- On 30 June 2023, CaixaBank, CaixaBank Asset Management and VidaCaixa published the **Statement of Principal Adverse Impact on the Sustainability** of investment decisions on sustainability factors (PAI).
- VidaCaixa and CaixaBank Asset Management have successfully undergone the follow-up audit for **AENOR's Sustainable Finance Certification**.
- In January 2023, VidaCaixa published its **decarbonization objectives of the insurer's corporate portfolio** by 2030 under the framework of the **Net Zero Asset Owner Alliance.**
- VidaCaixa and CaixaBank Asset Management **have published the 2023 Involvement Plans with issuers**.

VidaCaixa have the highest rating (5 stars) in the Investment Policy and Active Ownership category by PRI.

CaixaBank Asset Management achieves 5 stars in direct investment equities due to the integration of ESG factors in investment processes

VidaCaixa

> CUSTOMER FUNDS MANAGED

€112,429m in Spain[1]

€107,478m in December 2022

€7,515m in Portugal[2]

€7,319m in December 2022

100% of assets under management take into account ESG aspects as of 30 June 2023 (according to UNPRI criteria)

> DISTRIBUTION OF ASSETS OF PRODUCTS UNDER SFDR[3] (PENSION PLANS)

June 2023_

47.4%[4] Of the assets have a rating under articles 8 and 9 as per SFDR €20,687m

45.6% Of the assets have a rating under articles 8 and 9 as per SFDR €3,300m

	Spain	Portugal
Assets of products under article 6	52.6% (€22,974m)	54.4% (€3,932m)
Assets of products under article 8	44.3% (€19,356m)	45.6% (€3,300m)
Assets of products under article 9	3.0% (€1,331m)	0% (€0m)

December 2022_

48.6%[4] Of the assets have a rating under articles 8 and 9 as per SFDR €20,615m

43.9% Of the assets have a rating under articles 8 and 9 as per SFDR €2,777m

	Spain	Portugal
Assets of products under article 6	51.4% (€21,843m)	56.1% (€3,549m)
Assets of products under article 8	45.0% (€19,108m)	43.9% (€2,777m)
Assets of products under article 9	3.5% (€1,507m)	0% (€0m)

[1] Includes the life insurance and pension plans business of VidaCaixa, S.A. and Sa Nostra Vida, S.A.
[2] Includes the life insurance and pension plans business of BPI Vida e Pensões, wholly owned by VidaCaixa, S.A.
[3] Does not include Sa Nostra Vida information.
[4] Percentage and amount calculated on plans affected by SFDR, including EPSV and Unit Linked.

> ASSETS UNDER MANAGEMENT

€87,205m in Spain[1]

€81,530m in December 2022

€6,891m in Portugal[2]

€6,942m in December 2022

€841m in Luxembourg[3]

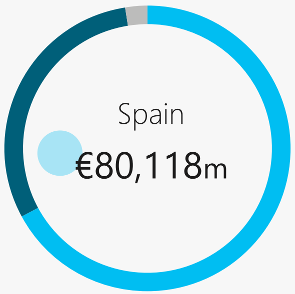
€837m in December 2022

CaixaBank ASSET MANAGEMENT

100%
of assets under management take into account ESG aspects as of 30 June 2023
(according to UNPRI criteria)

> DISTRIBUTION OF ASSETS OF PRODUCTS ACTIVELY MARKETED UNDER SFDR

June 2023_



32.9%
Of the assets have a rating under articles 8 and 9 as per SFDR
€26.376m

57.6%
Of the assets have a rating under articles 8 and 9 as per SFDR
€2,057m

Assets of products under article 6

67.1% (€53,742m) | 42.4% (€1,513m)

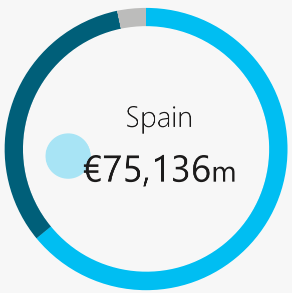
Assets of products under article 8

30.4% (€24,347m) | 54.8% (€1,957m)

Assets of products under article 9

2.5% (€2,029m) | 2.8% (€100m)

2022_



35.9%
Of the assets have a rating under articles 8 and 9 as per SFDR
€26,990m

58.5%
Of the assets have a rating under articles 8 and 9 as per SFDR
€2,070m

Assets of products under article 6

64.1% (€48,146m) | 41.5% (€1,467m)

Assets of products under article 8

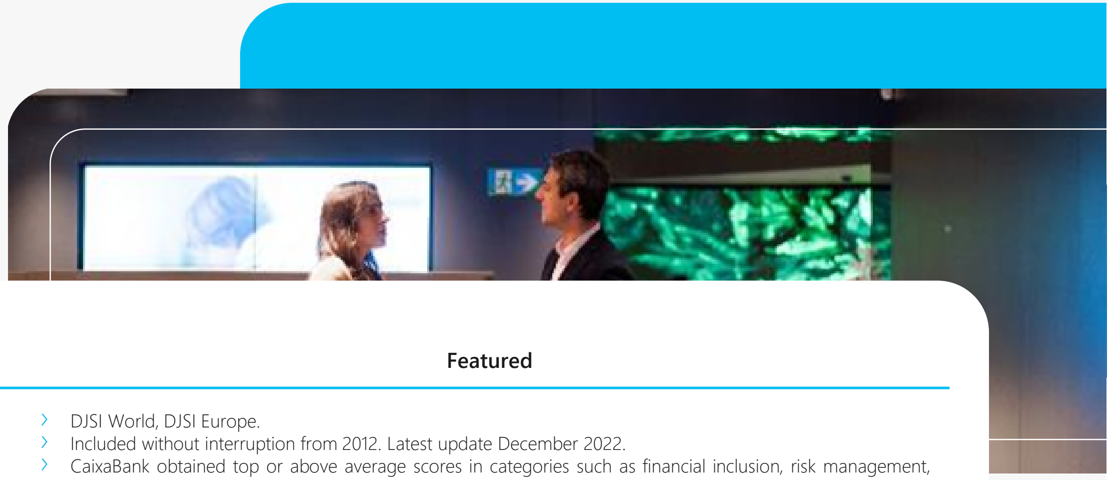
32.6% (€24,495m) | 56.4% €1,994m)

Assets of products under article 9

3.3% (€2,495m) | 2.1% (€76m)

[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.

Indices and ratings



Extensive awareness on the part of the **main sustainability indices and ratings agencies.**

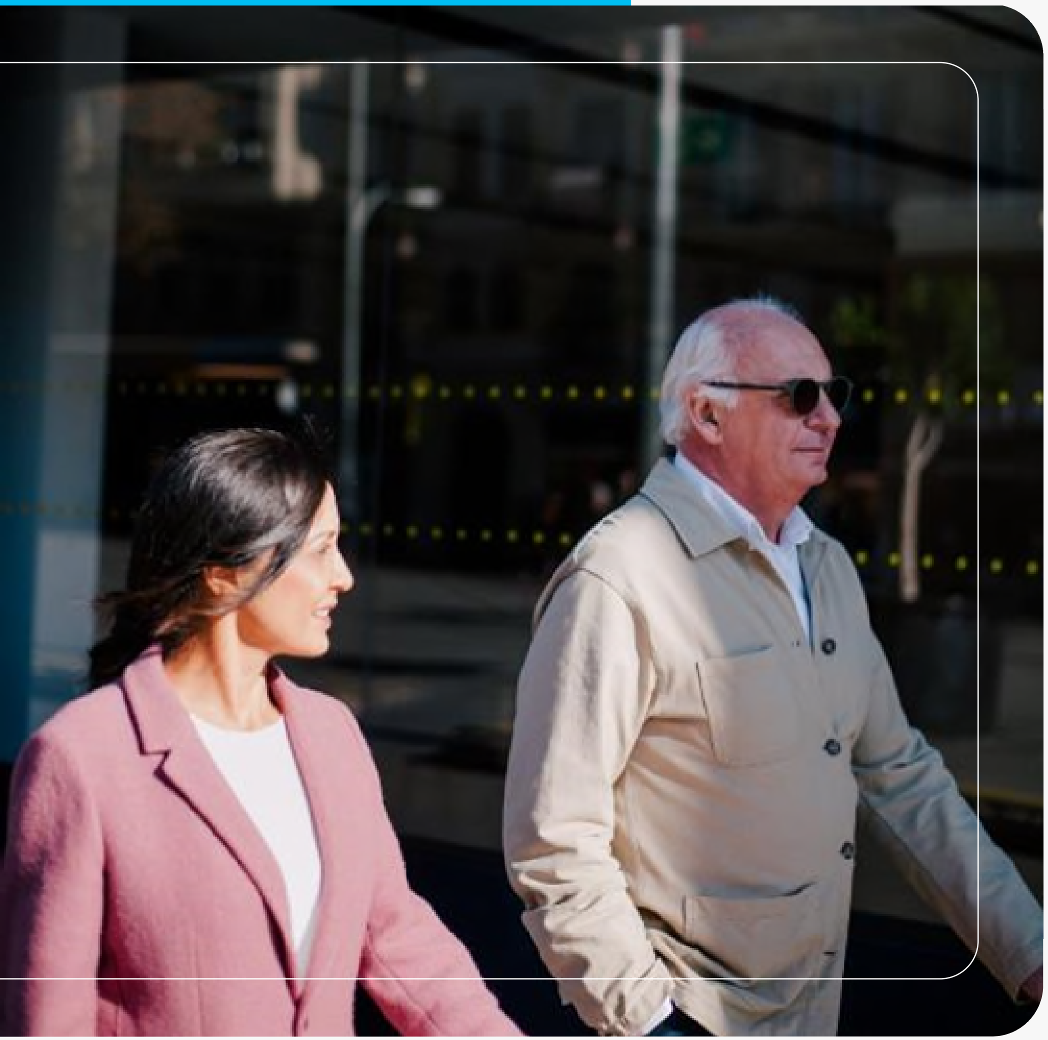
	CaixaBank	Worse <<Scale>> Better	Featured
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	80	Sustainability score 0 · 80 · 100	› DJSI World, DJSI Europe. › Included without interruption from 2012. Latest update December 2022. › CaixaBank obtained top or above average scores in categories such as financial inclusion, risk management, human rights, cybersecurity and social and environmental reporting. › S&P Global analyst.
MSCI ESG RATINGS	A	ESG rating CCC · B (Laggard) · BB · BBB · A (Average) · AA · AAA (Leader)	› CaixaBank has been part of the MSCI ESG Leader Index since 2015. › First inclusion in 2015. Latest update December 2022. › A leader in consumer finance protection and above average ratings in environmental impact finance, access to finance and corporate governance. › MSCI ESG analyst.
FTSE4Good	4.2	ESG rating 0 · 1 · 2 · 3 · 4 · 5	› FTSE4Good Index Series. › First inclusion in 2011. Latest update in June 2023. › Overall rating above sector average (4.1 vs. 2.6 sector average); also above average in all the dimensions: Environment: 3 vs. 2.8 sector average; Social: 4.7 vs. 2.7 average. sector; Governance: 4.8 vs. 3.6 sector average. › FTSE Russell analyst.
STOXX / SUSTAINALYTICS	17.5	ESG risk rating Severe 40+ · High 30-40 · Medium 20-30 · **Low Risk 10-20** · Negligible 0-10	› STOXX Global ESG. › First inclusion in 2013. Latest update in September 2022. › ESG LOW RISK exposure below the sector average and below comparables in Spain. Strong risk management. › Sustainalytics analyst.
CDP A LIST 2022 CLIMATE	A	Climate change rating D- · D (Reporting) · C- · C (Awareness-raising) · B- · B (Management) · A- · A (Leadership)	› First inclusion 2012. Latest update December 2022. › On the *A list*. › 9th consecutive year in the "Leadership" category for corporate transparency and action on climate risk. › CDP analyst.

	CaixaBank	Worse <<Scale>> Better	Featured
Corporate ESG Performance Prime RATED BY ISS ESG	C (Category: Prime Transparency: Very high Decile rank: #1)	Corporate ESG rating: D- D D+ C- **C** C+ B- B B+ A- A- A+ Transparency level: Very low Low Medium High **Very high**	› Corporate ESG, ISS ESG Europe Governance QualityScore Index, Solactive ISS ESG Index Series. › First inclusion 2013. Latest update November 2022. › CaixaBank is situated within top 10% of the sector (Public & Regional Banks, that includes 266. companies), PRIME category with a decile of: 1. › ISS ESG analyst.
QUALITYSCORE 1	1	ESG score: 10 9 8 7 6 5 4 3 2 **1**	› Monthly update, latest update June 2023. › Top score (1) in the three dimensions of ISS ESG Quality Score: Environmental, Social and Governance. › ISS analyst.
V.E Moody's ESG Solutions	60	Sustainability index: 0 < 30 Weak; 30-49 Limited; 50-59 Robust; **60** 100 Advanced	› Solactive *Europe Corporate Social Responsibility Index* PR. › First inclusion 2013. Latest update December 2021. › Advanced "category" and above sector average in "Diversified banks"; "Advanced" category in 10 areas, including Environmental Strategy, 3 areas of Human Resources, Green Products and SRI, Responsible Customer Relationship, Non-discrimination and Financial Inclusion. › Vigeo Eiris analyst.

Included in the S&P Global Sustainability Yearbook 2023 for the eleventh consecutive year and recognised with **Top 10%, S&P Global ESG Score 2022**, for excellent performance in sustainability.

Included on the **2022 *CDP Supplier Engagement Rating Leaderboard*** in recognition of CaixaBank's efforts to curb climate risk within its supply chain.

CDP SUPPLIER ENGAGEMENT LEADER 2022



CaixaBank works with and actively engages in dialogue with another of the **bank's main stakeholders in ESG matters**, namely the main NGOs or other organisations, with a view to ascertaining what issues they value most and their perception of the Entity's management in this regard.

The international entity, created in 2018 with the goal of helping companies achieve the Sustainable Development Goals (SDGs), assesses the top 400 financial institutions worldwide.

7th place
Among the European companies

9th place
Worldwide position

World Benchmarking Alliance

The World Benchmarking Alliance ranks CaixaBank as the **top Spanish bank in terms of contribution to a fair and sustainable economy.**

6.1 Society

Financial inclusion

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

CaixaBank views and favours inclusion from a three-pronged perspective:

01 Fund raising via the issuance of social bonds and employed in projects promoting social cohesion.

02 Products and services for vulnerable groups.

03 Social housing programme and Impulsa programme.

04 Access to financial services through microfinances and other financing with an impact from the social bank MicroBank.

05 A presence in most municipalities across the country through our extensive branch network.

06 Implementing physical accessibility measures and cutting-edge technology for groups with physical and cognitive difficulties.

07 Contribution to the improvement of financial culture.

MicroBank, the Group's social bank, is a benchmark in **financial inclusion** by providing microcredits and other financing with a social impact.

MicroBank combines the contribution of value in a social sense, satisfying needs that are not sufficiently covered by the traditional credit system, with the generation of the necessary resources to enable the project to continue growing at the pace required by the existing demand, in line with the parameters of rigour and sustainability of a banking institution.

Thus, it materialises a social banking model that facilitates access to credit through quality financial services.

> JUNE 2023

€634m
Microloans and other financing with a social impact
€570m in 1st semester 2022

€503m
Microloans granted
€448m in 1st semester 2022

€131m
Other financing with impact
€122m in 1st semester 2022

169,461
MicroBank beneficiaries
(accumulated 2022-2023)
Of which: 66,280 in the 1st semester of 2023

€2,497m
Outstanding balance in portfolio at 30.06.2023

4,060
New businesses started up with support to entrepreneurs

Institutional support

The support of some of the leading European institutions involved in developing entrepreneurship and microcompanies is key to the achievement of MicroBank's goals.

European Investment Fund (EIF)

Since 2008, MicroBank has been closely involved in fostering financing for the creation, consolidation or expansion of entrepreneurial and business projects.

European Investment Bank (EIB)

In 2013, MicroBank was the first European bank to receive funding to grant microloans. Since then, it has taken out loans with the European Union bank in order to foster access to long-term finance and job creation, in particular among young people.

Council of Europe Development Bank (CEB)

The CEB has supported MicroBank's activity since its incorporation. CEB funds have enabled MicroBank to foster financial inclusion, facilitating access to finance for microcompanies and individuals in difficulty.

The key agreements under development in the first half of 2023

InvestEU

A new agreement was signed in November 2022 with the EIF, which seeks to boost sustainable investment, innovation and job creation in Europe by facilitating access to finance for small and medium-sized enterprises. This agreement will mobilise up to 800 million euros through the following programmes:

Microfinance and social entrepreneurship:
MicroBank will use this guarantee to continue to offer better access to finance to microcompanies, including the self-employed, and social enterprises with difficulties in accessing credit. The InvestEU Microfinance and Social Entrepreneurship Guarantee can be up to a total of 200 million euros.

Competitiveness of SMEs:
MicroBank will be able to improve the competitiveness of small businesses by helping them to access finance. The InvestEU SME Competitiveness Guarantee can be up to 250 million euros.

Sustainability:
This guarantee will enable MicroBank to continue to assist small businesses in the green transition and in other related areas such as the materialisation of green, inclusive and environmentally friendly investments. The InvestEU Sustainability Guarantee can be up to 37.5 million euros.

Rolled out in 2023:

Social Company loan

€23.4m
Granted at June 2023

Characteristics:

- **Amount:** up to €500 thousand.
- **Purpose:** project finance designed to generate a positive and measurable social impact through economically and environmentally sustainable business activity.
- **Term:** repayment up to 10 years.

Microloans - Institutions Agreement Business

€2.8m
Granted at June 2023

Characteristics:

- **Amount:** up to €30 thousand.
- **Purpose:** financing to start up a self-employment project or a microcompany.
- **Term:** repayment up to 6 years.

Commitment to the development of the business fabric

One of MicroBank's goals is to contribute to job creation through financing for business projects. In that sense, MicroBank supports the start-up or expansion of businesses to develop the business and socio-economic fabric of the territory through the granting of microloans.

All of this is aligned with the **goals of the Collective Commitment to financial inclusion and health** fostered within the framework of the United Nations Principles for Responsible Banking, to which CaixaBank adhered in 2021.

How do we do it?

- **By partnering with entities** that provide complementary services, such as advice and technical support to entrepreneurs.
- Through the capillarity offered by **CaixaBank's branches and channels**
- With the **support of three European institutions**: the European Investment Bank (EIB), the European Investment Fund (EIF), the Council of Europe Development Bank (CEB)

290
Agreements with entities

What have we done?

Data at June 2023

12,075
Holders of business microloans and business loans

36%
Transactions geared towards opening new businesses out of the total number of business transactions

65%
Transactions for self-employed out of the total number of business transactions

35%
Transactions for microcompanies out of the total number of business transactions

What have we achieved?

Data at December 2022

17%
People who were unemployed before starting a business out of the total number of business transactions

69%
People who, without the help of a microloan, could not have started or consolidated their business out of the total number of business transactions

UNEP FINANCE INITIATIVE | PRINCIPLES FOR RESPONSIBLE BANKING

Our Goal

64,000
New jobs created thanks to the microloans granted to entrepreneurs (2022–2025)

12,097
New jobs created thanks to the microloans granted to entrepreneurs at 30 June 2023
29,552 since 1 January 2022

Social bonds

CaixaBank is one of the **leading banks in issuing sustainable debt**, an activity it began in 2019, being the **first Spanish bank to issue a social bond** in support of the United Nations Sustainable Development Goals (SDGs).

CaixaBank has launched the issuance of its own social bonds through which it undertakes to foster investments that generate a positive social impact, in line with the United Nations Sustainable Development Goals (SDGs). In this regard, with the funds raised, CaixaBank drives projects that contribute to fighting poverty, promoting education and welfare, fostering economic and social development in the most disadvantaged areas of Spain, generating a positive impact on employment and boosting the construction of basic infrastructures.

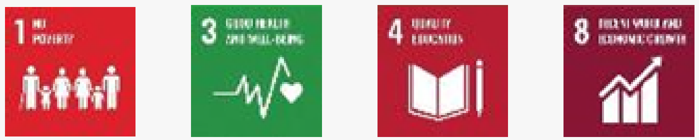
The fifth social bond issued by CaixaBank, and taking into account **the six green bonds,** it is the **eleventh bond linked to the Sustainable Development Goals** published by the bank in 2019.

In May, CaixaBank issued its first social bond in 2023:

1st Social bond in 2023

- Issue: **May 2023**
- Type: **Senior non-preferred**
- Face value: **€1,000m**
- Maturity[1]: **16 May 2027**
- Coupon: **4.625%**

The aim of the social bond is to finance activities and projects that contribute to combating poverty, promote education and welfare and promote economic and social development in the most disadvantaged areas of Spain.



Further detail on the corporate website

[1] With the option of early redemption in the third year by the issuer.

Responding to the needs of the society in which we do business

Focus on senior citizens

CaixaBank **committed to caring for the elderly**

CaixaBank has reaffirmed its commitment towards the senior group by **upholding ten initiatives agreed and rolled out in 2022**, most notably including the creation of a team of 2,000 senior advisers (2024 target), the extension of the cashiers' hours in branches and the strengthening of all its communication channels with these users. creating a dedicated telephone number and the possibility of contacting the adviser over WhatsApp.

In 2023, the Entity **continues to focus its efforts towards extending** the global offer of products and services and **fostering the financial independence of customers** through in-person training sessions given by senior advisers, in order to offer an excellent service and maintain its leadership in this segment, in which it has 4 million customers and a market share of 34.2% in direct deposited pensions.

> WE ACCOMPANY PEOPLE

1,644 advisers
specialised and exclusively dedicated
2,000 in 2024

Personal
accompaniment in the use of ATMs

> WE ADAPT TO THEIR WAY OF INTERACTING

100%
user-friendly ATMs adapted for passbook use
100% in 2024

Personal
service by telephone and WhatsApp
900 365 065
Direct service by a specialised agent, without prior robotic filters.

Unrestricted
opening hours

Advance
payment of monthly pension payments on the 24th day of the month

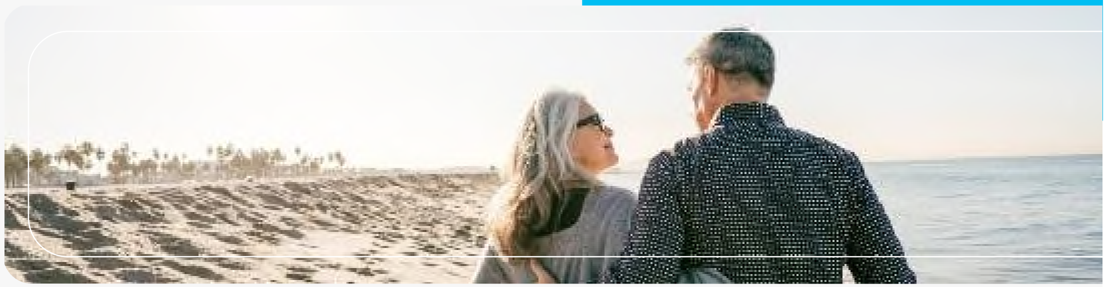
> WE WORK TOGETHER TO AVOID FINANCIAL EXCLUSION

2,149 sessions
In-person training activities in the 1st half of 2023

Spain's most extensive
network of branches (**3,911** in Spain, of which 3,649 retail branches) **and ATMs (11,412** in Spain)

We do not abandon
towns and cities and we are expanding the ofibus service (636 municipalities with 17 ofibus)

CaixaBank offers an extensive portfolio of products that blends **protection solutions with savings solutions**



CaixaBank, **renews its AENOR certification** as an organisation committed to the elderly

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

> SENIOR SOLUTIONS

€34,000m
in Life Annuities and VAUL

133,000
Customers
MyBox Protection Sénior[2]

Very close to **our senior customers**

3 days
No. of visits to the branch per senior customer (annual average)

46%
senior customers that have used digital media [1]

70.6
Senior customers NPS (scale 0–100)

8,506
participants in the training sessions with a session rating of 9.6 (score 0–10)

[1] Have used digital service channels in the last 12 months
[2] Number of customers and contracts match.

Active support policy for first-time homebuyers

CaixaBank has an active policy of helping people to overcome the problems of buying their first home, structured into two pillars:

- Early and specialist care for customers in difficulty
- Fostering of social housing programmes

CaixaBank upholds its commitment to be close to people in order to contribute to their financial well-being, particularly in times of greater difficulty. Since 2009, CaixaBank has put in place a series of measures to support its customers:

Aid

To customers who had difficulties in repaying their mortgages under the Individual Assistance Scheme

Dations in payment

200 in the first half of 2023

Code of Best Practice

The Entity in Spain with the most operations backed by the Code of Best Practices. First institution to join in 2022.

500,000

Mortgage and consumer **loan moratoriums** during COVID

Rent

Rent remission for 4,800 households during COVID

Furthermore, since 2017, CaixaBank has also had a team specialising in **managing social housing**, whose main task is to detect and manage cases of vulnerability and social emergency in regular housing.

6.662
Housing without discount
7,161 at December 2022

3,291
Housing with discount
3,360 in December 2022

10,446 social rental housing programme
(including 493 contracts from the "la Caixa" Foundation's centralised programme)
11,105 at December 2022 (including 584 contracts from the "la Caixa" Foundation's centralised programme)

CaixaBank

Inclusive finance

CaixaBank, as part of its commitment to service quality and proximity, has designed financial products and services aimed at covering the financial needs of the most vulnerable groups. In this line has value propositions of financial services for vulnerable groups.

> PRODUCTS FOR VULNERABLE GROUPS

Social Account

Solution for people at risk of exclusion that receive social benefits (recipients of Subsistence Income, Guaranteed Income from the communities, among others) or for people living in a situation of severe poverty.

Free sight deposit + free access to basic financial services

Insertion Account

Solución para particulares sin acceso a la bancarización por procedencia de jurisdicciones de riesgo y por no acreditación de ingresos (refugiados) o personas que necesitan una cuenta bancaria para domiciliar ayudas sociales o acceder a un primer empleo.

Account + insertion debit card + CaixaBankNow free with operational limitations

Basic payment account

Everybody who is resident in the EU it can have a fee-paying basic account, that it guarantees the access to a financial basic operations staff. If also the client is at risk of financial or vulnerability exclusion that account can be exempt from fees.

Account + card basic debit + financial services

~ 23,000
Customers with basic payment account

~ 357,000
Clients with basic fee-paying accounts vulnerable, social and insertion at 30.06.2023

Close and accessible banking

CaixaBank also understands financial inclusion as an accessible, proximity-based bank, firmly maintaining its commitment to be close to its customers.

> PROXIMITY

2,233 Spanish towns in which CaixaBank is present	92% Citizens with have a branch in their town or city	99% Spanish towns and cities > 5,000 inhabitants with CaixaBank's presence	483 Spanish towns in which CaixaBank is the only banking institution	17 Mobile branches (ofibuses)	636 Municipalities covered by mobile branches

> ACCESSIBILITY

88% Accessible branches	21 Barrier-free branches in first semester 2023	100% Accessible ATMs	7,998 ATMs have sign language video guides

CaixaBank and Correos have signed an agreement to offer home cash delivery in the whole of Spain

CaixaBank and Correos have signed a collaboration agreement to expand access to cash throughout Spain.

The goal is to give everyone, regardless of age and place of residence, access to cash as close to their homes as possible. To this end, the collaboration protocol contemplates that CaixaBank customers can request cash delivery, up to a maximum of 500 euros, which will be delivered by postmen and rural wallets.

Social Projects

Social commitment 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.**

Acting as agents of this social transformation, CaixaBank focuses on:

01 Driving the participation and dissemination of the impact of the Programmes of the "la Caixa" Foundation

02 Forging partnerships with third parties

03 Fostering social banking with bespoke financial solutions designed for vulnerable groups and social organisations

04 Developing social programmes adapted to meet the needs of each of the territories

05 Driving solidarity and citizen participation in social causes through the CaixaBank Volunteers Association

Fundación "la Caixa" programmes

Decentralised Social Action

Local projects

Thanks to the budget managed together with CaixaBank's branch network, "la Caixa" Foundation has achieved the territorial capillarity to reach municipalities nationwide and meet the most immediate and important needs.

€8.6m	2,237	2,167
Out of "la Caixa" Foundation's total budget of 25 million euros was channelled through the branch network to charities	Activities aimed at local charity organisation projects	Recipient entities

Support for the Third Social Sector

Donation collection platform

A platform for NGOs where CaixaBank provides its branch network and its various electronic channels, free of charge, to raise funds from customers and society in general, who wish to collaborate with the different causes of these charities.

€7.5m	314	172
Amount collected	Causes boosted	Supported social entities

Turkey – Syria earthquake emergency

€1.4m
Collected through the Donations Platform

1.4 million euros was raised through the Giving Platform for causes related to the earthquake emergency in Turkey and Syria out of a total of 7.5 million euros raised.

Other noteworthy programmes

ReUtilízame

Social/Environment

Donation of surplus materials in good condition of companies to non-profit organisations.

30,146	144	97
Items donated	Donations	Recipient entities

- CaixaBank Hotels & Tourism receives the award *Traveling For Happiness* for the ReUtilízame programme, in conjunction with the Dualiza and Incorpora programmes ("la Caixa" Foundation's job placement, with the CaixaBank network).
- In March 2023 the **ReUtilízame website was launched** for donations of materials for both CaixaBank customers and non-customers → cabkreutilizame.com
- **A partnership agreement has been formed with the Spanish Confederation of Hotels and Tourist Accommodation** to foster the donation of materials among its members, comprising more than 1,600 establishments.

CaixaBank volunteering

Since 2005, CaixaBank Volunteering offers solutions to anybody who seeks initiatives aimed at developing their willingness to contribute to social impact matters.The offer, which is organised around three scopes (strategic programmes, local activities and solutions for emergency situations), is supplemented with corporate volunteering activities for employees, although the invitation to participate is extended to the rest of society.

20,339
Volunteers[1]

263,138
Beneficiaries

1,910
Collaborating entities

15,804
Activities completed

> SOCIAL MONTH

CaixaBank's 'Social Month' is the initiative it ran throughout May 2023 to encourage employees and their families, together with customers and anyone else interested, to volunteer to support social organisations throughout Spain.

13,968
Volunteers

119,391
Beneficiaries

1,007
Collaborating entities

2,330
Activities completed

34%
Of CaixaBank Group workforce took part in Social Month

[1] Includes the total number of people who have taken part in volunteering activities within and outside the scope of the Social Month-Social Week in the last 12 months. The figure rules out duplication of those volunteers participating in both scopes. Includes participants in May 2023 Social Month and October 2022 Social Week.

Fundación Dualiza

CaixaBank Dualiza is a foundation wholly dedicated to fostering and supporting Vocational Training, especially in the dual mode.CaixaBank Dualiza provides support for the demands of companies and works with Vocational Training (VT) centres and teachers to train future professionals and improve their employability.

> ACTIVITY IN FIRST HALF OF 2023

Dualiza
June 2023

Promotion and dissemination

6th Dualiza Call for Grants

- 30 projects, 2,422 students, 47 VT centers and 63 companies and institutions.

Dualiza events

Events with students and teachers to drive innovation

- Micro training “Training Tools”: 339 teachers
- 24 hours in Barcelona. 839 students.
- #Win Hackathon on Employability – 240 students

Active participation in VT congresses

- Ministry of Education and VT International Congresses
- 6 regional and sectorial congresses.

> IMPACTS

	Students	Business	Teachers	VT Centres
1st Half of 2023	3,489	513	1,160	568

Guidance

4th Call for Active Guidance

- 24 VT-guidance initiatives carried out all over the country: 37 VT centres and 164 companies and institutions.

Guidance workshops: 14 workshops for guidance counsellors to raise awareness of VT and Dual VT together with F. Bertelsmann.

Guidance sessions with students

- "Life Stories" programme: 494 students.
- VT Ambassadors Programme: 1,036 students
- VT Steam programme with F. Asti: 80 students.

Research

Territorial presentations of the study "Changing Professional Profiles and VT Needs. Outlook 2030*

Preparation 5 VT Analyses: The analyses are: VT Centres of Excellence; VT in Hospitality and Tourism; the gender gap in the labour market; the primary sector and VT and Dual VT and employability.

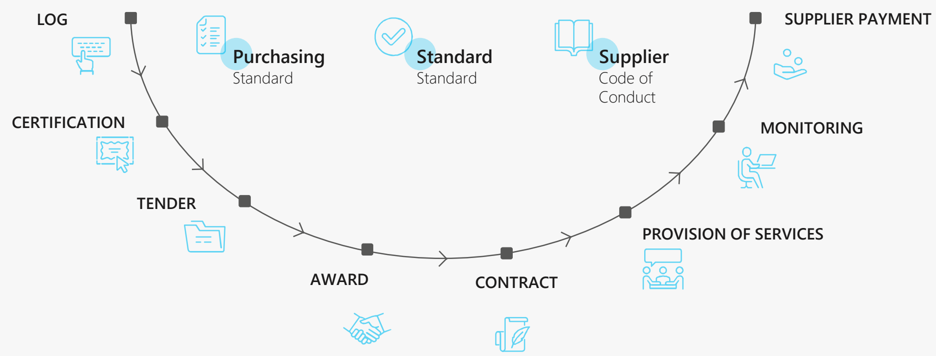
VT Observatory: Only web portal that groups all VT, Dual VT and VT for Employment information of all Autonomous Communities.

Supplier Management

CaixaBank has a **purchasing area** with specialised purchasing by category (Facility Management&Logistics, Works and general services, IT, Professional Services and Marketing and communication) with a cross-cutting approach and management of the Group's purchases[1]. Its objective, in line with the business strategy, is to obtain the goods and services that it needs in a responsible and sustainable way within the term, required amount and quality, at a total lower cost and with the minimum risk for our business under homogenous performance criteria for the whole Group.

CaixaBank seeks to build quality relationships with suppliers who share the same ethical principles and social commitment, having set up criteria and control elements to ensure compliance with these principles, such as carrying out audits. The ongoing improvement of relations with suppliers is key to value creation at CaixaBank.

> PURCHASING AND SUPPLIER MANAGEMENT PROCESS



> PURCHASING INDICATORS[1]

RWA requirement in % (including CBR)	2023[3]	2022[4]
Number of active suppliers[2]	1,857	3,323
Average supplier payment period (days)	13.8	16.8
% volume from local suppliers - Spain	92%	93%

> Participation in the training program: Sustainable suppliers

Project promoted by the United Nations Global Compact, together with the ICO Foundation and ICEX Spain Export and Investments, with the aim of training in sustainability in supply chains under the framework of the Ten Principles and the 2030 Agenda. **During this period they have 198 suppliers of the Entity participated.**

Committed to sustainability

812

Suppliers that have provided social and environmental certificates. **Of which 552 Suppliers have provided the ISO 14001 certificate.**

€3m

Of volume awarded to Special Employment Centres

€3.2m

1st half 2022

100%

100% Of the environmental impact purchasing category has environmental requirements.

In the first half of 2023, **10 ESG supplier audits have been conducted**, with the goal of closing 2023 with 30 audits conducted.

[1] Applicable to Group companies with which it shares a corporate purchasing model. Including suppliers whose turnover in 2023 exceeds €30,000. Creditors, official bodies, communities have been excluded.
[2] An active supplier means a supplier that fulfils one of the following: an active contract on Ariba with an agreement date within the last 3 years: it has invoiced in the current or previous year or has been involved in a negotiation in the last 12 months.
[3] Data at 30 June 2023.
[4] Data at 31 December 2022

Regulatory framework for purchasing activity

> SUPPLIER CODE OF CONDUCT[1]

The aim of the Supplier Code of Conduct is to spread and promote the ethical values and principles that will govern the activity of CaixaBank's suppliers of goods and services, contractors and third-party collaborators.

Guidelines of conduct are defined in this Code that the companies working as suppliers will follow in relation to complying with prevailing legislation, ethical behavior and measures against bribery and corruption, safety and the environment and confidentiality.

In 2023, it is in the process of being updated to adapt it to new requirements, among others, to ESG requirements..

> PURCHASING PRINCIPLES[2]

They lay down a collaborative framework between CaixaBank and its suppliers to foster stable and balanced business relations, in keeping with our values.

01 Professionalism and ongoing improvement

Acting in line with national and international procurement standards. Compliance adds value to the Entity and ensures respect for environmental, ethical and social aspects.

02 Planning and efficiency

Planning purchasing activity by fostering proactivity. Seeking efficiency in contracting, adjusting to the principles of necessity and suitability and optimising processes.

03 Ethics, integrity and transparency

Guaranteeing equal opportunities, by applying objective selection criteria that are transparent, impartial, and non-discriminatory. Acting ethically and responsibly.

04 Equal opportunities

Ensuring that suppliers compete for the same contract in accordance with the principle of fair competition, guaranteeing objectivity in decisions. Encouraging the diversification of the business among different suppliers.

05 Dialogue, cooperation and sustainability

Fostering and maintaining an ongoing and close dialogue and a relationship of trust. Making communication channels available to suppliers.

06 Commitment and advocacy

Assessing the performance of suppliers, encouraging the hiring of suppliers that guarantee respect for human and labour rights in their activities. Monitoring compliance with commitments on responsible management.

[1] View on corporate website. https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/responsabilidad_corporativa/Codigo_de_Conducta_Proveedor_ESP.pdf
[2] View on corporate website. https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/responsabilidad_corporativa/Principios_de_Compras_ESP.pdf

6.2 Environment and Climate

Emissions financed

In April 2021, CaixaBank signed up —as a founding member— to the Net Zero Banking Alliance (NZBA), committing to achieve net zero emissions by 2050 and to set interim decarbonisation targets.

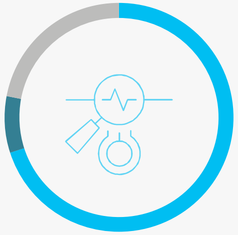
CaixaBank is measuring the **emissions linked to its financing and investment** (scope 3 of carbon footprint category 15), with a view to ascertaining the overall impact in terms of the carbon footprint of its financing activity.

This information enables CaixaBank to **draw up decarbonisation pathways** to achieve net zero emissions by 2050, in line with the commitment of the Net Zero Banking Alliance (NZBA).

CaixaBank has taken as a reference the guidelines laid down by PCAF (Partnership for Carbon Accounting Financials) in its accounting and reporting standard "The global GHG accounting & reporting standard for the financial industry" to **quantify the emissions financed by its loan portfolio at 31 December 2021.**

The calculation for the loan portfolio at 31 December 2021 covers the following types of assets (with a coverage of 78% of the total):

- Mortgages,
- Commercial real estate (CRE),
- Corporate loans,
- Project Finance
- Loans for financing vehicles



70%
Calculated exposure

8%
Exposure not calculated (data gap)

22%
Exposure without PCAF calculation methodology (derivatives, consumption, etc.)

Additionally, have been calculated the financed issuances linked to the portfolio of investment (includes corporate and equities fixed income).

Calculation method

The calculation was done using the bottom-up approach, as per the methodology developed by PCAF and described in the "The global GHG accounting and reporting Standard for the Financial Industry":

- emissions associated with **the mortgage portfolio** have been calculated using information from the energy performance certificate (actual or estimated) of the properties financed:
- emissions associated with **the remaining financing and investment portfolio** have been calculated from carbon footprint information (scope 1, 2 and 3) reported by the financed companies, or from sectoral proxies.

In all cases, the allocation of emissions financed by CaixaBank has been made using the attribution factor specified by PCAF for each type of asset and the best available data in each case.

> GHG EMISSIONS FROM THE FINANCING PORTFOLIO - 2021

Outlook by type of asset	**Exposure**		**Absolute emissions**		**Economic intensity**
	Total exposure (€m)	% of calculated amount	S1+2 (ktCo2e)	S3 (ktCo2e)	Intensity of emissions S1+2 (ktCo2e/€m)
CRE	6,868	84.7%	332	-	57
Mortgages	120,906	99.9%	2,805	-	23
Corporate Finance (PF,GL,SMEs)	126,611	79.0%	10,947	29,728	109
Vehicles	5,208	95.2%	1,374	-	277
Equities	1,267	81.9%	7	26	7
FI	856	43.7%	88	130	234
Total	**261,716**		**15,553**	**29,884**	

Outlook by sector	**Exposure**		**Absolute emissions**		**Economic intensity**
	Total exposure (€m)	% Calculated Exposure	S1+2 (ktCo2e)	S3 (ktCo2e)	Intensity of emissions S1+2 (ktCo2e/€m)
O&G	6,219	79.8%	1,202	8,789	242
Energy	13,860	93.9%	1,920	5,093	147
Transport	14,890	83.3%	1,891	4,385	152
Real estate business	18,341	73.2%	685	1,424	51
Cement	293	77.8%	562	49	2,464
Iron and Steel	2,217	91.7%	459	790	226
Agriculture (includes stockbreeding)	3,705	69.8%	1,070	522	414
Aluminium	419	85.9%	72	192	201
Coal	0.24	17.0%	0.09	0.01	2,092
Other non-intensive sectors	66,666	76.6%	3,086	8,484	60
Total	**126,611**		**10,947**	**29,728**	

> CONSIDERATIONS

- The **calculation was done from an operational control approach**, as per the methodology developed by PCAF and described in the "Global GHG Accounting and reporting Standard for the Financial Industry (Part A). Second Edition".
- The **information on emissions and the financial data** of the companies that are part of the Bank's portfolio are for the **close of 2021**.
- **Exclusions**: Funded issues have not been calculated for assets with insufficient data, and exposure to credit institutions and sovereign risk are not part of the perimeter (includes €19,160m of Sareb bonds)..
- **Corporate finance** (non-financial corporations). Includes loans for general corporate purposes (including SMEs) and project finance.
- The **company value calculation** for the **Corporate Financing and Fixed Income** categories is the sum of equity and debt, (book value) for both listed and unlisted companies.
- **Scope 3** has been calculated for all sectors in CaixaBank's portfolio. In view of the high risk of double counting of emissions for calculating Scope 3, only the intensity of emissions per million euros is reported for Scope 1+2.

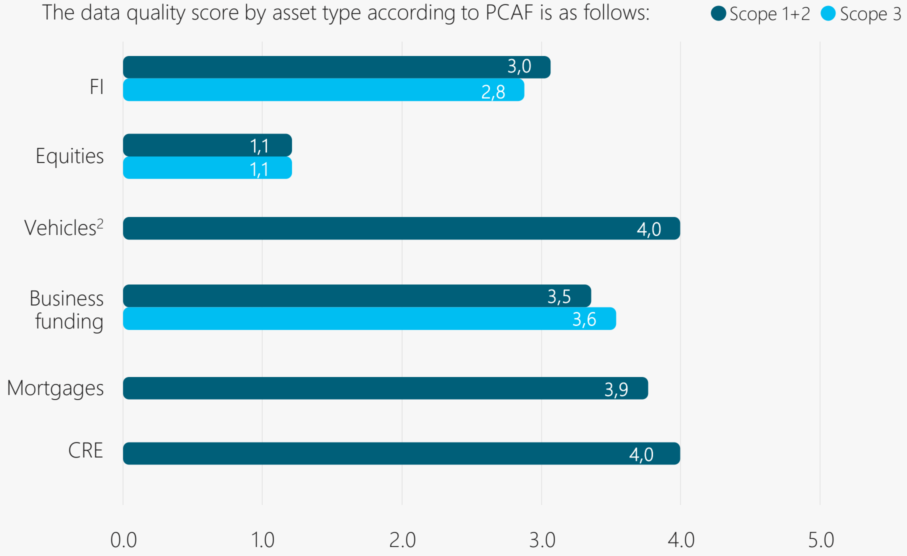
The GHG emissions of the financing portfolio for 2021 **have been verified by the external auditor (PwC)**[1]

[1] Limited assurance performed in accordance with International Standard on Assurance Engagements 3410 (ISAE 3410).

> PCAF METHODOLOGY SCORE

PCAF sets out a ranking of the quality of the data used to calculate financed emissions[1], with a score of 1 for the highest quality data and a score of 5 for the lowest quality data.

The data quality score by asset type according to PCAF is as follows:



> DECARBONATION TARGETS

Further to the NZBA commitment, in addition to the decarbonisation targets already disclosed in October 2022 for the electricity and oil and gas sectors, in July 2023 CaixaBank announced its commitment to phase-out coal by 2030.

CaixaBank will cease to finance companies related to thermal coal[3] reducing its exposure to zero by 2030 ("phase-out"). As part of its ambition to be a benchmark for sustainability in Europe, CaixaBank continues to make progress in setting decarbonisation targets consistent with its commitment as a founding member of the Net Zero Banking Alliance, while aligning itself with the recommendation of the United Nations International Panel on Climate Change (IPCC) to limit the global temperature increase to a maximum of 1.5 ºC. CaixaBank will continue to finance the energy transition to a carbon-neutral economy and provide support to customers with an exit strategy from thermal coal up to 2030.

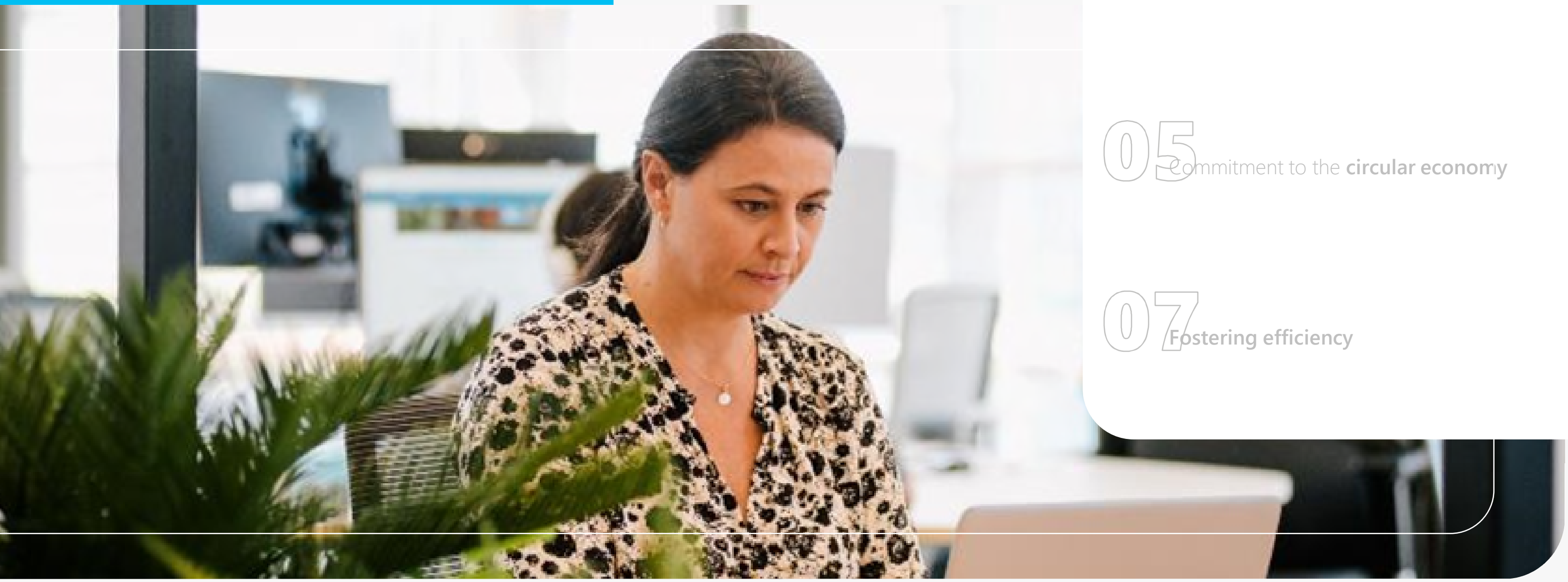
CaixaBank announced its commitment to phase-out coal by 2030

[1] For further details, see The global GHG accounting & reporting standard for the financial industry: https://carbonaccountingfinancials.com/standard .
[2] Corresponds only to Scope1
[3] Customers whose revenues from thermal coal mining and/or thermal coal-based electricity generation represent more than 5% of their total revenues.

Environmental Management Plan

CaixaBank conducts its business with the goal of being respectful and protecting the environment. For this reason, we implement the best environmental and energy practices in accordance with our Sustainability Principles.

CaixaBank has in place a **2022–2024 Environmental Management Plan**, included in the Entity's Sustainability Master Plan, which includes impact reduction targets centred on innovation and efficiency, geared towards reducing emissions from our own activity and that of our value chain.



> FOCUS OF THE ENVIRONMENTAL MANAGEMENT PLAN

In the first half of 2023, CaixaBank made considerable progress on points 01, 02 and 08 of the Environmental Management Plan.

01 **Governance in Environmental Management** at Group level

02 **Carbon footprint** mitigation strategy

03 **Greening of procurement** and contracting

04 **Greening of sales of** non-financial products

05 Commitment to the **circular economy**

06 **Sustainable Mobility**

07 **Fostering efficiency**

08 **Renewal of voluntary certifications** and extension of scope

In the first half of 2023, the following steps have been taken to make progress towards each of these goals:

01 Governance in Environmental Management at Group level

Caixabnak has driven the implementation of an Environmental Management Action Plan for each of the Group's companies:

Characteristics of the Plan:

- **Compulsory requirements:** All the Environmental Management Action Plans of the Group companies must fulfil certain mandatory requirements such as: using recycled paper or implementing selective collection.
- **Implementing environmental management indicators.** All Group companies work with environmental management indicators to measure their impact and asses the efficiency of the implemented projects. In addition, they will be used to set quantitative goals for reducing environmental impact.

Creation of an **Environmental Management Monitoring Group for the Group**.

02 Carbon footprint mitigation strategy

CaixaBank has renewed its voluntary climate change commitments, such as the Carbon Footprint Registration established by MITECO (Spanish Ministry for Ecological Transition and Demographic Challenge).

Activities have also been carried out to offset non-avoided emissions in 2022, both from corporate buildings and from the commercial network as a whole for scopes 1, 2 and 3.6 (business trips).

CaixaBank achieves **zero emissions in Scope 2 in 2022**

Carbon footprint of purchases

Suppliers with a turnover of upwards of 1.5 million euros will have to calculate and enter their carbon footprint in the certification questionnaires provided for in CaixaBank's supplier management platform.

08 Renewal of voluntary certifications and extension of scope

Emissions are reduced by putting in place environmental efficiency measures, monitoring indicators and implementing an Environmental and Energy Management System pursuant to the requirements of ISO 14001, ISO 50001 and the European EMAS regulation, which enables the Company to conduct its business in an environmentally friendly manner.

CaixaBank S.A. has 5 ISO-14001 certified buildings, 1 ISO-50001 certified building and 1 building certified under the EMAS Regulation, as well as the Environmental Quality Mark in all the network's branches in Catalonia. This means that approximately 30% of the workforce is working in certified buildings or branches. Other Group companies, such as Banco BPI has three buildings certified under the ISO 14001 framework. Furthermore, CaixaBank Facilities Management and CaixaBank Tech, also have Environmental Management Systems certified under the ISO 14001 framework.

EMAS | ISO 14001 | ISO 50001

Below is the performance of profit and loss in the previous two interim periods.

The Group has applied IFRS 17: "Insurance Contracts" and IFRS 9: "Financial Instruments" to the assets and liabilities under the insurance business as of 1 January 2023. Considering that, in accordance with IFRS 17 a minimum of one year of comparative information is required, the income statement and the balance sheet for 2022 have been restated, also taking into account IFRS 9 requirements.

€ million	June 2023	June 2022	Change (%)
Net interest income	**4,624**	**2,979**	**55.2**
Dividend income	145	131	10.7
Share of profit/(loss) of entities accounted for using the equity method	145	112	29.5
Net commissions	1,846	1,928	(4.3)
Trading income	142	244	(41.8)
Profit/(loss) from the insurance service	501	422	18.7
Other operating income and expense	(730)	(396)	84.3
Gross income	**6,673**	**5,420**	**23.1**
Recurring administrative expenses, depreciation and amortisation	(2,894)	(2,774)	4.3
Extraordinary expenses	(5)	(23)	(78.3)
Pre-impairment income	**3,774**	**2,623**	**43.9**
Pre-impairment income stripping out extraordinary expenses	**3,779**	**2,646**	**42.8**
Allowances for insolvency risk	(456)	(376)	21.3
Other charges to provisions	(100)	(90)	11.1
Gains/(losses) on disposal of assets and others	(64)	(36)	77.8
Profit/(loss) before tax	**3,154**	**2,121**	**48.7**
Income tax expense	(1,018)	(547)	86.1
Profit/(loss) after tax	2,136	1,574	35.7
Profit attributable to non-controlling interests and others	(1)	1	-
Profit/(loss) attributable to the Group	2,137	1,573	35.7
Core income	7,110	5,417	31.3
Cost-to-income ratio	46.0	57.6	(11.6)

[1] The information used for the ratios calculated using information from the last twelve months corresponding to 2022 is the information reported pursuant to IFRS 4, since historical information was not available for restatement.

Additionally, to facilitate comparability, the income statement for June and December 2022 under IFRS 4 is shown, compared to the restated figures for these periods following the application of IFRS 17 and IFRS 9.

	June 2022			December 2022		
€ million	Reported IFRS 4	IFRS 17/9 adjustments	IFRS 17/9	Reported IFRS 4	IFRS 17/9 adjustments	IFRS 17/9
Net interest income	**3,156**	**(177)**	**2,979**	**6,916**	**(363)**	**6,553**
Dividend income	131	-	131	163	-	163
Share of profit/(loss) of entities accounted for using the equity method	112	-	112	264	(42)	222
Net fee and commission income	1,994	(66)	1,928	4,009	(154)	3,855
Trading income	247	(3)	244	338	(10)	328
Income and expense under insurance or reinsurance contracts	411	(411)	-	866	(866)	-
Profit/(loss) from the insurance service	-	422	422	-	935	935
Other operating income and expense	(397)	1	(396)	(963)	-	(963)
Gross income	**5,655**	**(235)**	**5,420**	**11,594**	**(501)**	**11,093**
Recurring administrative expenses, depreciation and amortisation	(3,011)	237	(2,774)	(6,020)	495	(5,525)
Extraordinary expenses	(23)	0	(23)	(50)	-	(50)
Pre-impairment income	**2,621**	**2**	**2,623**	**5,524**	**(6)**	**5,518**
Pre-impairment income stripping out extraordinary expenses	**2,644**	**2**	**2,646**	**5,574**	**(6)**	**5,568**
Allowances for insolvency risk	(376)	-	(376)	(982)	-	(982)
Other charges to provisions	(90)	-	(90)	(129)	-	(129)
Gains/(losses) on disposal of assets and others	(36)	-	(36)	(87)	-	(87)
Profit/(loss) before tax	2,120	1	2,121	4,326	(6)	4,320
Income tax expense	(546)	(1)	(547)	(1,179)	(10)	(1,189)
Profit/(loss) after tax	1,574	-	1,574	3,147	(16)	3,131
Profit/(loss) attributable to minority interest and others	1	-	1	2	-	2
Profit/(loss) attributable to the Group	1,573	-	1,573	3,145	(16)	3,129

The total impact of the restatement on the 2022 profit after tax is not significant compared to the reported result (-16 million euros), as a consequence of different non-material adjustments and focusing on the presentation of almost the entire profit of the insurance business under the heading "Profit/(loss) from the insurance service".

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

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

Segmentation by business

Profit and Loss by business segment is set out below:

		Breakdown by business		
€ million	**June 2023**	**Banking and Insurance**	**BPI**	**Corporate centre**
Net interest income	**4,624**	**4,185**	**430**	**9**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	290	153	12	125
Net fee and commission income	1,846	1,699	147	-
Trading income	143	167	17	(40)
Profit/(loss) from the insurance service	501	501	-	-
Other operating income and expense	(730)	(684)	(41)	(6)
Gross income	**6,021**	**6,021**	**564**	**88**
Recurring administrative expenses, depreciation and amortisation	(2,894)	(2,609)	(254)	(31)
Extraordinary expenses	(5)	(5)	-	-
Pre-impairment income	**3,774**	**3,406**	**311**	**57**
Pre-impairment income stripping out extraordinary expenses	**3,779**	**3,411**	**311**	**57**
Allowances for insolvency risk	(456)	(419)	(37)	-
Other charges to provisions	(100)	(98)	(2)	-
Gains/(losses) on disposal of assets and others	(64)	(36)	1	(30)
Profit/(loss) before tax	**3,154**	**2,854**	**273**	**27**
Income tax expense	(1,018)	(947)	(88)	17
Profit/(loss) after tax	2,136	1,907	185	44
Profit/(loss) attributable to minority interest and others	1	1	-	-
Profit/(loss) attributable to the Group	2,137	1,908	185	44

- Banking and Insurance: shows earnings from the Group's banking, insurance, asset management, real estate and ALCO's activity mainly in Spain.
- BPI: covers the income from the BPI's domestic banking business, essentially in Portugal. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination.
- Corporate centre: shows earnings, net of funding expenses, from the investees Telefónica, BFA, BCI, Coral Homes and Gramina Homes.
- In addition, the Group's excess capital is allocated to the corporate centre, which is calculated as the difference between the Group's total shareholders' equity and the capital assigned to the Banking and Insurance business, BPI and the investees allocated to the corporate centre. Specifically, the allocation of capital to these businesses and investees takes into account the 11.5% capital consumption for risk-weighted assets, as well as any applicable deductions. Liquidity is the counterpart of the excess capital allocated to the corporate centre.

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

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

	Banking and insurance			BPI			Corporate centre		
€ million	Reported IFRS 4	IFRS 17/9 adjustments	IFRS 17/9	Reported IFRS 4	IFRS 17/9 adjustments	IFRS 17/9	Reported IFRS 4	IFRS 17/9 adjustments	IFRS 17/9
Net interest income	**6,366**	**(361)**	**6,005**	**544**	**-**	**544**	**6**	**(2)**	**4**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	212	(46)	166	28	4	32	187	-	187
Net fee and commission income	3,714	(155)	3,559	296	-	296	-	-	-
Trading income	299	(10)	289	27	-	27	12	-	12
Income and expense under insurance or reinsurance contracts	866	(866)	-	-	-	-	-	-	-
Profit/(loss) from the insurance service	-	935	935	-	-	-	-	-	-
Other operating income and expense	(918)	-	(918)	(38)	-	(38)	(7)	-	(7)
Gross income	**10,539**	**(503)**	**10,036**	**857**	**4**	**861**	**198**	**(2)**	**196**
Recurring administrative expenses, depreciation and amortisation	(5,505)	495	(5,010)	(455)	-	(455)	(60)	-	(60)
Extraordinary expenses	(50)	-	(50)	-	-	-	-	-	-
Pre-impairment income	**4,984**	**(8)**	**4,984**	**402**	**4**	**406**	**138**	**(2)**	**136**
Pre-impairment income stripping out extraordinary expenses	**5,034**	**(8)**	**5,026**	**402**	**4**	**406**	**138**	**(2)**	**136**
Allowances for insolvency risk	(976)	-	(976)	(6)	-	(6)	-	-	-
Other charges to provisions	(98)	(1)	(99)	(22)	-	(22)	(9)	-	(9)
Gains/(losses) on disposal of assets and others	(69)	-	(69)	-	-	-	(19)	1	(18)
Profit/(loss) before tax	**3,842**	**(9)**	**3,833**	**374**	**4**	**378**	**110**	**(1)**	**109**
Income tax expense	(1,089)	(11)	(1,100)	(101)	-	(101)	12		12
Profit/(loss) after tax	2,753	(20)	2,733	273	4	277	122	(1)	121
Profit/(loss) attributable to minority interest and others	2	-	2	-	-	-	-	-	-
Profit/(loss) attributable to the Group	2,751	(20)	2,731	273	4	277	122	(1)	121

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

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

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

Profits and earnings performance

Attributable profit for the first half of 2023 amounts to 2,137 million euros, versus 1,573 million euros in 2022 (+35.7%).

Core **income** shows favourable growth (+31.3%), supported by **Net interest income** growth (55.2%) in an environment of increasing interest rates, as well as the **Profit/loss) from the insurance service** (+18.7%). The performance of **Income from Bancassurance equity investments** (+59.2%) is impacted by the one-off income associated with SegurCaixa Adeslas' increase of stake in IMQ. All of this makes it possible to offset the fall in fees and commissions (-4.3%).

Increase of Dividend income after the recognition of Telefónica's dividend in the first half of 2023 (in 2022 distributed among the two half-year periods) and higher **Share of profit/(loss) of entities accounted for using the equity method** (+29.5%), which includes one-off income. Lower generation of **Trading income** (-41.8%).

Other operating income and expense is impacted by the recognition of the tax on banks for -373 million euros.

Gross income grew (+23.1%) more than **Recurring administrative expenses, depreciation and amortisation** (+4.3%), resulting in the growth of **Pre-impairment income** (+43.9%).

Allowances for insolvency risk is up (+21.3%) and **Other charges to provisions** increases (+11.1%).

Net interest income

> **NET INTEREST INCOME AMOUNTED TO 4,624 MILLION EUROS (+55.2% ON THE SAME PERIOD OF 2022). THIS RISE IS DUE TO:**

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

> **THESE EFFECTS HAVE BEEN PARTIALLY REDUCED BY:**

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

€ million		1st half of 2023 Average balance	Income or expense	Rate %	1st half of 2022 Average balance	Income or expense	Rate %
Financial Institutions		47,347	731	3.12	136,028	554	0.82
Loans and advances	(a)	338,237	5,813	3.47	332,457	2,664	1.62
Debt securities		90,236	509	1.14	89,011	144	0.33
Other assets with returns		58,520	812	2.80	64,580	714	2.23
Other assets		85,056	136		91,691	33	
Total average assets	(b)	619,396	8,001	2.60	713,767	4,109	1.16
Financial Institutions		55,482	(895)	3.25	129,405	(349)	0.54
Retail customer funds	(c)	378,517	(819)	0.44	385,105	40	(0.02)
Institutional debentures and marketable securities		45,179	(769)	3.43	47,532	(66)	0.28
Subordinated liabilities		10,349	(126)	2.46	9,599	(8)	0.16
Other interest bearing liabilities		73,588	(745)	2.04	78,605	(707)	1.81
Other funds		56,281	(23)		63,521	(40)	
Total average funds	(d)	619,396	(3,377)	1.10	713,767	(1,130)	0.32
Net interest income			4,624			2,979	
Customer spread	(a-c)			3.03			1.64
Balance sheet spread	(b-d)			1.50			0.84

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, in 2022, 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.
- The headings "other assets with return" and "other interest bearing liabilities" mainly include the net return on assets under the insurance business maintained to pay ordinary claims, as well as the Group's financial margin for short-term savings insurance products. It also includes the income from financial assets under the insurance business, and an expense for interest that includes the capitalisation of the new insurance liabilities is recognised at a very similar interest rate as the rate of return of asset acquisition. The difference between this income and the expense is not significant.
- 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.

CaixaBank

Fee and commission income

Fee and commission income grew to 1,846 million euros, down -4.3% on the same period of 2022.

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

  In year-on-year terms, recurring fee and commission income declined (-7.6%) as a result, inter alia, of the loss of corporate deposit custody fees.

  Fees and commissions from wholesale banking show good performance when compared to the first half of 2022 (+17.5%).
- **Fees and commissions from the sale of insurance products** stand at 200 million euros (-3.8% on the same period of the previous year).
- **Fee and commission income from assets under management** (essentially from investment funds and pension plans) stands at 575 million euros (-3.0%), impacted among other aspects, by lower average commissions due to the change in the product mix with a greater weight in fixed-rate and monetary funds, and lower average assets managed in pension plans.

€ million	1st half of 2023	1st half of 2022
Banking services, securities and other fees	1,071	1,127
Recurring	930	1,007
Wholesale banking	141	120
Sale of insurance products	200	208
Assets under management	575	593
Mutual funds, managed accounts and SICAVs	415	422
Pension plans and other[1]	160	171
Net fees and commissions	1,846	1,928

[1] Other mainly corresponds to fee and commission income from unit link of BPI Vida e Pensoes, which given their low risk component are governed by IFRS 9 and have not been reclassified to Profit/(loss) from the insurance service (7 million euros in 1H23).

Income from equity investments

- **Dividend income** includes dividends from BFA amounting to 73 million euros (87 million euros in the same period of 2022) and dividends from Telefónica amounting to 61 million euros (38 million euros compared to the same period of 2022 and an additional 30 million euros in the second half of 2022).
- **Attributable profit of entities accounted for using the equity method** amounted to 145 million euros, up +29.5% compared to the same period of 2022, impacted, among other factors, by the better performance of SegurCaixa Adeslas, which includes income related to the revaluation of the stake prior to the increase in IMQ's shareholding.

€ million	1st half of 2023	1st half of 2022
Dividend income	145	131
Share of profit/(loss) of entities accounted for using the equity method	145	112
Income from equity investments	290	243

Trading income

Trading income stands at 142 million euros in the first half of 2023, compared to 244 million euros in the same period in 2022.

Profit/(loss) from the insurance service

Profit/(loss) from the insurance service stands at 501 million euros (+18.7% compared to the same period of 2022). This increase was due, among other factors, to the growth in risk and savings business following strong commercial activity, in addition to the higher net interest income.

€ million	1st half of 2023	1st half of 2022
Risk business	321	258
Savings business	143	122
Unit Linked business	37	42
Profit/(loss) from the insurance service	501	422

Other operating income and expense

Other operating income and expense amounts to -730 million euros compared to -396 million euros in the same period of 2022. This heading includes, among other items, income and expenses at non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes, most notably including the recording of the temporary bank tax of -373 million euros in 2023. Furthermore, most noteworthy in the first half of the year was:

- The estimate of the Spanish real estate tax of 22 million euros (22 million euros in 2022).
- The contribution to the Portuguese banking sector for 22 million euros (21 million euros in 2022).
- The contribution to the SRF[1] of 169 million euros (159 million euros in 2022).

€ million	1st half of 2023	1st half of 2022
Contributions and levies	(564)	(181)
Other real estate operating income and expense	(51)	(61)
Other	(115)	(154)
Other operating income and expense	(730)	(396)

Administration expenses, depreciation and amortisation

Year-on-year increase in **recurring administrative expenses, depreciation and amortisation** (+4.3%), mainly as a result of higher personnel expenses (+3.1%) and higher general expenses (+6.4%) due to the impact of new transformation projects (which also justify the +4.3% rise in depreciation and amortisation) and inflationary pressure.

The extraordinary expenses of 2023 are wholly associated with the integration of Sa Nostra. In 2022, these include, 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 cost-to-income ratio (12 months) stands at 46.0% (50.3% at the close of December 2022), whereas the core cost-to-income ratio (12 months) stands at 42.8% (48.0% at the close of December 2022).

€ million	1st half of 2023	1st half of 2022
Gross income	6,673	5,420
Personnel expenses	(1,744)	(1,691)
General expenses	(770)	(724)
Depreciation and amortisation	(380)	(359)
Recurring administrative expenses, depreciation and amortisation	(2,894)	(2,774)
Extraordinary expenses	(5)	(23)

[1] Includes BPI's contribution to the Portuguese Resolution Fund of 5 million euros (9 million euros in 2022).

Allowances for insolvency risk and other charges to provisions

- **Allowances for insolvency risk** stand at -456 million euros, compared to -376 million euros in the first half of 2022 (+21.3%).

  The provision models have been calibrated with forward-looking macroeconomic scenarios under the IFRS 9 accounting standard. In view of the uncertainty involved in estimating these scenarios, among which is a significant increase of inflation and interest rates, the Entity keeps a collective provision fund for 874 million euros at 30 June 2023.

  The aforementioned collective fund was reduced by 264 million euros compared to the close of December 2022, mainly due to the half-yearly recalibration process of models carried out, as a result of assigning provisions at a specific level, without therefore changing the overall coverage level (the fund's balance stood at 1,137 million euros at he end of December 2022). In addition, the Group has a PPA fund from the merger of Bankia for 261 million euros in the first half of 2023, among other collective funds of a smaller amount.

  The **cost of risk (last 12 months)** came to 0.27%.

- **Other charges** mainly includes the coverage of future contingencies and impairment of other assets.

  The performance of this heading was impacted, among others, by the charges to provisions for contingents commitments within the framework of the half-yearly recalibration of the models.Furthermore, in 2022, inclusion of the use provisions for 19 million euros established in 2021 to cover asset write-downs from the plan to restructure the commercial network (39 million euros compared to the same period of 2022). When the expense materialises, it is recognized in Gains/(losses) on disposal of assets and others.

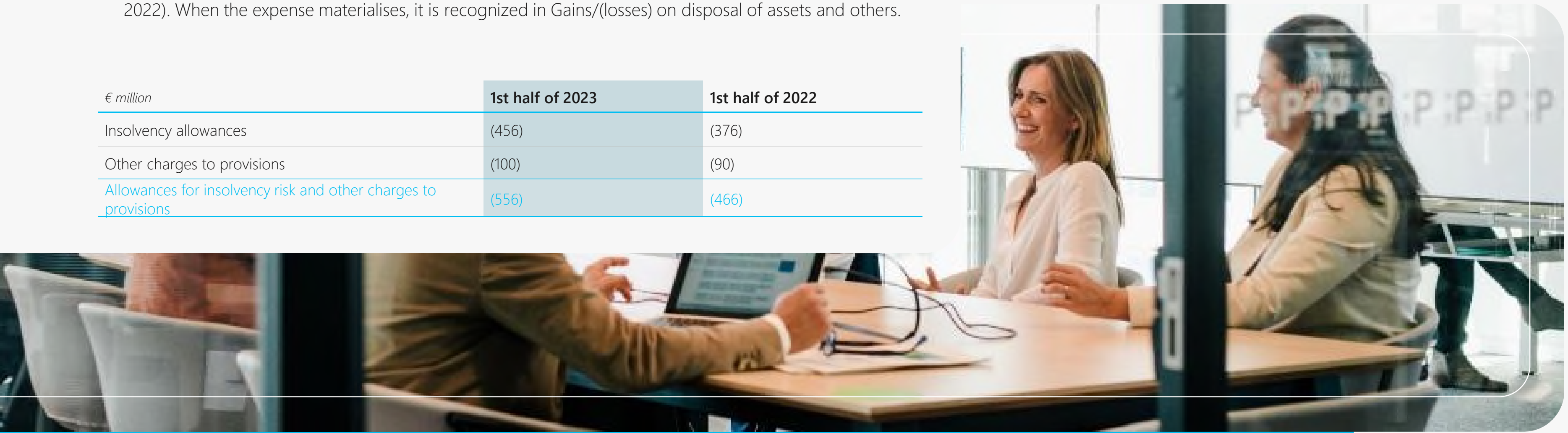
€ million	1st half of 2023	1st half of 2022
Insolvency allowances	(456)	(376)
Other charges to provisions	(100)	(90)
Allowances for insolvency risk and other charges to provisions	(556)	(466)

Gains/(losses) on disposal of assets and others

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

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

€ million	1st half of 2023	1st half of 2022
Real estate results	9	19
Other	(73)	(55)
Gains/(losses) on disposal of assets and others	(64)	(36)



Business performance

Balance sheet

The **Group's total assets reached 625,597 million euros** at 30 June 2023, up 4.5% compared to 31 December 2022 (balance sheet restated for comparison).

	Group		Segmentation by business		
€ million	31.12.2022	30.06.2023	Banking and insurance	BPI	Corporate centre[1]
Total assets	598,850	625,597	581,197	39,853	4,547
Total liabilities	565,143	591,552	552,972	37,332	1,248
Equity	33,707	34,045	28,225	2,521	3,299
Assigned equity	100%	100%	84%	7%	9%

Loans and advances to customers

Loans and advances to customers, gross stood at **362,952 million euros**, +0.7% in the year. Most noteworthy is the positive seasonal impact from the advance of double payments made to pension holders in June for approximately 3,500 million euros (-0.2% in the year stripping out this effect).

Changes by segment include:

- **Loans for home purchases** (-2.6%) continue to be marked by the portfolio's repayments, as well as due to a lower production with respect to the previous year, in a scenario of rate hikes.
- **Loans to individuals - Other** has grown +6.2%, impacted by the aforementioned advance of double payments made to shareholders in June (-1.8% stripping out this effect).
- Consumer lending grows +1.2% with respect to December 2022, thanks to the similar production levels as the previous year, offsetting the portfolio's maturities.
- Good performance of **Loans to business**, which is the main contributor to the loan book growth, (+2.0%).
- Loans to the **public sector** (+1.7%) are marked by one-off transactions.

IFRS 17/9 Restatement

Furthermore, to facilitate comparability, a summary of the December 2022 balance sheet totals under **IFRS 4** is provided, compared to the restated figures for these periods following the application of IFRS 17 and IFRS 9.

	December 2022		
€ million	Reported IFRS 4	IFRS 17/9 adjustments	IFRS 17/9
Total assets	592,234	6,616	598,850
Total liabilities	557,972	7,170	565,142
Equity	34,263	(555)	33,708

	Banking and insurance			BPI			Corporate centre		
€ million	Reported IFRS 4	IFRS 17/9 adjust.	IFRS 17/9	Reported IFRS 4	IFRS 17/9 adjust.	IFRS 17/9	Reported IFRS 4	IFRS 17/9 adjust.	IFRS 17/9
Total assets	548,046	7,042	555,088	38,795	9	38,804	5,394	(435)	4,959
Total liabilities	520,274	7,161	527,435	36,340	9	36,349	1,358	-	1,358
Equity	27,772	(119)	27,653	2,455	-	2,455	4,036	(435)	3,601

	Group		Segmentation by business	
€ million	31.12.2022	30.06.2023	Banking and insurance	BPI
Loans to individuals	182,783	181,878	165,658	16,220
Home purchases	139,045	135,443	120,999	14,444
Other	43,738	46,435	44,659	1,776
Loans to business	157,780	160,971	149,377	11,594
Public sector	20,760	21,103	19,199	1,904
Loans and advances to customers, gross	361,323	363,952	334,234	29,718
Provisions for insolvency risk	(7,408)	(7,376)	(6,817)	(559)
Loans and advances to customers, net	353,915	356,576	327,417	29,159
Contingent liabilities	29,876	29,632	27,447	2,185

[1] 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.

Customer funds

Customer funds reached 627,824 million euros at 30 June 2022, up +2.7%, impacted by the usual positive seasonal nature of demand deposits at the end of the second quarter and the good performance of long-term savings products.

On-balance sheet funds stood at 463,890 million euros (+1.4%).

- **Demand deposits** stand at 349,353 million euros (-2.9%), impacted by the transfer to term deposits, insurance and investment funds, among others.
- **Term deposits** totalled 38,830 million euros (+48.7%).
- Growth of **liabilities under insurance contracts** to 72,748 million euros (+5.5%).

Assets under management stand at 156,111 million euros (+5.5%), with their performance marked by the favourable market effect and the positive inflows.

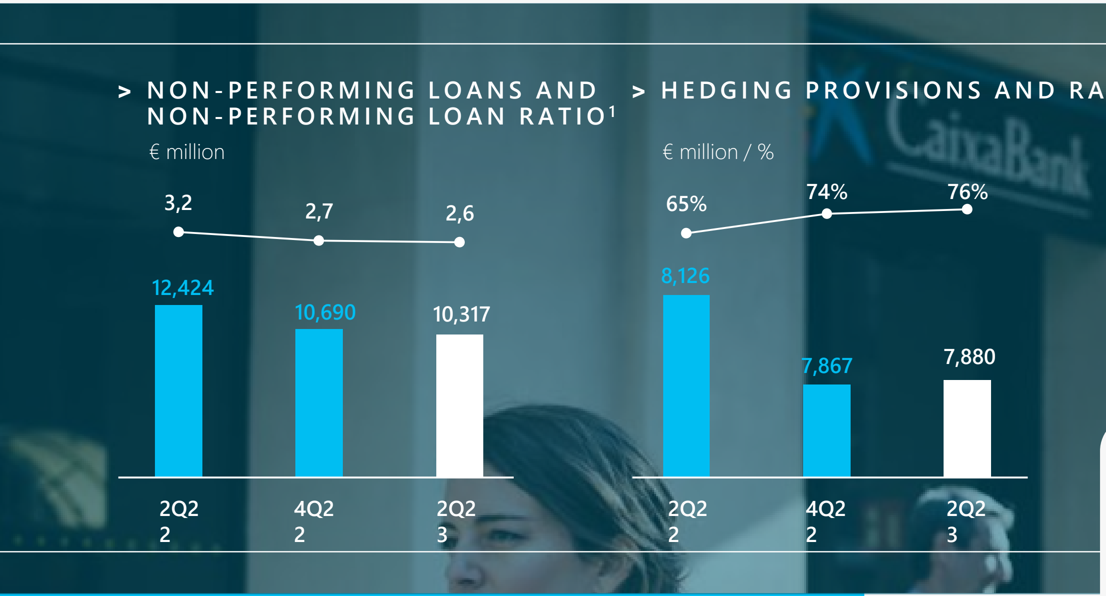
- The assets managed in **mutual funds, managed accounts and SICAVs** stand at 111,340 million euros (+6.4%).
- **Pension plans** stand at 44,171 million euros (+3.4%).

Other accounts stands at (+36.6%), due to change in temporary funds associated with transfers and collections.

	Group		Segmentation by business	
€ million	31.12.2022	30.06.2023	Banking and insurance	BPI
Customer funds	386,017	388,183	359,741	28,442
Demand deposits	359,895	349,353	331,176	18,177
Term deposits[1]	26,122	38,830	28,565	10,265
Insurance contract liabilities[2]	68,986	72,748	72,748	-
of which: Unit Link and other[3]	18,310	19,433	19,433	-
Reverse repurchase agreements and other	2,631	2,959	2,936	23
On-balance sheet funds	457,634	463,890	435,425	28,465
Mutual funds, managed accounts and SICAVs	104,626	111,340	106,815	4,525
Pension plans	43,312	44,771	44,771	-
Assets under management	147,938	156,111	151,586	4,525
Other accounts	5,728	7,823	7,743	80
Total customer funds	611,300	627,824	594,754	33,070

[1] Includes retail debt securities amounting to 1,420 million euros at 30 June 2020 (1,309 at 31 December 2022).
[2] Excluding the financial component's correction as a result of updating the liabilities in accordance with IFRS 17, with the exception of Unit Linked and Flexible Investment Life Annuity products (the part managed).
[3] Including the financial component's correction as a result of updating the liabilities in accordance with IFRS 17, with the exception of Unit Linked and Flexible Investment Life Annuity products (the part managed). technical provisions corresponding to Unit Link and Flexible Investment Life Annuity products (the part managed).

Credit risk quality



Non-performing loans dropped to 10,317 million euros following the good performance of asset quality indicators and active management of moratoria. A decrease of -373 million euros compared to the close of December 2022.

The **non-performing loan ratio** stood at 2.6%, compared to 2.7% in December 2022.

Provisions for insolvency risk stood at **7,880 million euros** and the **coverage ratio** rose to 76% (7,867 million euros and 74% at the end of 2022, respectively).

> NON-PERFORMING ASSETS RATIO BY SECTOR

	Group		Segmentation by business	
€ million	31.12.2022	30.06.2023	Banking and insurance	BPI
Loans to individuals	**3.0%**	**2.9%**	**3.0%**	**1.8%**
Home purchases	2.4%	2.4%	2.5%	1.2%
Other	4.9%	4.4%	4.3%	6.6%
Loans to business	**2.9%**	**2.8%**	**2.8%**	**2.6%**
Public sector	**0.1%**	**0.1%**	**0.1%**	-
NPL Ratio (loans and contingent liabilities)	2.7%	2.6%	2.7%	1.9%
NPL coverage ratio	74%	76%	75%	94%

[1] Figures include contingent liabilities and loans.

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 amounted to 146,646 million euros at 30 June 2023**, up 7,636 million euros compared to 31 December 2022, mainly due to the issuance of retained securities that are part of the available balance under the facility.
- The **balance drawn** on the ECB's policy at 30 June 2023 amounted to 8,477 million euros corresponding to TLTRO III, which represents a reduction in the drawn balance of 65,132 million euros (of which 51,637 million euros corresponds to early redemptions).
- The Group's Liquidity Coverage Ratio (LCR) at 30 June 2022 stood at 207% (189% excluding TLTRO III), showing a comfortable liquidity position (230% average LCR in the last 12 months), well above the minimum requirement of 100% from June 2021.
- The Net Stable Funding Ratio (NSFR) stood at 138% at 30 June 2022 (137% excluding TLTRO III), above the 100% regulatory minimum required as of June 2021.
- Robust retail lending structure, with a loan-to-deposit (LTD) ratio of 91%.
- **Institutional financing** amounted to 53,108 million euros, diversified by instruments, investors, and maturities. Wholesale funding for the purpose of managing ALCO's bank liquidity.
- Available capacity to issue mortgage and regional public sector covered bonds stands at 51,689 million euros at 30 June 2023.

€ million	31.12.2022	30.06.2023
Total liquid assets (a + b)	139,010	146,646
Institutional financing	53,182	53,108
Loan to Deposits	91%	91%
Liquidity Coverage Ratio	194%	207%
Liquidity Coverage Ratio (last 12 months)	291%	230%
Net Stable Funding Ratio	142%	138%

> INFORMATION ON ISSUANCES IN THE HALF OF THE YEAR

€ million	Amount	Dates of issue	Maturity	Cost[1]	Demand
Senior non-preferred debt[2,3]	USD 1,250	18/01/2023	6 years	6.208% (UST + 2.5%)	USD 3,400
Subordinated debt – Tier 2[2,4]	£500	25/01/2023	10 years and 9 months	6.970% (UKT + 3.70%)	£1,300
Additional Tier 1 capital [2]	€750	13/03/2023	Perpetual	8.25% (mid-swap +5.142%)	€2,500
Senior non-preferred debt[2]	€1,000	16/05/2023	4 years	4.689% (mid-swap +1.50%)	€1,750
Subordinated debt – Tier 2[2]	€1,000	30/05/2023	11 years	6.138% (mid-swap +3.00%)	€2,400
Mortgage covered bond	€100	15/06/2023	3 years and 7 months	3.471% (mid-swap +0.245%)	-
Mortgage covered bond	€100	23/06/2023	12 years and 9 months	3.732% (mid-swap +0.64%)	-
Covered Bond – BPI[5]	€500	04/07/2023	5 years	3.749% (mid-swap +0.58%)	€700

Following the end of June, the following issues were completed:

- 1,000 million euros in Senior non-preferred debt maturing in 6 ix years, with the option to redeem the issuance early in the 5th year, and paying a coupon of 5.097% (equivalent to a mid-swap +165 basis points).
- 500 million euros in Senior non-preferred debt maturing in 11 years, with the option to redeem the issuance early in the 10th year, and paying a coupon of 5.202% (equivalent to a mid-swap +195 basis points).

[1] Meaning the yield on the issue.
[2] *Callable* issue, with the possibility of exercising the early redemption option before the expiration date.
[3] Equivalent amount on the day of execution in euros:1,166 million euros.
[4] Equivalent amount on the day of execution in euros:564 million euros.
[5] Issuance executed in June 2023.

Capital management

- The **Common Equity Tier 1 (CET1)** ratio **stands at 12.5%** (12.4% without applying the IFRS 9 transitional adjustments), following the extraordinary impact from the first application of IFRS 17 (-20 basis points).

  The organic change in the first half was of +91 basis points, -66 basis points caused by the forecast of dividends charged to this year and AT1 coupon payment and -10 basis points by the performance of the markets and other factors. The impact of IFRS 9 phase in was +10 basis points at 30 June.
- The internal CET1 target ratio is set between 11% and 12% (without applying the IFRS 9 transitional adjustments), which implies a margin of between 250 and 350 basis points in relation to the SREP requirements.
- The **Tier 1** ratio stands at **14.6%** (14.5% without applying the transitional adjustments of IFRS 9) and the **Total Capital** ratio is **17.5%** (17.4% without applying the transitional adjustments of IFRS 9).
- The leverage ratio stood at 5.4%.
- On 30 June, the **subordinated MREL** ratio reached **22.8%** and the **total MREL** ratio **25.6%**. Following the end of the second quarter, CaixaBank completed another issuance of Senior non-preferred debt in two tranches for a total of 1,500 million euros, which would raise the subordinated MREL ratio to 23.5% and the proforma total MREL ratio to 26.3%.
- Similarly, **CaixaBank is subject to minimum capital requirements** on a non-consolidated basis. The CET 1 ratio in this perimeter was 12.6%.
- BPI is also compliant with its minimum capital requirements. Capital ratios at a sub-consolidated level are as follows: CET1 of 14.3%, Tier 1 of 15.8% and Total Capital of 18.2%.
- In terms of regulatory requirements, the Group's domestic systemic risk buffer rose to 0.50% for 2023. The countercyclical buffer is estimated at 0.07% for June 2023. As a result, the **capital requirements for 2023** are 8.50% for CET1, 10.31% for Tier 1 and 12.72% for Total Capital. At 30 June, CaixaBank has a margin of 404 basis points, equating to 8,796 million euros, until the Group's MDA trigger.
- As for the MREL requirement, in March 2023 the Bank of Spain communicated to CaixaBank the Total and Subordinated minimum MREL requirements that it must meet at consolidated level:

RWA requirement in % (including CBR)	2022	2024
Total MREL	22.40%	24.28%
Subordinated MREL	16.57%	18.44%

% requirement for LRE	2022	2024
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 %	31.12.2022	30.06.2023
Common Equity Tier 1 (CET1)	12.8%	12.5%
Tier 1	14.8%	14.6%
Total capital	17.3%	17.5%
MREL	25.9%	25.6%
Risk Weighted Assets (RWA)	215,103	217,908
Leverage ratio	5.6%	5.4%

Shareholder returns

On 12 April 2023, the **bank paid its shareholders 0.2306 euros per share, corresponding to the ordinary dividend** charged to 2022 profits and following the approval at the Annual General Meeting held on 31 March.

Following the payment of this dividend, the shareholder returns amounted to 1,730 million euros in 2022, equivalent to 55% of the consolidated net profit of 2022, in line with the dividend policy approved by the Board of Directors for the 2022 fiscal year and with the target set within the framework of the 2022–2024 Strategic Plan. In addition, a share buy-back programme was completed between May and December 2022 for an amount of 1,800 million euros.

With regard the Dividend Policy for the 2023 fiscal year, the Board of Directors approved on 2 February 2023 a **cash distribution of between 50% and 60% of consolidated net profit**, to be paid in a single payment in April 2024, subject to final approval at the Annual General Meeting.

The Board also stated CaixaBank's intention, subject to regulatory approval, to undertake an open-market **share buy-back programme** for 500 million euros, which is expected to begin before the close of 2023, with the aim distributing the CET1 surplus above 12% This extraordinary payout is aligned with the objectives established in the 2022–2024 Strategic Plan.

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 Apr. 2023	AA+	26 Jan. 2023
FitchRatings	BBB+	F2	Stable	A-	13 June 2023	-	-
Moody's	Baa1	P-2	Stable	Baa1	25 Jan. 2023	Aa1	04 Nov. 2022
DBRS	A	R-1 (Low)	Stable	A	29 Mar. 2022	AAA	13 Jan. 2023

Glossary

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.
- Sustainable finance mobilization (Spain business): The amount of sustainable finance mobilization includes: i) Sustainable mortgage financing ("A" or "B" energy efficiency certificate), financing for energy rehabilitation of homes, financing of hybrid/electric vehicles, financing of photovoltaic panels, eco-financing for agriculture and microcredits granted by MicroBank; Sustainable financing for Companies, Promoter and CIB&IB; The amount considered for the purposes of mobilizing sustainable financing is the risk limit formalized in sustainable financing operations for clients, including long-term, current and signature risk. Tacit or explicit novation and renewal operations of sustainable financing are also considered; ii) CaixaBank's proportional participation in the issuance and placement of sustainable bonds (green, social or mixed) by customers; iii) Net increase in Assets under management at CaixaBank Asset Management in products classified under Art.8 and 9 of the SFDR regulations (includes new funds/merger of funds registered as art.8 and 9, plus net contributions - contributions minus withdrawals-, including the effect of market in the valuation of the shares); Gross increase in assets under management at VidaCaixa in products classified under Art.8 and 9 of the SFDR regulations (includes gross contributions - without considering withdrawals or market effect - to Pension Funds (FFPP), Voluntary Social Welfare Schemes (EPSV) and Unit Linked classified as Art.8 and 9 under SFDR.
- **Mobilization of sustainable finance-business Portugal:** Includes Credit for both Companies (Companies + CIB + Institutions) and Individuals, as well as participation in the placement of sustainable bonds. In relation to sustainable intermediation, Funds and Insurance articles 8 and 9 are included, under SFDR, both for liquid deposits and for transformation, as well as Funds from third-party managers.
- **Other financing with a social impact:** 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.
- SFDR: EU Sustainable Finance Disclosure Regulation.

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 [1]: difference between: (i) average rate of return on loans (annualised half-year income from loans and advances to customers divided by the net average balance of loans and advances to customers for the period); (ii) average rate for retail customer funds (annualised half-year cost of retail customer funds divided by the average balance of those same retail customer funds for the period, excluding subordinated liabilities that can be classified as retail).

		1H23 (IFRS 17/9)	1H22 (IFRS 17/9)
Numerator	Annualised half-year income from loans and advances to customers	11,722	5,372
Denominator	Net average balance of loans and advances to customers	338,237	332,457
(a)	**Average yield rate on loans (%)**	**3.47**	**1.62**
Numerator	Annualised half-year cost of on-balance sheet retail customer funds	1,652	(81)
Denominator	Average balance of on-balance sheet retail customers funds	378,517	385,105
(b)	**Average cost rate of retail customer funds (%)**	**0.44**	**(0.02)**
	Customer spread (%) (a - b)	3.03	1.64

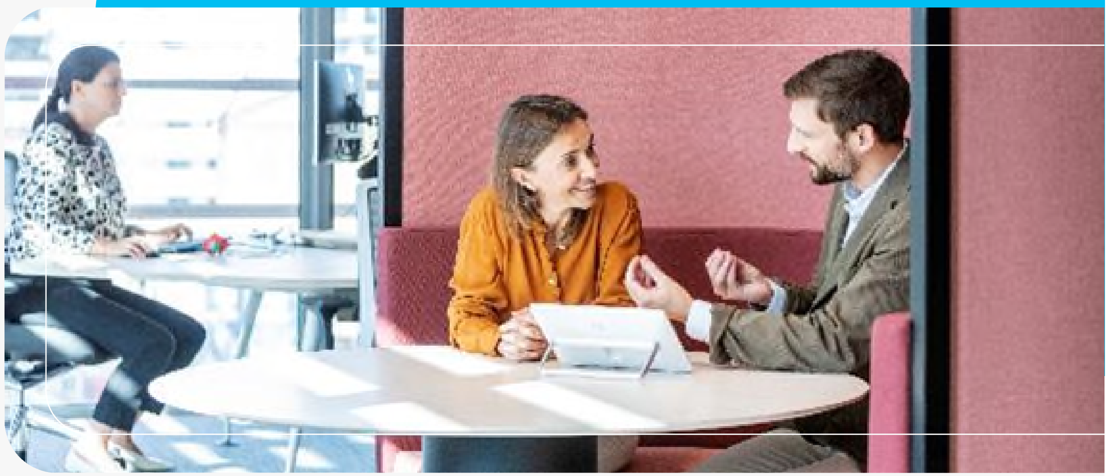
Balance sheet spread [1]: the difference between: (i) average rate of return on assets (annualised interest income for the half year divided by total average assets for the period), and; (ii) average cost of funds (annualised interest expenses for the half year divided by total average funds for the period). Allows the Group to track the spread between interest income and cost for its on-balance sheet assets and liabilities.

		1H23 (IFRS 17/9)	1H22 (IFRS 17/9)
Numerator	Annualised half-year interest income	16,135	8,266
Denominator	Average total assets for the half year	619,396	713,767
(a)	Average return rate on assets (%)	2.60	1.16
Numerator	Annualised half-year finance expenses	6,810	2,279
Denominator	Average total funds in the half-year period	619,396	713,767
(b)	Average cost of fund rate (%)	1.10	0.32
	Balance sheet spread (%) (a - b)	1.50	0.84

[1] 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: 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) average shareholder equity plus valuation adjustments for the last 12 months (calculated as the average value of the monthly average balances). Allows the Group to monitor the return on its shareholder equity.

		1H23 (IFRS 17/9)	1H22 (IFRS 4)
(a)	Profit/(loss) attributable to the Group 12M	3,692	2,617
(b)	Additional Tier 1 coupon	(257)	(276)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**3,435**	**2,342**
(c)	Average shareholder equity 12M	35,832	36,490
(d)	Average valuation adjustments 12M	(2,003)	(1,709)
Denominator	**Average shareholder equity + valuation adjustments 12M (c+d)**	**33,830**	**35,232**
	ROE (%)	10.2%	6.6%
(e)	Extraordinary income from the merger in 2021		(37)
Numerator	**Adjusted numerator 12M (a+b+e)**		**2,378**
	ROE (%) ex M&A impacts		6.8%



CaixaBank

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.

		1H23 (IFRS 17/9)	1H22 (IFRS 4)
(a)	Profit/(loss) attributable to the Group 12M	3,692	2,617
(b)	Additional Tier 1 coupon	(257)	(276)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**3,435**	**2,342**
(c)	Average shareholder equity 12M	35,832	36,940
(d)	Average valuation adjustments 12M	(2,003)	(1,709)
(e)	Average intangible assets 12M	(5,312)	(5,210)
Denominator	**Average shareholder equity + valuation adjustments excluding intangible assets 12M (c+d+e)**	**28,517**	**30,022**
	ROTE (%)	12.0%	7.8%
(f)	Extraordinary income from the merger in 2021		(37)
Numerator	**Adjusted numerator 12M (a+b-f)**		**2,378**
	ROTE (%) ex M&A impacts		7.9%

ROA: quotient between: (i) net profit/(loss) (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity) and; (ii) 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.

		1H23 (IFRS 17/9)	1H22 (IFRS 4)
(a)	Profit/(loss) after tax and before minority interest 12M	3,694	2,622
(b)	Additional Tier 1 coupon	(257)	(276)
Numerator	**Adjusted net profit 12M (a+b)**	**3,438**	**2,346**
Denominator	**Average total assets 12M**	**658,680**	**699,832**
	ROA (%)	0.5%	0.3%
(c)	Extraordinary income from the merger in 2021		(37)
Numerator	**Adjusted numerator 12M (a+b-c)**		**2,383**
	ROTE (%) ex M&A impacts		0.3%

RORWA: quotient between: (i) net profit/(loss) (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity); (ii) 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.

		1H23 (IFRS 17/9)	1H22 (IFRS 4)
(a)	Profit/(loss) after tax and before minority interest 12M	3,694	2,622
(b)	Additional Tier 1 coupon	(257)	(276)
Numerator	**Adjusted net profit 12M (a+b)**	**3,438**	**2,346**
Denominator	**Risk-weighted assets (regulatory) 12M**	**215,623**	**217,093**
	RORWA (%)	1.6%	1.1%
(c)	Extraordinary income from the merger in 2021		(37)
Numerator	Adjusted numerator 12M (a+b-c)		**2,383**
	RORWA (%) ex M&A impacts		1.1%

Cost-to-income ratio: quotient between: (i) operating expenses (administrative expenses and depreciation and amortisation) (ii) 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.

		1H23 (IFRS 17/9)	1H22 (IFRS 4)
Numerator	**Administrative expenses, depreciation and amortisation 12M**	**5,677**	**6,366**
Denominator	**Gross income 12M**	**12,346**	**11,046**
	Cost-to-income (%)	46.0%	57.6%
Numerator	**Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M**	**5,645**	**6,194**
Denominator	**Gross income 12M**	**12,346**	**11,046**
	Cost-to-income ratio stripping out extraordinary expenses (%)	45.7%	56.1%
Numerator	**Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M**	**5,645**	**6,194**
Denominator	**Core income 12M**	**13,197**	**11,347**
	Core cost-to-income ratio (%)	42.8%	54.6%

Risk management

Cost of risk (CoR): quotient between: (i) total loan loss provisions recognised (twelve months) and; (ii) 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.

		1H23 (IFRS 17/9)	1H22 [1]
Numerator	Allowances for insolvency risk 12M	1,062	885
Denominator	Average of gross loans + contingent liabilities 12M	390,562	382,125
	Cost of risk (%)	0.27%	0.23%

Non-performing loan ratio: quotient between: (i) non-performing loans and advances to customers and contingent liabilities, using management criteria, and; (ii) 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.

		1H23 (IFRS 17/9)	1H22 [1]
Numerator	NPLs and advances to customers + contingent liabilities	10,317	12,424
Denominator	Total gross loans and contingent liabilities	393,583	391,816
	Non-performing loan ratio (%)	2.6%	3.2%

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

		1H23 (IFRS 17/9)	1H22 [1]
Numerator	Provisions on loans and contingent liabilities	7,880	8,126
Denominator	NPLs and advances to customers + contingent liabilities	10,317	12,424
	Coverage ratio (%)	76%	65%

1 The restatement to IFRS 17/9 in 2022 has not impacted the items used for calculating the risk management ratios presented.

Glossary

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.

		1H23 (IFRS 17/9)	1H22 [1]
Numerator	**High-quality liquid assets (HQLAs)**	**98,110**	**161,451**
Denominator	**Available balance under the ECB facility (non- HQLAs)**	**48,536**	**1,397**
	Total liquid assets (a + b)	146,646	162,847

Loan to deposits: quotient between: (i) net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions), together with customer deposits and accruals and; (ii) on-balance sheet customer funds. Metric showing the retail funding structure (allows us to value the proportion of retail lending being funded by customer funds).

		1H23 (IFRS 17/9)	1H22 [1]
Numerator	**Loans and advances to customers, net (a-b-c)**	**353,539**	**351,449**
(a)	Loans and advances to customers, gross	363,952	362,770
(b)	Provisions for insolvency risk	7,376	7,767
(c)	Brokered loans	3,037	3,554
Denominator	**Customer deposits and accruals (d+e)**	**388,380**	**398,789**
(d)	Customer deposits	388,183	398,773
(e)	Accruals included in Reverse repurchase agreements and other	197	16
	Loan to Deposits (%)	91%	88%

1 The restatement to IFRS 17/9 in 2022 has not impacted the items used for calculating these ratios.

Stock market ratios

EPS (Earnings per share): quotient between: (i) profit/(loss) attributed to the Group (adjusted by the amount of the Additional Tier 1 coupon, registered in shareholder equity) and (ii) the average number of shares outstanding.

		1H23 (IFRS 17/9)	1H22 (IFRS 4)
Numerator	**Profit/(loss) attributable to the Group 12M ex M&A impacts merger**	**3,692**	**2,654**
Denominator	**Average number of shares outstanding, net of treasury shares**	**7,566**	**8,034**
	EPS (Earnings per share)	0.49	0.33
	Additional Tier 1 coupon	(257)	(276)
Numerator	**Numerator adjusted by AT1 coupon**	**3,435**	**2,378**
	EPS (earnings per share) adjusted by AT1 coupon	0.45	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.

CaixaBank

Glossary

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

		1H23 (IFRS 17/9)	1H22 (IFRS 4)
Numerator	Share price at the end of the period	3.787	3.317
Denominator	Earnings per share (EPS)	0.49	0.33
	PER (Price-to-earnings ratio)	7.76	10.04

Dividend yield: quotient between: (i) dividends paid (in shares or cash) in the last year; (i) share price at the end of the period.

		1H23	1H22
Numerator	Dividends paid (in shares or cash) last financial year	0.23	0.15
Denominator	Share price at the end of the period	3.787	3.317
	Dividend yield (%)	6.09%	4.41%

Book value per share (BV): quotient between (i) equity less minority interests and; (ii) the number of outstanding shares 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).

Outstanding shares equals shares issued (less treasury shares) at a specific date.

TBV (Tangible book value per share): quotient between: (i) net equity less minority interests and intangible assets, and; (ii) the number of outstanding shares at a specific date.

P/BV: share price at the end of the period divided by book value.

P/BV: share price at the end of the period divided by tangible book value.

		1H23 (IFRS 17/9)	1H22 (IFRS 4)
(a)	Equity	34,044	34,843
(b)	Minority interests	(32)	(31)
Numerator	Adjusted equity (c= a+b)	34,012	34,811
Denominator	Shares outstanding, net of treasury shares (d)	7,495	7,862
e= (c/d)	Book value (€/share)	4.54	4.43
(f)	Intangible assets (reduce adjusted equity)	(5,363)	(5,340)
g= [(c+f)/d]	Tangible book value (€/share)	3.82	3.75
(h)	Share price at the end of the period	3.787	3.317
h/e	P/BV (Share price divided by book value)	0.83	0.75
h/g	P/BV tangible (Share price divided by tangible book value)	0.99	0.88

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 expenses

Trading income. Includes the following line items:

- Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss (net).
- Gains/(losses) on financial assets not designated for trading compulsorily measured fair value through profit or loss (net).
- Gains/(losses) on financial assets and liabilities held for trading, net.
- Gains/(losses) from hedge accounting, net.
- Exchange differences (net).

Administrative expenses, depreciation and amortisation. Includes the following line items:

- Administrative expenses.
- Depreciation and amortisation.

Pre-impairment income. Includes the following line items:

- (+) Gross income.
- (-) Operating expenses.

Impairment losses on financial assets and other provisions. Includes the following line items:

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss or gains/(losses) on adjustments.
- Provisions/(reversal) of provisions.

Of which: Allowances for insolvency risk.

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss corresponding to Loans and advances to customers, using management criteria.
- Provisions/(reversal) of provisions corresponding to Provisions for contingent liabilities, using management criteria.

Of which: Other charges to provisions.

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss, excluding balances corresponding to Loans and advances to customers, using management criteria.
- Provisions/(reversal) of provisions, excluding provisions corresponding to contingent liabilities using management criteria.

Gains/(losses) on derecognition of assets and others. Includes the following line items:

- Impairment or reversal of impairment on investments in joint ventures or associates.
- Impairment or reversal of impairment on non-financial assets.
- Gains/(losses) on derecognition of non-financial assets and investments, net.
- Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net).

Profit/(loss) attributable to minority interests and others. Includes the following line items:

- Profit/(loss) for the period attributable to minority interests (non-controlling interests).
- Profit/(loss) after tax from discontinued operations.

Reconciliation of activity indicators using management criteria

Loans and advances to customers, gross

June 2023 *(€ million)*	
Financial assets at amortised cost - Customers (Public Balance Sheet)	**355,214**
Clearing houses and sureties provided in cash	(2,122)
Other, non-retail, financial assets	(279)
Fixed income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Public Balance Sheet)	**3,763**
Provisions for insolvency risk	**7,376**
Loans and advances to customers (gross) using management criteria	363,952

Institutional financing for the purpose of managing bank liquidity

June 2023 *(€ million)*	
Financial liabilities at amortised cost - Debt securities issued (Public Balance Sheet)	**53,006**
Institutional financing not considered for the purpose of managing bank liquidity	**(4,562)**
Securitised bonds	(1,028)
Value adjustments	(2,468)
Retail	(1,420)
Issues acquired by companies within the group and other	354
Customer deposits for the purpose of managing bank liquidity1	**4,663**
Institutional financing for the purpose of managing bank liquidity	**53,108**

Customer funds

June 2023 *(€ million)*	
Financial liabilities at amortised cost - Customer deposits (Public balance sheet)	**397,040**
Non-retail funds (registered under Financial liabilities at amortised cost - Customer deposits)	**(7,319)**
Multi-issuer covered bonds and subordinated deposits	(4,668)
Counterparties and other	(2,651)
Retail funds (registered under Financial liabilities at amortised cost - Debt securities)	**1,420**
Retail issues and other	1,420
Liabilities under insurance contracts, using management criteria	**72,748**
Total on-balance sheet customer funds	463,890
Assets under management	**156,111**
Other accounts[1]	**7,823**
Total customer funds	627,824

Insurance contract liabilities

June 2023 *(€ million)*	
Liabilities under the insurance business (Public Balance Sheet)	**66,866**
Financial component's correction as a result of updating the liabilities in accordance with IFRS 17 (excluding unit link and other)	1,756
Financial liabilities designated at fair value through profit or loss (Public Balance Sheet)	**3,370**
Other financial liabilities not considered as Insurance contract liabilities	(8)
Financial liabilities of BPI Vida registered under Financial liabilities at amortised cost - Customer deposits	**764**
Insurance contract liabilities, using management criteria	72,748

1 Comprising 4,630 million euros in multi-issuer covered bonds (net of retained issues) and 33 million euros in subordinated deposits.

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

Annex

Group structure

CaixaBank Group 44,683 » **CaixaBank, S.A.** 36,048 | Credit institution Spain

> BUSINESS SUPPORT

GROUP ENTITIES

- 708 CaixaBank Operational Services (100%) — Services for back office administration
- 813 CaixaBank Tech (100%) — Provision of IT services
- 192 CaixaBank Facilities Management (100%) — Project management, maintenance, logistics and procurement
- 135 CaixaBank Intelligence (100%) — Development of digital projects

ASSOCIATES AND JOINT VENTURES

- IT Now (49%) — Technology and IT services and projects

> BUSINESS ACTIVITY

GROUP ENTITIES

- 613 CaixaBank Payments & Consumer (100%) — Consumer finance and payment methods
  - 52 Wivai SelectPlace S.A.U (100%) — Product marketing
  - 8 Telefónica Consumer Finance (50%) — Consumer finance
  - 8 CaixaBank Equipment Finance (100%) — Vehicle and equipment leasing
- 208 Building Center (100%) — Holder of real estate assets
  - Bankia Habitat (100%) — Real-estate administration, management and operation
  - Living Center (100%) — Real estate development
- 789 VidaCaixa (100%) — Life insurance and pension fund management
  - 72 BPI Vida e Pensões (100%) — Life insurance and pension fund management
  - 17 Sa Nostra Vida (100%) — Insurance
- 256 CaixaBank Asset Management (100%) — Collective investment Institution' management
  - 40 BPI Gestão de ativos (100%) — Collective investment Institution' management
  - 6 CaixaBank AM Luxembourg (100%) — Collective investment Institution' management
- 4,378 Banco BPI (100%) — Credit institution
- 20 Bankia Mediación (100%) — Banking-insurance operator
- 61 Imaginersgen (100%) — Management of youth sector of the bank
- 41 Nuevo MicroBank (100%) — Financing of micro-credits
- 14 CaixaBank Wealth Management Luxembourg (100%) — Credit institution Luxembourg
- 11 CaixaBank Titulización (100%) — Securitisation fund management

ASSOCIATES AND JOINT VENTURES

- Comercia Global Payments Entidad de Pago, S.L (20%) — Payment entity
- ServiRed (41%) — Spanish payment method company
- Global Payments Money To Pay, S.L (49 %) — Payment entity
- Redsys Servicios de Procesamiento (25 %) — Payment methods
- Coral Homes (20%) — Real estate services
- Gramina Homes (20%) — Real-estate administration, management and operation
- SegurCaixa Adeslas (49.9%) — Non-life insurance
- Companhia de Seguros Allianz Portugal (35%) — Insurance
- Banco comercial e de Investimentos (36%) — Insurance

→ Number of employees. Company subgroups. (%) Percentage stake at 30 June 2023.

Note: This includes the most relevant entities in terms of their contribution to the Group, excluding operations of a shareholding nature (dividends), extraordinary operations, and non-core activities: Inversiones Inmobiliarias Teguise Resort S.L. (144 employees), Líderes de Empresa Siglo XXI, S.L. (6), among others.