CaixaBank

SUPPLEMENT TO THE UNIVERSAL REGISTRATION DOCUMENT OF CAIXABANK, S.A. REGISTERED WITH THE OFFICIAL REGISTRIES OF THE COMISION NACIONAL DEL MERCADO DE VALORES ON 27 MAY 2021

This supplement (hereinafter, the "**Supplement**") to the Universal Registration Document of CaixaBank, S.A. (hereinafter, the "**Issuer**"), which has been prepared in accordance with provisions laid out by Appendix II of Regulation (EU) 2017/1129 of the European Parliament and of the Council and Appendixes 1, 2 and 20 of Commission Delegated Regulation (EU) 2019/980, and registered with the Official Registries of the *Comisión Nacional del Mercado de Valores* ("**CNMV**") on 27 May 2021 with official registry number 11170 and to the Base prospectus for non-participating securities of the Issuer registered with the Official Registries of the CNMV on 13 July 2021 with official registry number 11194; constitutes a supplement in accordanc with article 22 of the Royal Decree 1310/2005, of 4 November, partially implementing the Securities Market Act (Law 24/1988, of 28 July) in matters affecting securities listings on official secondary markets, public offers for sale or subscription of securities, and the required prospectus to such purposes.

This Supplement must be read jointly with the Universal Registration Document and, as the case may be, with any other amendment of supplement to such Universal Registration Document that the Issuer may publish in the future and jointly with the Base prospectus for non-participating securities and, as the case may be, with any other amendment of supplement to such Base prospectus for non-participating securities that the Issuer may publish in the future.

This Supplement has been approved by the CNMV as competent authority by virtue of the Regulation (EU) 2017/1129. The CNMV only approved this Supplement as meeting the requirements imposed by Regulation (EU) 2017/1129.

1. PERSONS RESPONSIBLE FOR THE INFORMATION

Matthias Bulach, Head of Accounting, Management Control and Capital, for and on behalf of the Issuer, by virtue of the resolution adopted by the Board of Directors on 30 March 2021, assumes responsibility for the content of this Supplement.

Matthias Bulach declares that the information contained in this Supplement is, to the best of his knowledge, accurate and truthful and does not omit anything likely to affect its import.

2. AMENDMENT OF THE RISK FACTORS SECTION OF THE UNIVERSAL REGISTRATION DOCUMENT DE LA SECCIÓN FACTORES DE RIESGO DEL DOCUMENTO DE REGISTRO UNIVERSAL

The Risk Factors section of the Universal Registration Document is amended, the content of which is now replaced by the following:

RISK FACTORS

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

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

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

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

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

The materiality of these risks is not only conditioned by the exposure to them and by how efficiently they are controlled and managed. The Group is also exposed to relevant events that might result in a significant impact for the Group in the medium term and affect the materiality of several risks of the Corporate Risk Taxonomy ("**Strategic Events**"). The Risk Assessment process is also the main source of identification of these Strategic Events.

Using the above-mentioned architecture for identifying and analysing risks and events, the RISK FACTORS of the URD are implemented using the following structure:

1. Risk factors corresponding to Strategic Events which might affect the materiality of the risks contained in the Group's Corporate Risk Taxonomy, particularly focused on the recent pandemic caused by the SARS-CoV-2 coronavirus ("**COVID-19**") and the merger with Bankia.

2. Risk factors linked to the main quantitative and qualitative risk indicators of the Taxonomy, ordered by materiality within each one of their respective categories.

3. Risk factor of the Issuer's credit rating.

1.1. RISK FACTORS CORRESPONDING TO STRATEGIC EVENTS: COVID-19 AND MERGER WITH BANKIA

The most relevant Strategic Events identified by the Group are as follows: (1) the uncertainties of the geopolitical and macroeconomic environment; (2) the arrival of new competitors with the possibility to disrupt; (3) cybercrime and data protection; (4) changes to the legal, regulatory or supervisory framework; (5) pandemics and other extreme operational events; and (6) the merger with Bankia.

The COVID-19 pandemic

Since the onset of the COVID-19 pandemic, CaixaBank has been continuously assessing and managing the impact on the Group's financial position and risk profile. Similarly, in recent months, legislators, regulators and supervisors, both at the national and international level, have been issuing regulations, statements and guidelines, primarily to ensure that financial institutions focus their efforts on providing critical financial activities to support the economy as a whole and guarantee the consistent application of regulatory frameworks.

Accordingly, in 2020 the Spanish government approved several Royal Decree-Laws (RDL) on extraordinary urgent measures to address the economic and social impact of COVID-19. These include most notably the extension of the moratorium on evictions for vulnerable borrowers and the broadening of the concept of vulnerable groups, the moratorium on mortgage debt for the purchase of the primary residence of retail customers, the moratorium on consumer loans, and the extension of public guarantees from the Spanish Official Credit Institute for affected companies and self-employed workers. In addition, other RDLs were passed to support the following economic sectors: tourism, automotive, transport, construction and energy.

In addition, CaixaBank complemented the public moratorium with other sectoral and private agreements and extended the support offered by the public guarantee lines to the business sector through working capital lines and special financing lines, among others.

Meanwhile, the Portuguese government also approved similar extraordinary measures to address the economic and social impact of COVID-19.

In relation to these measures, as of 30 June 2021, the Group's non-expired moratorium loans amounted to €6,789 million (€14,356 million as of 31 December 2020), including both the legal moratorium and that derived from additional sectoral agreements to the legal moratorium. Furthermore, total government-backed funding as of 30 June 2021 amounted to €22,841 million (€13,191 million as of 31 December 2020). All figures as of 31 December 2020 exclude Bankia as they refer to data obtained before control was obtained.

As of 31 December 2020, Bankia reported a balance of €4.64 billion in current loans under moratorium and €8.2 billion in government-backed lending.

Since March 2021, the Spanish government has passed several additional RDLs that will affect the activity of the entire financial sector in the context of COVID-19. Of particular note are the extraordinary measures to support corporate solvency, which will be channelled through three lines (i.e., direct aid, financial debt restructuring and the corporate recapitalisation fund); the Code of Good Practices for the renegotiation framework for customers with government-backed financing; the extension of the application deadline and adaptation of the conditions of the aforementioned RDL-regulated guarantees and the development of the recovery system for issued guarantees.

In addition, the European Union has launched the *Next Generation* EU Programme (NGEU), endowed with EUR 750 billion to boost the recovery of the member states from the pandemic. Under this programme, each member state must submit an investment and reform plan to be implemented by 2026. The Recovery, Transformation and Resilience Plan (PRTR), approved on 27 April 2021 by the Spanish Government, encompasses the lines of action of the NGEU in Spain and is centred on ecological transition, digital transformation, gender equality, and social and territorial cohesion.

Furthermore, from a prudential perspective, initiatives have also been undertaken to manage the COVID-19 environment. Of particular note is the CRR *quick-fix* solution (see subsection 12 of the Complementary Information to the URD, "Solvency"), which entered into force on 28 June 2020, supporting the European Commission's plan to provide temporary and targeted relief from prudential rules for EU banks.

Meanwhile, the guidelines issued by the European Banking Authority ("**EBA**") on legislative and non-legislative moratoria granted until 30 June 2020 (subsequently extended until 30 September 2020, 31 March 2021 and 30 June 2021) include general criteria related to the conditions under which they may not be directly classified as refinancings. On 27 March 2020, the IASB issued educational material on how to apply the IFRS 9 standard in terms of credit risk in the COVID-19 environment. While this standard requires the use of expert judgement, it also requires and enables banks to adjust their approach to determining expected losses in different circumstances.

In this regard, the Group has stepped up the monitoring of credit risk from multiple perspectives using specific tools to identify proactively and in advance the significant increase in credit risk ("**SICR**"), and, as a result, the accounting classification and the need for provisions, where the case may be. Accordingly, the Group has strengthened the recurrent criteria for determining the significant increase in credit risk by considering other criteria in addition to those included in the recurrent framework. Specifically, additional criteria have been included in customers in which the company and family support mechanisms (chiefly general moratoria and state-backed financing) may have affected their classification under general criteria, either due to the lower financial burden born by the borrowers from the individuals sector, or for other reasons such as the gap between the effect of the COVID-19 and the drafting and presentation of companies' annual accounts. It is a temporary overlay on SICR criteria, which will be reviewed with the evolution of the environment. Under no circumstances has the granting of financial aid involved an improvement in the accounting classification of the exposure, and the ordinary accounting management procedures of credit impairment have not been suspended or relaxed. The Group has also analysed the changes in the macroeconomic scenarios and modified the weighting established for each scenario used to calculate the expected credit risk loss under the accounting standard IFRS 9 - Financial Instruments. This analysis was carried out using internal economic projection scenarios based on the impact of COVID-19 on the economy and different levels of severity. The change in the macroeconomic scenario due to the impact of COVID-19 led to the recognition of a credit risk provision of €1,252 million as of 31 December 2020. As of 30 June 2021, credit risk provisions totalled €1,395 million after the Merger. By combining scenarios, the uncertainty of the projections can be reduced in the current context. However, these provisions will be updated in the coming quarters as new information becomes available. For more information on the impact of COVID-19, see Note 3.4.1 of the 2020 Consolidated Annual Financial Statements (as defined in "*Additional Information -Documents on Display*") and Note 3 of the Interim Consolidated Financial Statements (as defined in "*Additional Information -Documents on Display*"), which are incorporated by reference to this URD.

In relation to other balance sheet assets, as a consequence of the impact of COVID-19 on the economic climate and the extended low interest rate environment, a provision of EUR 311 million associated with Erste Group Bank, A.G. (Erste) was recognised in the fourth quarter of 2020 under conservative criteria.

Regarding deferred tax assets, the analysis of the impairment tests has not resulted in the need to recognise any additional impairment as of 30 June 2021. In addition, in the context of the merger with Bankia, it was considered reasonable not to recognise tax losses amounting to €2,023 million. The current recovery period for on-balance sheet tax assets is below 15 years. For more information, please see Note 19 ("Tax position") of the Interim Consolidated Financial Statements. As of 30 June 2021, deferred tax assets totalled €19,178 million after the merger with Bankia (€9,794 million as of 31 December 2020).

Regarding capital, as described in section 2.3.2 "Capital/solvency risks" of this section on RISK FACTORS, CaixaBank has also adopted measures to strengthen solvency as it has the capacity and flexibility to support the economy in response to COVID-19.

Por último, el 27 de marzo de 2020 Fitch Ratings Ireland Limited ("**Fitch**") revisó su perspectiva del entorno operativo del sector bancario español a Negativa desde Estable debido a la COVID-19 y, en consecuencia, la perspectiva del rating emisor a largo plazo de CaixaBank (BBB+) también fue revisada a Negativa desde Estable. En septiembre de 2020, Fitch confirmó los ratings de CaixaBank y mantuvo la perspectiva Negativa. Por su parte, el 26 de marzo de 2020 Moody's Investors Service España, S.A. ("**Moody's**") también cambió la perspectiva del sector bancario español a Negativa desde Estable. En marzo de 2021, Moody's actualizó su evaluación del sector bancario español revisando la perspectiva del sector de nuevo a Estable desde Negativa para reflejar que un repunte en la economía y el esfuerzo en provisiones anticipatorias realizado en el sector ante potenciales aumentos de activos dudosos protegerán la solvencia de los bancos en los próximos 12 a 18 meses. Entre 2020 y 2021, Moody's ha confirmado los ratings de CaixaBank y ha mantenido la perspectiva estable sobre el rating emisor a largo plazo de la Entidad (Baa1). En cuanto a S&P Global Ratings Europe Limited ("**S&P Global**"), el 29 de abril de 2020 revisó la tendencia del riesgo económico de la banca española a Negativa desde Estable, sin tomar ninguna acción sobre los ratings de CaixaBank. Desde entonces, S&P Global ha revisado los ratings de CaixaBank en septiembre de 2020, en marzo de 2021 y en abril de 2021, confirmando en todas las ocasiones los ratings de CaixaBank y manteniendo la perspectiva estable del rating emisor a largo plazo de la Entidad (BBB +) para reflejar su opinión de que las posibles presiones económicas se verán compensadas por el nivel de los instrumentos de deuda bail-inables de CaixaBank. Las confirmaciones del rating de CaixaBank por parte de Fitch, Moody's y S&P Global ya tienen en consideración el impacto en el perfil de crédito de la Entidad de la culminación de la fusión por absorción de Bankia.

Merger with Bankia.

On 18 September 2020, CaixaBank announced that its Board of Directors had approved the joint merger plan for the merger of Bankia (absorbed company) into CaixaBank (absorbing company). The merger was approved by the shareholders' meetings of CaixaBank and Bankia held on 3 December 2020 and 1 December 2020 respectively and, after, obtaining the required authorisations, the merger was registered with the Commercial Registry of Valencia on 26 March 2021 and, thus, became effective as of that date.

Notwithstanding the above, CaixaBank may be incapable of successfully integrating the business of Bankia from an operational perspective and there could be hidden or unknown liabilities and defects. All of this could impede the benefits identified when drawing up the joint merger project from materialising.

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

2.1 RISKS SPECIFIC TO THE FINANCIAL ACTIVITY

2.1.1 Credit risks and impairment of other assets

The Group considers credit risk as a decrease in the value of the CaixaBank Group's assets due to uncertainty about a customer's or counterparty's ability to meet its obligations to the Group. In addition, the risk of a reduction in the value of the Group's equity holdings and non-financial assets (mainly tangible assets such as real estate, intangible assets and tax assets), is defined under as the "*risk of impairment of other assets*").

Credit risk is the most significant on the Group's balance sheet as it is exposed to the credit solvency of its clients and counterparties. It may therefore experience losses in the event of total or partial non-compliance of their credit obligations as a result of a decrease in their creditworthiness and the recoverability of the assets. Credit risk includes climatic risk defined as the deterioration in the repayment capacity of the Group's debtors as a consequence of the real or expected materialization of physical risks of gradual or abrupt climatic events (on its assets, supply chains, etc.) or of the losses that could generate the transition risks to a low carbon economy (regulatory changes, technological changes, new customer preferences, etc.).

Gross loans and advances to customers stood at €363,012 million as of 30 June 2021 (€243,924 million as of 31 December 2020, a 7.3% increase compared to €227,406 million as of 31 December 2019, due largely to the increase in loans to companies (16.6% increase)). The organic change in the first semester of 2021 (i.e., excluding the balances contributed by Bankia) was a 0.8% decrease.

The Group's non-performing loans as of 30 June 2021 amounted to €14,005 million (€8,601 million on 31 December 2020 and €8,794 million on 31 December 2019), resulting in an NPL ratio of 3.6% as of 30 June 2021 (4.4% in loans to individuals, 3.3% in loans to businesses (of which 3.1% ex real estate developer and 6.5% real estate developer) and 0.3% in the public sector). As of 31 December 2020, the NPL ratio stood at 3.3% (4.5% in loans to individuals, 2.7% in loans to businesses (of which 2.4% ex real estate developer and 6.7% real estate developer) and 0.1% public sector).

With regards to Bankia, Gross loans and advances to customers amounted to €124,328 million as of 31 December 2020, 3.1% higher than as of 31 December 2019 (€120,623 million), mainly due to new disbursed ICO-guaranteed loans to businesses. The amount of non-performing loans ("**NPLs**") as of 31 December 2020 was €6,213 million compared to €6,465 million as of 31 December 2019. As of 31 December 2020, the NPL ratio was 4.75%, compared to 5.04% in December 2019, due to credit growth, effective risk management and sales of portfolios and individually assessed loans.

The provisions for insolvency risk as of 30 June 2021 stood at €9,001 million. As of 31 December 2020, these provisions raised to €5,755 million compared to €4,863 million as at 31 December 2019. As at 30 June 2021 the NPL coverage ratio given this stock of provisions was 64% (as at 31 December 2020, it was 67% compared to 55% as at 31 December 2019).

As at 30 June 2021, refinanced transactions amounted to €12,537 million (out of this amount, €7,460 million were classified as non-performing). Provisions associated with these transactions totalled €2,664 million as at 30 June 2021. As at 31 December 2020, refinanced transactions amounted to €6,874 million (out of this amount, €4,796 million were classified as non-performing). Provisions associated with these transactions totalled €1,648 million as at 31 December 2020.

The gross NPA (non-performing assets) balance, which encompasses non-performing loans and foreclosed assets available for sale and rent, was €20,250 million as at 30 June 2021 compared to €12,571 million as at 31 December 2020 and €13,127 million as at 31 December 2019.

In terms of sovereign risk, the total exposure to Spanish and Portuguese sovereign debt securities and loans of the Group totalled €96,715 million as at 30 June 2021 (€50,563 million as at 31 December 2020 and €35,024 million as at

31 December 2019). The exposure to Italian sovereign securities of the Group stood at €2,782 million as at 30 June 2021 (€2,642 million as at 31 December 2020 and €3,065 million as at 31 December 2019).

As at 30 June 2021, loans to individuals made up 53% of the gross loans to customers portfolio composition, followed by financing to businesses (excluding real estate developers) representing 39%, public sector 7% and real estate developers 1% (50%, 41%, 7% and 2% , respectively, as at 31 December 2020).

As at 30 June 2021, the credit granted to individuals was €192,592 million, of which 75% of the total was concentrated in the acquisition of homes. As at 31 December 2020, the credit granted to individuals was €120,648 million, of which 71% of the total was concentrated in the acquisition of homes.

The exposure to the construction and real estate development sector amounted to €6,234 million as at 30 June 2021 and €5,720 million as at 31 December 2020.

The risk related to the equity portfolio in the banking book is the risk associated with the possibility of incurring losses as the result of fluctuations in market prices, disputes among shareholders and/or default on the positions making up the equity portfolio with a medium to long time horizon (for example the Group's stakes in Telefónica, S.A. ("**Telefónica**"), Erste and Banco de Fomento de Angola SA). Thus, the Group faces risks derived from any potential acquisitions and divestments as well as the inherent risks to which the investees are exposed, for instance, in their management, business sector, geography and regulatory framework. The exposure and the capital requirements of the equity portfolio totalled €7,585 million and €1,568 million, respectively, as of 31 March 2021 (€6,717 million and €1,338 million, respectively as of 31 December 2020 and €8,057 million and €1,465 million by year-end 2019), representing 1.2% of total credit risk exposure and 10.5% of total credit capital requirements (1.7% and 13.0%, respectively, as at 31 December 2020 and 2.7% and 13.8%, respectively, as at 31 December 2019). Both exposure and capital requirements of the equity portfolio include those of the Group's insurance subsidiary VidaCaixa, S.A.U. de Seguros y Reaseguros ("**VidaCaixa**"), given that the insurance business is consolidated by the equity method in the prudential balance sheet according to capital regulation.

2.1.2 Actuarial risk

Actuarial risk, based on the European Directive Solvency II, is the risk of loss or adverse change in the value of liabilities undertaken through insurance or pension contracts with customers or employees resulting from a divergence between actuarial variables used for pricing and reserves, and their developments.

Actuarial risk management stems from the regulatory framework set out at European level (Solvency II and the European Insurance and Occupational Pensions Authority (EIOPA)) and the Spanish Directorate General of Insurance and Pension Funds (DGSFP). Therefore, policies and monitoring procedures are settled to oversee the technical evolution of marketed insurance products which are affected by the following risk factors: mortality, longevity, disability, expense and lapse risk in underwriting life contracts and lapse, expense and claims ratio in the lines of business for non-life and health insurance obligations[1].

Thus, for each line of business, both policies of underwriting and reinsurance identify different risk parameters for approval, management, measurement, rate-setting and, lastly, to calculate and set the liabilities covering the underwritten contracts. Additionally, general operating procedures are set to control the underwriting process.

The CaixaBank insurance group, headed by VidaCaixa, is integrated for the regulatory capital requirements purposes of the Group under the optics of prudential banking supervision within credit risk as an investee portfolio. Likewise, the insurance business is also subject to sectorial supervision by the DGSFP. In this area, as at 31 December 2020 VidaCaixa Group had a Solvency Capital Requirement (SCR) coverage ratio of 172%, 3 percentage points higher than by the end of the previous financial year.

Out of the €4,181 million net profit attributable to the Group in the six months ended on 30 June 2021, €359 million (8.6% thereof) derived from the insurance business. Out of the EUR 1,381 million net profit attributable to the Group in the 2020 financial year, EUR 888 million (64% thereof) derived from the insurance business, which represented an increase of 18% with respect to 2019.

[1] In terms of the proportional part of the capital requirements applicable to the participation in SegurCaixa Adeslas.

2.1.3 Structural rates risk

Structural interest rate risk

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

Possible sources of interest rate risk in the banking book are gap risk[2], basis risk[3] and optionality risk[4]. The assets and liabilities subject to structural interest rate risk are all those positions that are sensitive to interest rates in the balance sheet (such as variable interest rate loans and deposits), excluding the calculation of positions of the trading book.

No regulatory capital requirements are defined for this risk. At the end of 2020, the net interest income sensitivity of the Group for the interest rates-sensitive balance sheet under a 100 basis points up/down shock was 7.19%/-0.25%[5]. The economic value sensitivity of the Group for the interest rates-sensitive balances sheet as a percentage of the Tier 1 capital was 7.12%/- 6.53%.

Structural Exchange rate risk

The structural exchange rate risk is considered as the potential loss in market value of the balance sheet due to adverse movements in exchange rates. The Group has foreign currency assets and liabilities in its balance sheet because of its commercial activity and shareholdings, in addition to the foreign currency assets and liabilities deriving from the Group's measures to mitigate exchange rate risk.

The equivalent Euro value of all foreign currency assets and liabilities in the CaixaBank Group's balance sheet as at 31 December 2020 was EUR 15,018 million and EUR 8,485 million, respectively, and EUR 16,459 million and EUR 11,367 million, respectively, as at 31 December 2019. For further information on foreign currency positions of the Group, as well as the main balance sheet items by currency, see Note 3.4.5 of the 2020 consolidated annual accounts of CaixaBank – Structural exchange rate risk.

2.1.4 Market risk

It refers to the loss of value, with impact on results or solvency, of a portfolio (set of assets and liabilities), due to unfavorable movements in prices or market rates primarily due to fluctuations in interest rates, exchange rates, credit spreads, external factors or prices on the markets where said assets/liabilities are traded.

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

The consumption of the average one-day VaR at 99% attributable to the various risk factors stood for EUR 2.44 million in 2020 (EUR 1.23 million in 2019). The main of those risk factors are corporate debt spread, interest rates (including sovereign debt credit spread) and share price volatility.

Moreover, market volatility may have an impact on the income statement ("Gains/losses on financial assets and liabilities held for trading, net") due to changes to the Credit Valuation Adjustments (CVA), Debit Valuation Adjustments (DVA) and Funding Valuation Adjustments (FVA). CVA and DVA are added to the valuation of Over The Counter (OTC) derivatives (both for hedge accounting and held for trading) due to the risk associated with the

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[2] Gap risk refers to the potential adverse effect related to the difference between the timings or regularity in reviewing the instruments sensitive to interest rates, altogether with parallel movements (parallel risk) or different movements per tranches (non-parallel risk) in the interest rate curve.
[3] Basis risk is created by the imperfect correlation in the evolution of interest risks underlying the different assets and liabilities of the balance sheet of the CaixaBank Group, even in those cases where those assets and liabilities have similar characteristics in terms of repricing or maturity. Basis risk is composed of a structural part (between market rates and administrative rates) and a non-structural part (as a result of the divergent movement between the different reference benchmarks on the market).
[4] Optionality risk derives from contractual rights of clients and of the CaixaBank Group to modify the original cashflows of certain asset, liability or off-balance sheet transactions and may arise as a result of the conduct of the client (in addition of interest rate levels, it may depend on other factors as the degree of leverage or offers of competitors) or may be activated automatically (in case of the occurrence of certain interest rates events).
[5] Net interest income sensitivity refers to the prudential scope of consolidation. Under the accounting scope of consolidation, as included in the Group's Consolidated Annual Accounts, sensitivity of the net interest income to a 100 basis points up/down shock is 6.7%/-0.2%.

counterparty's and own credit risk exposure, respectively. FVA is an additional valuation adjustment of derivatives of customer transactions that are not perfectly collateralized that includes the funding costs related to the liquidity necessary to perform the transaction.

2.2 OPERATIONAL AND REPUTATIONAL RISKS

The second risk category in terms of materiality comprises, in the first place, reputational risk and, in the second place, operational risk. CaixaBank identifies the following risks within the operational risk category, listed from more to less material: (i) conduct risk; (ii) legal/regulatory risk; (iii) IT risk; (iv) information reliability risk; (v) model risk and (vi) other operational risks.

2.2.1 Reputational risk

CaixaBank defines reputational risk as the possibility that the Group's competitive edge could be blunted by loss of trust of some of its stakeholders, based on their assessment of actions or omissions, whether real or purported, of the Group, its senior management or governing bodies, or because of related unconsolidated financial institutions going bankrupt (step-in risk).

The risk is monitored using internal and external selected reputational indicators from various sources of stakeholder expectations and perception analysis. By way of example this includes the risk of disinformation or "fake news", whereby false news is published in relation to a situation or performance.

Throughout 2019, 2020 and 2021, the measures related to the management of Environmental, Social & Governance (ESG) risks, defined as the risk of a possible reputational or economic loss resulting from failure to integrate ESG aspects in the strategy, in the Group's own performance, in the business (financing, investment and products) and in the support programmes for clients in difficulties or that activate the economy, especially in times of crisis (mortgage debtors, socially excluded groups, entrepreneurs, etc.). It also includes potential reputational or economic loss resulting from not entirely transparent tax structures, the perception of non-contribution of taxes or the presence of the Group in tax havens or low tax jurisdictions (either on its own or due to its clients).

The Group is also exposed to reputational risk in the case of certain operational events, for instance, in the context of the claim brought against CaixaBank for an alleged breach of anti-money laundering regulations (please see Note 17.2 of the the Interim Consolidated Financial Statements - Ongoing investigation in Central Investigation Office no. 2 (PD 16/18)), incorporated by reference to this URD.

Although the Group actively manages reputational risk using its external and internal reputational risk management policies and committees and developing in-house training to mitigate the appearance and effects of reputational risks, establishing protocols to deal with those affected by the Group's actions, or defining crisis and/or contingency plans to be activated if the various risks materialise, should reputational risks arise, this could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.2 Operational risk (aggregated)

In regulatory capital regulation, operational risk is defined as the possibility of incurring losses due to inadequacy or failure of internal processes, personnel and internal systems or from unforeseen external events.

The operational risk, from a regulatory perspective, includes the following risks from the Corporate Risk Taxonomy: conduct, legal/regulatory, technological, information reliability, model and other operational risks. **Conduct, regulatory, legal and information reliability risks** are particularly noted:

2.2.2.1 Conduct risk

Conduct risk is defined as the Group's risk arising from the application of conduct criteria that run contrary to the interests of its customers and stakeholders or CaixaBank and its employees, or from acts or omissions that are not compliant with the legal or regulatory framework, or with internal policies, codes and rules, or with codes of conduct and ethical and good practice standards, such as CaixaBank's Code of Business Conduct and Ethics. CaixaBank monitors its activity to ensure that the Group delivers positive outcomes to customers and the markets in which the Group operates.

This is particularly relevant in the context of increasingly complex and detailed laws and regulations whose implementation requires a substantial and sophisticated improvement of technical and human resources, such as those related to anti money laundering and data protection, where such acts or omissions as described above or inappropriate judgement in the execution of business activities could have severe consequences, including claims, sanctions, fines and an adverse effect on reputation.

2.2.2.2 Regulatory risk

The financial services industry is among the most highly regulated industries in the world. In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. The Group's operations are subject to ongoing regulation and associated regulatory risks, including the effects of changes in laws, regulations, policies and interpretations, in Spain, the EU and the other markets in which it operates. This is particularly the case in the current market environment, which is witnessing increased levels of government and regulatory intervention in the banking sector which is expected to continue for the foreseeable future. This creates significant uncertainty for the Bank and the financial industry in general.

The main regulations which most significantly affect the Group are those related to prudential supervision, bank recovery and resolution, and capital and liquidity requirements which have become increasingly stringent in the past few years (see *2.3.2. Own funds / solvency risk* and *2.3.3 Liquidity and funding risk*).

Regulation has also considerably increased in customer and investor protection, digital and technological matters, taxation and anti-money laundering, among others.

The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations are still ongoing and some of them have been recently adopted. As a result, the Group may be subject to an increasing incidence or amount of liability or regulatory sanctions and may be required to make greater expenditures and devote additional resources to address potential liability. This could lead to additional changes in the near future and also require the payment of levies, taxes, charges and compliance with other additional regulatory requirements.

Implementation of the relevant procedures, monitoring and other technical and human requirements in relation to recent laws and regulations, such as those related to data protection and anti-money laundering had, and could further have, an impact on the Group's business by increasing its operational and compliance costs and, if not implemented correctly or in case of breaches in the relevant procedures, could lead to legal and regulatory claims and sanctions (see *2.2.2.3 Legal risk*).

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

2.2.2.3 Legal risk

The Group is currently and, in the future, may be involved in various claims, disputes, legal proceedings and governmental investigations in jurisdictions where it is active (please see (please see Note 17.2 of the the Interim Consolidated Financial Statements incorporated by reference to this URD).

The Group is party to certain legal proceedings arising from the normal course of its business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters. The outcome of court proceedings is inherently uncertain. The Group maintains provisions under the concept "*Pending legal issues and tax litigation*" that it considers reasonable to cover the obligations that may arise from ongoing lawsuits based on available information, which totalled €671 million as of 30 June 2021 (€332 million as of 31 December 2020 and

€394 million as of 31 December 2019). In addition, the Group maintains provisions under the concept "*Other Provisions*", which totalled €656 million as of 30 June 2021 (€468 million as of 31 December 2020 and €497 million as of 31 December 2019) in order to cover, among others, the losses from agreements not formalised and other risks such as those related with the class action brought by ADICAE (the Association of Banking and Insurance Consumers, ("**ADICAE**")) due to the application of floor clauses in certain mortgage loans.

Regarding Bankia, provisions maintained under "Pending procedural issues and tax litigation" to cover the risks of lawsuits and proceedings arising from the ordinary course of operations, along with other legal, regulatory and tax risks amounted to EUR 195.9 million as of 31 December 2020 (EUR 224.5 million as of 31 December 2019).

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

2.2.2.4 Information reliability risk

Information Reliability Risk is defined as the risk stemming from deficiencies in the accuracy, integrity and criteria of the process used when preparing the data and information necessary to evaluate the financial and equity position of the CaixaBank Group, as well as the information disclosed to market and stakeholders that offers a holistic view of its position in terms of sustainability with the environment and that is directly related to environmental, social and governance aspects (ESG principles).

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying relevant accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements, include impairment of certain financial assets, the assumptions used to quantify certain provisions and for the actuarial calculation of post-employment benefit liabilities and commitments, the useful life and impairment losses of tangible and intangible assets, the valuation of goodwill and purchase price allocation of business combinations, the fair value of certain unlisted financial assets and liabilities, the recoverability of deferred tax assets and the exchange rate and the inflation rate of countries in which certain subsidiaries operate. There is a risk that if the judgment exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in significant loss to the Group, beyond that anticipated or provided for, which could have an adverse effect on the Group's business, financial condition and results of operations.

Observable market prices are not available for many of the financial assets and liabilities that the Group holds at fair value and a variety of techniques to estimate the fair value are used. Should the valuation of such financial assets or liabilities become observable, for example as a result of sales or trading in comparable assets or liabilities by third parties, this could result in a materially different valuation to the current carrying value in the Group's financial statements.

The further development of standards and interpretations under IFRS could also significantly affect the results of operations, financial condition and prospects of the Group.

Consolidated pro forma financial information of the Group and included in this URD has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council and the Commission Delegated Regulation (EU) 2019/980, with the sole purpose of providing information on how the merger by absorption of Bankia by CaixaBank might have affected the consolidated income statement for the year 2020 of CaixaBank's Group.

Such pro forma financial information was prepared to reflect a hypothetical situation for illustration purposes only, based on the assumptions described on it and is therefore not intended to represent the CaixaBank Group's actual income or cash flow from its operations during the annual period ended on 31 December 2020. PricewaterhouseCoopers Auditores, S.L. has issued a report dated 6 May 2021 on the compilation of the pro forma consolidated financial information included in the URD (see section 7 of the Complementary Information).

2.3 RISKS RELATED TO THE BUSINESS MODEL

Under this category CaixaBank identifies (sorted by materiality) business risk, solvency risk and liquidity risk. Business, liquidity and funding risks do not have regulatory capital requirements.

2.3.1 Business risk

The Group is exposed to business profitability risk which implies obtaining results either lower than market expectations or below the Group's internal targets, preventing the Group from reaching a level of sustainable returns higher than the cost of equity.

As at 30 June 2021, average yield measured as the Return on Tangible Equity (ROTE) reached a level higher tan the cost of equity up to 9.8% excluding extraordinary impacts linked to the merger (6.1% as at the end of 2020 and 7.7% as at the end of 2019, including extraordinary impacts linked to the labor agreement – 10.8% excluding such costs).

2.3.2 Own funds / solvency risk

Solvency risk corresponds to the Group's potential restriction to adapt its amount of regulatory own funds to capital requirements or to a change to its risk profile.

The management of the Bank's own funds is largely determined by the prevailing legislative framework, the performance of which is uncertain and may affect the effective management capacity and the generation of resources for CAIXABANK. See section 12 of the Complementary Information for further details on the applicable legislation.

On 22 June 2021, CaixaBank was informed about the amendments to the latest supervisory review and evaluation process ("**SREP**") due to the merger with Bankia. This decision replaces the established requirements of the 2019 SREP decision, applicable up to the moment, increasing the P2R by 15 basis points, setting the requirement at 1.65%.

Thus, the current minimum Common Equity Tier 1 ("**CET1**") requirements for the merged entity stand at 8.19% of the total amount of risk weighted assets ("**RWAs**"), which includes Pillar 1 regulatory minimum (4.5% of RWA), the P2R[6] (0.93% of RWA), the capital conservation buffer (2.5% of RWA), the Other Systemically Important Institution ("**O-SII**") buffer (0.25% of RWA)[7] and the countercyclical buffer (0.01% of RWA based on the geographical composition of the portfolio at 31 March 2021 (updated quarterly))[8]. In addition, based on the minimum Pillar 1 requirements applicable to Tier 1 capital (6%) and Total Capital (8%), the requirements stand at 10.00% and 12.41%, respectively, and at 1.24% and 1.65% of the P2R, also respectively.

As a result of these communications, the CET1 threshold below which CaixaBank Group would be forced to limit 2021 distributions in the form of dividend payments, variable remuneration and interest to holders of Additional Tier 1 instruments, commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), is set at 8.19%, to which potential shortfalls of Additional Tier 1 or Tier 2 should be added with respect to the minimum implicit "Pillar 1" and P2R of 1.81% and 2.41%, respectively. Taking into account the current capital levels of the CaixaBank Group, these requirements do not imply any of the aforementioned limitations.

As at 30 June 2021, CaixaBank reached a CET1 of 12.9% of RWAs[9], which totalled €220,660 million. The internal CET1 solvency target approved by the Board of Directors is set between 11% and 11.5% (without considering IFRS 9 transitional adjustments) and a buffer of between 250 and 300 basis points on the SREP regulatory requirement. The Tier 1 ratio at 30 June 2021 stands at 14.8%, covering the entire Additional Tier 1 bucket, both in terms of Pillar 1 requirements (1.5%) and the corresponding part of the P2R (0.31%). The Total Capital ratio stands at 17.4%.

The leverage ratio stands at 5.1% of the regulatory exposure as at 30 June 2021.

On 28 December 2020, the Bank of Spain formally announced the minimum requirement for own funds and eligible liabilities as determined by the Single Resolution Board ("**SRB**") and based on BRRD II[10]. As set out in the notification, CaixaBank, on a consolidated basis, must comply by 1 January 2024 with a minimum amount of own funds and eligible liabilities of 20.19% of RWA, which would equate to 22.95% when including the "combined buffer requirements"[11].

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[6] P2R does not apply at an individual level.

[7] It does not apply at an individual level. 0.375% from 1 January 2022 and 0.50% from 1 January 2023 after being updated due to the merger with Bankia.

[8] As of 31 March 2021. It applies to both individual and consolidated basis. Updated quarterly. It may differ between individual and consolidated level. As of 31 March 2021 both levels coincide.

[9] At an individual level, CaixaBank's CET1 ratio reached 13.8% as of 30 June 2021. This is in comparison with a minimum requirement of CET1 for 2021 of 7.01% (including 0.01% of countercyclical buffer to be updated quarterly). Thus, capital requirements are more restrictive at a consolidated level than at an individual level.

[10] Still pending to be updated by the SRB post Bankia integration.

[11] Combined buffer requirements amount to 2.76% of RWA at 30 June 2021 (2.76% at 31 December 2020).

As for the intermediate requirement, the SRB has decided that, by 1 January 2022, CaixaBank must comply with a total MREL requirement of 19.33% of RWA, which would be equal to 22.09% when including the "combined buffer requirements". Furthermore, CaixaBank, on a consolidated basis, must comply by 1 January 2022 with a total MREL requirement of 6.09% of the Leverage Ratio Exposure ("**LRE**").

As of 30 June 2021, CaixaBank reached a MREL ratio of 25.1% of RWAs and 8.7% in terms of LRE at consolidated level. At a subordinated level, primarily including senior non-preferred debt, the MREL ratio of subordinated instruments reached 22.2% of RWAs and 7.7% in terms of LRE, comfortably higher than regulatory requirements applicable as from 1 January 2022, which are 16.26% of RWAs and 6.09% in terms of LRE.

2.3.3 Liquidity and funding risks

Liquidity and funding risks refer to the insufficiency of liquid assets or limited access to financial markets to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.

The financing obtained from the European Central Bank ("**ECB**") at 30 June 2021 amounted to €81,159 million, corresponding to "**TLTRO III**" (Targeted Longer-Term Refinancing Operations III). In the first semester of 2021, a total of €6,223 million related to TLTRO III were drawn, and the total balance drawn increased by €25,211 million, as a result of the contribution of Bankia. As at 31 December 2020, a total of €49,725 million in funding had been obtained from the ECB, corresponding to TLTRO III. The balance drawn increased by €36,791 million in the year due to the anticipated return of €3,909 million of TLTRO II and drawing €40,700 million of TLTRO III. As of 31 December 2019 the balance drawn through various monetary policy instruments was €12,934 million. The increase in the amount drawn during 2020 from the TLTRO III is due to the fact that it offers preferential financing conditional on increased lending to the real economy over specific time periods. This financing may be as much as 0.5% below the interest rate applicable to the deposit facility, which constitutes an improvement in the conditions available in previous TLTROs. Similarly, the Group maintains issuance programmes to facilitate the issuance of short-term and medium-term securities to the market, as well as access to interbank and repo funding as well as to central counterparty clearing houses.

The financing obtained by Bankia from the ECB as at 31 December 2020 amounted to €22,919 million, corresponding to TLTRO III. The balance drawn increased by €9,168 million in the year. The balance drawn from various TLTRO programs at 31 December 2019 amounted to €13,751 million.

As at 30 June 2021, the Group's total liquid assets[12] stood at €162,731 million, €161,929 million of which were HQLA (High Quality Liquidity Asset). The corresponding figures as at 31 December 2020 were €114,451 million and €95,367 million, respectively (€89,427 million and €55,017 million, respectively, as at 31 December 2019).

As at 31 December 2020 Bankia's total liquid assets [13] stood at €35,048 million, €19,050 million of which correspond to available high liquid assets (after considering ECB haircuts). The corresponding figures as at 31 December 2019 were €33,117 million and €15,538 million, respectively.

The CaixaBank's average[14] Liquidity Coverage Ratio ("**LCR**")[15] as at 30 June 2021 was 292% (248% as at 31 December 2020 and 186% as at 31 December 2019), above the 100% minimum regulatory threshold. The Net Stable Funding Ratio ("**NSFR**")[16] was 148% as at 30 June 2021 (145% as at 31 December 2020 and 129% as at 31 December 2019) with a regulatory minimum level of 100% from June 2021.

Bankia's LCR as at 31 December 2020 was 195% (204% as at 31 December 2019). Bankia's NSFR[17] was 129% as at 31 December 2020, 124% as at 31 December 2019.

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12 Liquid assets calculated as the sum of HQLAs plus the undrawn committed facilities granted by the ECB non-eligible as HQLA.

13 Liquid assets calculated as the sum of (i) Treasury account and deposit facility with the ECB (where cash and central bank accounts are reduced by minimum reserve requirements); (ii) the undrawn committed facilities granted by the ECB; and (iii) the market value of available high liquid assets after considering ECB haircuts.

14 Average of the last 12 months

15 Regulatory quantitative liquidity standard to ensure that banks have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period (combining both a financial system and a name crisis).

16 Regulatory balance-sheet structure ratio which measures the relationship between the amount of stable funding available (defined as the amount of own and third-party funding expected to be reliable for a one-year period) and the amount of stable funding required (given the liquidity characteristics and residual maturities of its assets and balance sheet exposures). Calculated under the criteria set forth in Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019, which enters into force in June 2021.

17 Calculated under the Bank for International Settlements NSFR Common Disclosure Template.

3. RISK FACTOR – CREDIT RATINGS

The risks assumed by the Bank may have an adverse effect on the Bank's credit ratings. Moreover, any reduction in the Bank's credit rating could increase the Group's cost of funding, could limit its access to capital markets and adversely affect the Group's ability to sell or market some of its products, engage in business transactions (particularly longer-term) and derivatives transactions. This, in turn, could reduce the Group's liquidity and have a material adverse effect on its net results and financial condition.

As of 5 August 2021, CAIXABANK has been assigned the following credit ratings:

	LONG TERM RATING	SHORT TERM RATING	OUTLOOK	REVIEW DATE
Moody's	Baa1	P-2	Estable	22/09/2020
S&P	BBB+	A-2	Estable	22/04/2021
Fitch	BBB+	F2	Negative	29/09/2020
DBRS Ratings GmbH	A	R-1 (low)	Estable	29/03/2021

3. INCORPORATION OF THE UNAUDITED QUARTERLY BUSINESS ACTIVITY AND RESULTS REPORT PREPARED UNDER MANAGEMENT CRITERIA FOR THE SIX MONTHS ENDED 30 JUNE 2021 TO THE UNIVERSAL REGISTRATION DOCUMENT

The unaudited quarterly business activity and results report prepared under management criteria for the SIX months ended 30 June 2021 submitted to the CNMV on 31 July 2021 is incorporated by reference to the Universal Registration Document.

4. INCORPORATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS, MANAGEMENT REPORT AND LIMITED REVIEW REPORT AT 30 JUNE 30 2021, SUBMITTED TO THE CNMV ON 31 JULY 2021 TO THE UNIVERSAL REGISTRATION DOCUMENT

The Condensed interim consolidated financial statements, management report and limited review report at 30 June 2021 submitted to the CNMV on 31 July 2021 are incorporated by reference to the Universal Registration Document.

5. VALIDITY OF THE REST OF THE TERMS OF THE REGISTRATION DOCUMENT

The incorporation of (i) the unaudited quarterly business activity and results report prepared under management criteria for the six months ended 30 June 2021 submitted to the CNMV on 31 July 2021; (ii) the Condensed interim consolidated financial statements, management report and limited review report at 30 June 2021 submitted to the CNMV on 31 July 2021; and (iii) the amendments described in section 2 above do not entail the amendment of any other part of the Universal Registration Document of CaixaBank, S.A.

The Issuer declares that, as of the date of the registration of the Universal Registration Document, registered with the CNMV on 21 May 2021, there has been no events that may significantly affect the Issuer, save as disclosed in this Supplement and in the information that, by virtue of such, is incorporated by reference to the Universal Registration Document.

The unaudited quarterly business activity and results report prepared under management criteria for the six months ended 30 June 2021 submitted to the CNMV on 31 July 2021 is available in CaixaBank, S.A.'s website https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Informacion_economico_financiera/Informe_Financiero_2T21_ENG.pdf.

The Condensed interim consolidated financial statements, management report and limited review report at 30 June 2021 submitted to the CNMV on 31 July 2021 are available both in CaixaBank, S.A.'s website https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Informaci on_economico_financiera/MEM_IGC_GRUPCAIXABANK_30062021_ING.pdf and the CNMV's website http://www.cnmv.es/Portal/Consultas/IFI/ListaIFI.aspx?nif=A-08663619.

Barcelona, 5 August 2021

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Matthias Bulach

On behalf of the Issuer