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 19 APRIL 2022

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 Appendix 2 of Commission Delegated Regulation (EU) 2019/980, and registered with the Official Registries of the *Comisión Nacional del Mercado de Valores* ("**CNMV**") on 19 April 2022 with official registry number 11225 and to the Base prospectus for non-participating securities of the Issuer registered with the Official Registries of the CNMV on 21 July 2022 with official registry number 11245; constitutes a supplement in accordance with article 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council.

This Supplement must be read jointly with the Universal Registration Document, its amendments dated 3 May 2022 and 23 June 2022, respectively, its supplements dated 2 August 2022 and 3 November 2022, 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 27 January 2022, 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 DOCUMENTI

It is hereby amendment the "Risk Factors" section of the Universal Registration Document, the content of which is fully replaced by the following text:

RISK FACTORS

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

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

As part of the global internal control framework, CaixaBank has a risk management framework that analyses the economic relevance of all risk exposure.

The risk management framework is based on the following pillars: (i) appropriate organisation and governance, (ii) implementation of strategic processes for identifying, assessing, defining and monitoring risks and (iii) risks culture.

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

The Taxonomy is organised into categories (cross risks, financial risks and operational risk).

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

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

Using the abovementioned architecture for identifying and analysing risks and events, the content of this section is structured as follows:

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

1. RISK FACTORS ARISING FROM STRATEGIC EVENTS.

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

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

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

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

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

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

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

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

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

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

Pandemics and other extreme events

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

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

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

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

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

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

2.1 CROSS RISKS

This category includes: (i) business profitability risk, (ii) eligible own funds and capital adequacy risk and (iii) reputational risk.

2.1.1 Business profitability risk

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

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

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

2.1.2 Eligible own funds and capital adequacy risk

Defined terms relating to own funds and capital requirements in this section shall have, unless expressly defined herein, the meaning ascribed to them in Chapter 9 of the URD ("Regulatory Framework")

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

The management of the Bank's capital is mainly shaped by the prevailing legislative framework, the evolution of which is uncertain and may affect the capacity for effective management and the generation of resources for CaixaBank. See Section "*Capital and eligible liabilities requirements and loss absorbing powers*" for further information.

On 15 December 2022, CaixaBank received the final update of the result of the supervisory review and evaluation process ("**SREP**"). This decision replaces the requirements established in the 2021 SREP decision, applicable to the date of application of the latter, increasing the P2R by 15 basis points, setting the requirement at 1.65%.

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

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

[1] Capital buffer of Other Systemically Important Institution ("**O-SII**").

[2] The P2R does not apply at an individual level.

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

The regulatory CET1 level under which the Group would be required to limit distributions in the form of dividend payments, variable remuneration and interest to holders of AT1 instruments -commonly referred to as the activation level of the maximum distributable amount trigger ("**MDA trigger**")- is set at 8.46% for 2023 (no potential additional Tier 1 (AT1) or Tier 2 capital shortfall is to be added).

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

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

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

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

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

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

2.1.3 Reputational risk

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

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

[3] It does not apply at an individual level.

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

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

[6] Combined Buffer Requirements (CBR) includes a phase-in of the O-SII buffer, CBR 2.91% in 2022 and 3.03% as of 2023.

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

Throughout 2020, 2021 and 2022, the measures related to the management of Environmental, Social & Governance ("**ESG**") risks, defined as the risk of a possible reputational or economic loss resulting from failure to integrate ESG aspects in the strategy, in the Group's own performance, in the business (financing, investment and products) and in the support programmes for customers in difficulties or that activate the economy, especially in times of crisis (mortgage debtors, socially excluded groups, entrepreneurs, etc.) have increased.

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

2.2 FINANCIAL RISKS

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

2.2.1 Credit risk

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

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

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

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

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

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

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

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

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

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

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

2.2.2 Actuarial risk

Actuarial risk, in line with the Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast) ("**Solvency II Directive**"), is defined as the risk of loss or adverse modification of the value of commitments taken on via insurance contracts or pensions with customers or employees, derived from the divergence between the estimate for actuarial variables employed in pricing and reserves and their real evolution.

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

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

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

2.2.3 Structural rate risk

2.2.3.1 Structural interest rate risk

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

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

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

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

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

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

2.2.3.2 Structural exchange rate risk

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

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

2.2.4 Liquidity and funding risk

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

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

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

CaixaBank's cost of funding is directly related to prevailing interest rates and to its credit spreads. Increases in interest rates and/or in credit spreads can significantly increase the cost of funding. Credit spreads variations are market-driven and may be influenced by market perceptions of CaixaBank's creditworthiness. Changes to interest rates and to credit spreads occur continuously and may be unpredictable and highly volatile.

The financing obtained from the ECB at 31 December 2022 amounted to €15,620 million, corresponding to TLTRO III (Targeted Longer-Term Refinancing Operations III). In 2022, there was a repayment of €65,132 million related to TLTRO III, of which €13,495 million belong to ordinary repayment and €51,637 million due to early repayment. The Group also 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.

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

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

The Net Stable Funding Ratio ("**NSFR**"), which is a regulatory 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) was 142% as of 31 December 2022 (154% as of 31 December 2021), with a regulatory minimum level of 100% from June 2021.

CaixaBank cannot assure that in the event of a sudden or unexpected shortage of funds in the banking system, it will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. If this were to happen, the Group could be materially adversely affected.

2.2.5 Market risk

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

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

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

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

2.3 OPERATIONAL RISK

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

2.3.1 Conduct and compliance risk

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

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

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

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

2.3.2 Legal and regulatory risk

2.3.2.1 Legal risk

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

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

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

2.3.2.1 Regulatory risk

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

The regulations which most significantly affect the Group are those related to prudential supervision, bank recovery and resolution and capital and liquidity requirements which have become increasingly stringent (see sections *2.1.2. Eligible own funds and capital adequacy risk* and *2.2.4. Liquifity and funding risk*).

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

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

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

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

Implementation of the relevant procedures, monitoring and other technical and human requirements in relation to recent laws and regulations had and could further have an impact on CaixaBank's business by increasing its operational and compliance costs and, if not implemented correctly or in case of breaches in the relevant procedures, could lead to legal and regulatory claims (see section *2.3.2.1 Legal risk*).

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

2.3.3 Technology risk

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

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

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

2.3.4 Model risk

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

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

2.3.5 Other operational risks

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

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

3. RISK FACTOR- CREDIT RATINGS

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

As at the date of registration of this third supplement to the URD, CaixaBank has been assigned the following credit ratings:

	LONG-TERM DEBT	SHORT-TERM DEBT	OUTLOOK	REVIEW DATE
Moody's	Baa1	P-2	Estable	25/01/2023
S&P Global	A-	A-2	Estable	25/04/2022
Fitch	BBB+	F2	Estable	30/06/2022
DBRS Ratings GmbH	A	R-1 (low)	Estable	29/03/2022

3. INCORPORATION OF THE CONSOLIDATED FINANCIAL STATEMENTS, MANAGEMENT REPORT AND AUDIT REPORT 2022 TO THE UNIVERSAL REGISTRATION DOCUMENT

The CaixaBank's 2022 audited consolidated financial statements, together with the auditor's favorable report thereto, along with the 2022 management reports that include the annual corporate governance report and the annual report on the remuneration of directors are incorporated by reference to the Universal Registration Document. Such documentation has been submitted to the CNMV on 17 February 2023 and is foreseen to be approved by the next CaixaBank's General Meeting of Shareholders

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

The incorporation of the (i) the amendment of the "Risk Factors" section to the Universal Registration Document; and (ii) the CaixaBank's 2022 audited consolidated financial statements, together with the auditor's favorable report thereto, along with the 2022 management reports that include the annual corporate governance report and the annual report on the remuneration of directors, 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 registration of the second supplement to the Universal Registration Document, registered with the CNMV on 3 November 2022, 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 CaixaBank's 2022 audited consolidated financial statements, together with the auditor's favorable report thereto, along with the 2022 management reports that include the annual corporate governance report and the annual report on the remuneration of directors are available in CaixaBank, S.A.'s website https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Informacion_economico_financiera/CCAA-GRUP-CAIXABANK-ING.pdf and in CNMV's website https://www.cnmv.es/Portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=6&nif=A08663619.

Barcelona, 21 February 2023

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Matthias Bulach

On behalf of the Issuer