CaixaBank Group
Financial Statements

2021

Consolidated financial statements and consolidated Management Report that the Board of Directors, at a meeting held on 17 February 2022, agreed to submit to the Annual General Meeting

Translation of financial statements originally issued and prepared in Spanish. This English version is a translation of the original in Spanish for information purposes only. In the event of a discrepancy, the original Spanish-language version prevails.

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This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor´s report on the consolidated annual accounts

To the shareholders of CaixaBank, S.A.:

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of CaixaBank, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, and the profit or loss account, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2021, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

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Key audit matter	How our audit addressed the key audit matter
Merger by absorption of Bankia On 23 March 2021 all the necessary conditions precedent were met for the subsequent completion of the merger of Bankia, S.A. (the target company) into CaixaBank, S.A. (the acquiring company). Previously, on 17 September 2020 the Boards of Directors of CaixaBank, S.A. and Bankia, S.A. had entered into the Common Merger Plan which was approved by the respective General Shareholders' Meetings in December 2020. The reference date for the recognition of this business combination for accounting purposes is 31 March 2021. In accordance with IFRS 3, the Group has classified the identifiable assets acquired and the liabilities assumed on the business combination at provisional fair value during the Purchase Price Allocation (PPA) exercise. Moreover, management has had the support of a third party in carrying out an independent verification of the measurements used. This process of allocating fair value to the assets acquired and liabilities assumed is subject to significant judgement by management and is one of the most significant and complex estimates in the preparation of the accompanying consolidated financial statements, and so has been considered a key audit matter. The acquiring company has one year from the acquisition date to complete the final valuation of the business combination and measure the acquiree's assets and liabilities at fair value. See Note 7 to the accompanying consolidated financial statements.	We documented our understanding and our evaluation of the internal control with respect to the process for the identification and fair value measurement of the assets acquired and liabilities assumed carried out by management. Additionally, we carried out audit procedures to obtain sufficient audit evidence on the balances included at the date of integration from an accounting perspective. Similarly, with the collaboration of the auditor's internal experts and specialists, we assessed whether the methodology to determine fair values, the underlying assumptions and the mathematical accuracy were appropriate. Specifically, with regard to the allocation of the purchase price to the assets acquired and liabilities assumed. In this respect, the measurements performed by the Group are the best estimates available at the date of issue of these consolidated financial statements and they are therefore provisional in nature and may not yet be considered definitive. The results of the procedures performed uphold the approach used in management's preliminary measurement and purchase price allocation as well as the appropriateness of the information disclosed in the accompanying consolidated financial statements. As a result of the work carried out, no differences were identified, over a reasonable range, in the amounts recognised in the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment due to credit risk of financial assets at amortised cost and foreclosed real estate assets	

Key audit matter

Determining impairment due to credit risk and of foreclosed real estate assets is based on internal expected loss calculation models. The crisis triggered by Covid-19 has increased the complexity of estimating impairment linked to credit risk as a result of the adaptation of internal models to include new assumptions and elements of judgement such as considering government-backed operations or the adjustments to collective provision models to adapt them to uncertain macroeconomic scenarios. This estimation requires a significant component of judgement by management and is one of the most challenging and complex estimations in preparing the accompanying consolidated financial statements and so has been considered a key audit matter.

In addition to the above, management's main judgements and estimates relate to the following:

- The identification and staging classification criteria of impaired assets or assets which show a significant increase in risk, including the additional criteria established in the context of Covid-19.
- The building of the parameters for internal probability of default (PD) models and loss given default (LG) models.

How our audit addressed the key audit matter

Our work included involving internal specialists in credit risk and foreclosed real estate asset valuation models and focused on the analysis, evaluation and verification of internal control and the performance of tests of details on the estimation of impairment.

With respect to the internal control system, we gained an understanding of the process for estimating impairment due to credit risk and tested the appropriateness of controls in the different process phases and paid special attention to determining and approving the adjustments to the models in order to adapt them to the macroeconomic scenarios within the framework of Covid-19.

The regular evaluation of credit risk monitoring alerts has also been analysed as well as the effective completion of the regular review of borrower files in order to track their classification and where warranted, recognise impairment.

In addition, we carried out the following tests of details:

- Analysis of the methodology and verification of the main internal models concerning: i) calculation and segmentation methods; ii) criteria for classifying loans and discounts in stages ("staging"); iii) methodology for estimating expected loss parameters (probability of default and realisable value of guarantees); iv) data used and main estimates employed, specifically, those relating to macroeconomic scenarios and related assumptions; and v) internal model recalibration and backtesting.

Key audit matter	How our audit addressed the key audit matter
• The use of assumptions with a significant effect on the established credit risk provisions, such as the macroeconomic scenarios considered along with the probability of occurrence (specifically, the adjustment to the collective provision model performed in the context of the Covid-19 crisis), the expected life of operations and the existence of default, among others. • The realisable value of the guarantees associated with lending transactions based on the information and / or valuation value provided by valuation companies or the use of statistical methodologies in those cases involving reduced exposure and risk. The estimation of impairment of real estate assets originating in lending activities and which through dation in payment, purchase or the courts are adjudicated to the Group is also based on internal calculation models and following the same criteria as those used for mortgage guarantees associated with lending transactions. See Notes 2, 3.4.1, 14, 20, 21, 40.2 and 40.3 to the accompanying consolidated financial statements concerning credit risk and foreclosed real estate assets and Notes 26 and 39 to the accompanying consolidated financial statements concerning the profit or loss generated during the year.	• Validation of the additional criteria, established in the context of Covid-19, to assess the significant increase in risk. • Analysis of the functioning of the "calculation engine" of the collective provision models for estimating impairment due to credit risk, re-performance of the calculation of the provisions for certain loan portfolios and comparison of the results with those obtained by Group management. Additionally, we verified the variation during the year in the collective provision established in 2020 due to the adjustment to the models as a result of the change in the macroeconomic scenario brought about by the Covid-19 crisis (Post-Model Adjustment), as well as its reasonableness at 31 December 2021. • Verification of the appropriate functioning of the "calculation engine" of the collective provisions of the models for estimating impairment of foreclosed real estate assets, re-performance of the calculation of those collective provisions and comparison of results with those obtained by Group management. • Validation of a sample of borrower files, analysed individually, in order to assess their appropriate classification, loss estimation methodologies and recognition, where warranted, of impairment. • Analysis of the methodology used to estimate costs to sell, sales periods and reductions in the value of the guarantee, in order to estimate impairment of foreclosed real estate assets. • Validation of a sample of valuations in order to assess whether they conform to prevailing legislation, their reasonableness and update level.

Key audit matter	How our audit addressed the key audit matter
	As a result of our tests, no differences were identified, over a reasonable range, in the amounts recognised in the accompanying consolidated financial statements.
Recoverability of deferred tax assets	
The evaluation of the capacity to recover deferred tax assets is a complex exercise which requires a significant level of judgement and estimation and we therefore consider such estimation performed by Group management a key audit matter. Group policy is to recognise DTA, other than those qualifying for monetization, only when the Group considers it probable that sufficient taxable income will be obtained in the future to enable their recovery. During this process, there are specific and complex considerations which management takes into account with respect to the tax consolidation group, in order to assess the recognition and subsequent capacity to recover the deferred tax assets recognised, based on the Group's financial projections and business plans, updated for the impact of Covid-19 and supported by defined assumptions which are projected over a timeline and considering tax legislation existing at each point in time. Additionally, Group management subjects the deferred tax asset recoverability model to review by an independent tax expert and regular back- testing to assess predictability. See Notes 2 and 25 to the accompanying consolidated financial statements.	With the collaboration of our tax experts, we gained an understanding of management's estimation process and the controls designed and implemented in relation to the following activities: • Preparation of the Group's financial projections in order to estimate the recoverability of deferred tax assets. • Calculation of deductible temporary differences in accordance with applicable tax rules. Additionally, we carried out the following tests of details: • Evaluation of the cash flows taken into account in the financial projections and the reasonableness and accuracy of the calculations performed. • Analysis of the economic and financial assumptions employed in the estimations to calculate temporary differences, assessing whether they are complete, appropriate and usable within the established timeline, paying specific attention to the impact of Covid-19. • Analysis of the reasonableness of the amounts of deferred tax assets considered monetizable. As a result of our tests, no differences were identified, over a reasonable range, in the amounts recognised in the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Measurement of insurance contract liabilities	
The Group carries out its life insurance business through its subsidiary VidaCaixa, S.A.U. de Seguros y Reaseguros, and insurance contracts are primarily marketed through the Group's bank branch network. The Group recognises insurance contract liabilities in accordance IFRS 4 "Insurance Contracts" which in certain cases requires the application of judgements and estimates by Group management so as to properly measure insurance contract liabilities, meaning that this is a key audit matter. Specifically, in the case of savings insurance, Group management calculates the mathematical reserve using actuarial techniques based on technical interest rate, expense and biometric assumptions, in accordance with applicable accounting legislation. See Notes 2 and 17 to the accompanying consolidated financial statements.	We gained an understanding of the estimation process and recognition of insurance contract liabilities, which included evaluating the design and effectiveness of the internal control connected with this area, including the most significant information system controls. Our procedures, which were conducted with the collaboration of our team of actuarial specialists, focused on aspects such as: • Understanding the methodology used to calculate insurance contract liabilities in accordance with the nature of the products and its consistent application with respect to the previous year. • Verification of the appropriate accounting recognition of insurance contract liabilities as well as variations during the period. • Analysis of the completeness and reconciliation of the base data included in the technical - actuarial calculations which underpin insurance contract liabilities. • Verification of the application of interest rate, expense and biometric assumptions which are compliant with applicable regulations and consistent with the Group's experience. • Recalculation of the mathematical reserve for a selection of policies, in accordance with sampling procedures. As a result of the procedures described concerning the measurement of insurance contract liabilities, no differences were identified, over a reasonable range, in the amounts recognised in the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Risks associated with information technologies	
The operation and continuity of the Group's activity, due to its nature, and particularly, the process for preparing financial and accounting information, greatly depend on the information systems that make up its technological structure and ensure the correct processing of information, this thus being a key audit matter. Besides, as systems become more complex, the risks associated with information technologies, the organisation and therefore the information processed increase. In this respect, Group management has the procedures which it deems appropriate in place within the information system environment. The effectiveness of the general framework of internal control over the information systems is a basic aspect supporting the Group's operation as well as the accounting and closing process. Against this backdrop, it is necessary to evaluate aspects such as the organisation and governance of information systems, software maintenance and development controls, physical and logical security and system operation.	With the collaboration of our information systems and process specialists, our work consisted of assessing and verifying the control environment connected with the information systems that support the Group's operation and particularly, the accounting close. Within this context, procedures have been carried out on internal control along with substantive tests in order to assess aspects such as: i. the organisation and governance of the information systems area, ii. software change, development and maintenance management, iii. access control and physical and logical security surrounding the software, operating systems and databases that underpin the Group's relevant financial information. Specifically, with respect to the accounting and closing process, we performed the following additional procedures: • Understanding and analysis of the process of generating accounting entries and financial information. • Extracting, validating the completeness and filtering entries included in the accounting records as well as analysing the reasonableness of certain entries. Additionally, within the context of the merger by absorption of Bankia, S.A., we assessed the control procedures surrounding the integration of its information systems in the information systems of CaixaBank, S.A and the relevant data migration.

Key audit matter	How our audit addressed the key audit matter
	The control environment associated with the migration of data in the information systems and applications from Bankia, S.A. to CaixaBank, S.A.'s environment was assessed for the integration of the activity underpinned by Bankia's information systems. Additionally, other aspects were evaluated such as the planning of the migration data project, the analysis of the target systems' performance and capacity, the results of previously performed tests and simulations, the operational continuity during the migration process, the transfer of source data, the performance of accounting reconciliations and the monitoring of post-migration incidents. As a result of the above procedures, there are no significant observations to be made.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2021 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

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

a) Verify only that the consolidated statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, has been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2021 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the Comisión de Auditoría y Control for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

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

The Parent company's Comisión de Auditoría y Control is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's Comisión de Auditoría y Control regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's Comisión de Auditoría y Control with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Parent company's Comisión de Auditoría y Control, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of CaixaBank, S.A. and its subsidiaries for the 2021 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of CaixaBank, S.A. are responsible for presenting the annual financial report for 2021 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

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

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the Comisión de Auditoría y Control of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the Comisión de Auditoría y Control of the Parent company dated 16 February 2022.

Appointment period

The General Ordinary Shareholders' Meeting held on 22 May 2020 appointed us as auditors of the Group for a period of one year, for the year ended 31 December 2021.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of tres years and we have audited the accounts continuously since the year ended 31 December 2018.

Additionally, the General Ordinary Shareholders' Meeting held on May 14, 2021 appointed PricewaterhouseCoopers Auditores, S.L. as auditors of the Group for a period of one year, for the year ended December 31, 2022.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 35 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Raúl Ara Navarro (20210)

18 February 2022

CAIXABANK GROUP FINANCIAL STATEMENTS AT 31 DECEMBER 2021

- Consolidated balance sheet at 31 December 2021, 2020 and 2019, before appropriation of profit
- Consolidated statement of profit or loss for the years ended 31 December 2021, 2020 and 2019
- Consolidated statement of changes in equity for the years ended 31 December 2021, 2020 and 2019
    - Consolidated statement of other comprehensive income
    - Consolidated statement of total changes in equity
- Consolidated statement of cash flows for the years ended 31 December 2021, 2020 and 2019
- Notes to the consolidated financial statements for the year ended 31 December 2021

CONSOLIDATED BALANCE SHEET
ASSETS

(Millions of euros)

	NOTE	31-12-2021	31-12-2020 *	31-12-2019 *
Cash and cash balances at central banks and other demand deposits	**10**	**104,216**	**51,611**	**15,110**
Financial assets held for trading	**11**	**10,925**	**6,357**	**7,370**
Derivatives		10,319	5,301	6,194
Equity instruments		187	255	457
Debt securities		419	801	719
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	**12**	**237**	**317**	**427**
Equity instruments		165	180	198
Debt securities		5	52	63
Loans and advances		67	85	166
Customers		67	85	166
Financial assets designated at fair value through profit or loss		**0**	**0**	**1**
Debt securities		0	0	1
Financial assets at fair value with changes in other comprehensive income	**13**	**16,403**	**19,309**	**18,371**
Equity instruments		1,646	1,414	2,407
Debt securities		14,757	17,895	15,964
Financial assets measured at amortised cost	**14**	**420,599**	**267,509**	**244,702**
Debt securities		68,206	24,670	17,389
Loans and advances		352,393	242,839	227,313
Central banks		63	4	6
Credit institutions		7,806	5,847	5,153
Customers		344,524	236,988	222,154
Derivatives - Hedge accounting	**15**	**1,038**	**515**	**2,133**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**15**	**951**	**1,286**	**887**
Investments in joint ventures and associates	**16**	**2,534**	**3,443**	**3,941**
Joint ventures		44	42	166
Associates		2,490	3,401	3,775
Assets under the insurance business	**17**	**83,464**	**77,241**	**72,683**
Tangible assets	**18**	**8,263**	**6,957**	**7,282**
Property, plant and equipment		6,398	4,950	4,915
For own use		6,398	4,950	4,915
Investment property		1,865	2,007	2,367
Intangible assets	**19**	**4,933**	**3,949**	**3,839**
Goodwill		3,455	3,051	3,051
Other intangible assets		1,478	898	788
Tax assets		**21,298**	**10,626**	**11,113**
Current tax assets		1,805	832	1,277
Deferred tax assets	25	19,493	9,794	9,836
Other assets	**20**	**2,137**	**1,202**	**2,201**
Inventories		96	75	54
Remaining other assets		2,041	1,127	2,147
Non-current assets and disposal groups classified as held for sale	**21**	**3,038**	**1,198**	**1,354**
TOTAL ASSETS		**680,036**	**451,520**	**391,414**
Memorandum items				
Loan commitments given	**26**	101,919	78,499	71,132
Financial guarantees given	**26**	8,835	6,360	5,982
Other commitments given	**26**	33,663	20,207	21,226
Financial instruments loaned or delivered as collateral with the right of sale or pledge				
Financial assets held for trading		100	789	165
Financial assets at fair value with changes in other comprehensive income		11,687	9,167	2,544
Financial assets measured at amortised cost		165,593	46,924	38,194
Tangible assets acquired under a lease	**18**	1,829	1,447	1,495
Investment property, leased out under operating leases		1,586	1,736	2,007

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

CONSOLIDATED BALANCE SHEET
LIABILITIES
(Millions of euros)

	NOTE	31-12-2021	31-12-2020 *	31-12-2019 *
Financial liabilities held for trading	**11**	**5,118**	**424**	**2,338**
Derivatives		4,838	151	1,867
Short positions		280	273	471
Financial liabilities designated at fair value through profit or loss		**0**	**0**	**1**
Other financial liabilities		0	0	1
Financial liabilities at amortised cost	**22**	**547,025**	**342,403**	**283,975**
Deposits		486,529	300,523	241,735
Central banks		80,447	50,090	14,418
Credit institutions		13,603	5,266	6,238
Customers		392,479	245,167	221,079
Debt securities issued		53,684	35,813	33,648
Other financial liabilities		6,812	6,067	8,592
Derivatives - Hedge accounting	**15**	**960**	**237**	**515**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**15**	**670**	**1,614**	**1,474**
Liabilities under the insurance business	**17**	**79,834**	**75,129**	**70,807**
Provisions	**23**	**6,535**	**3,195**	**3,624**
Pensions and other post-employment defined benefit obligations		806	580	521
Other long-term employee benefits		3,452	1,398	1,710
Pending legal issues and tax litigation		1,167	556	676
Commitments and guarantees given		461	193	220
Other provisions		649	468	497
Tax liabilities		**2,337**	**1,231**	**1,296**
Current tax liabilities		189	222	238
Deferred tax liabilities	25	2,148	1,009	1,058
Other liabilities	**20**	**2,115**	**1,995**	**2,162**
Liabilities included in disposal groups classified as held for sale		**17**	**14**	**71**
TOTAL LIABILITIES		**644,611**	**426,242**	**366,263**
Memorandum items				
Subordinated liabilities				
Financial liabilities at amortised cost	22	10,255	6,222	5,461

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

EQUITY
(Millions of euros)

	NOTE	31-12-2021	31-12-2020 *	31-12-2019 *
SHAREHOLDERS' EQUITY	**24**	37,013	27,118	26,247
Capital		8,061	5,981	5,981
Share premium		15,268	12,033	12,033
Other equity items		39	25	24
Retained earnings		9,781	8,719	7,795
Other reserves		(1,343)	(1,009)	(1,281)
(-) Treasury shares		(19)	(12)	(10)
Profit/(loss) attributable to owners of the Parent		5,226	1,381	1,705
ACCUMULATED OTHER COMPREHENSIVE INCOME	**24**	(1,619)	(1,865)	(1,125)
Items that will not be reclassified to profit or loss		(1,896)	(2,383)	(1,568)
Actuarial gains or (-) losses on defined benefit pension plans		(473)	(580)	(474)
Share of other recognised income and expense of investments in joint ventures and associates		1	(70)	(83)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income		(1,424)	(1,733)	(1,011)
Failed fair value hedges of equity instruments measured at fair value with changes in other comprehensive income		0	0	0
Fair value changes of equity instruments measured at fair value with changes other comprehensive income [hedged instrument]		(12)	0	(58)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income [hedging instrument]		12	0	58
Items that may be reclassified to profit or loss		277	518	443
Foreign currency exchange		5	(24)	4
Hedging derivatives. Reserve of cash flow hedges [effective portion]		(94)	73	(34)
Fair value changes of debt securities measured at fair value with changes in other comprehensive income		337	521	486
Share of other recognised income and expense of investments in joint ventures and associates		29	(52)	(13)
MINORITY INTERESTS (non-controlling interests)	**24**	31	25	29
Other items		**31**	**25**	**29**
TOTAL EQUITY		**35,425**	**25,278**	**25,151**
TOTAL LIABILITIES AND EQUITY		**680,036**	**451,520**	**391,414**

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of euros)

	NOTE	31-12-2021	31-12-2020 *	31-12-2019 *
Interest income	28	7,892	6,764	7,055
Financial assets at fair value with changes in other comprehensive income (1)		1,742	1,812	1,966
Financial assets at amortised cost (2)		5,500	4,700	4,972
Other interest income		650	252	117
Interest expense	29	(1,917)	(1,864)	(2,104)
NET INTEREST INCOME		**5,975**	**4,900**	**4,951**
Dividend income	30	192	147	163
Share of profit/(loss) of entities accounted for using the equity method	16	425	307	425
Fee and commission income	31	4,129	2,911	2,940
Fee and commission expenses	31	(424)	(335)	(342)
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	32	37	187	240
Financial assets measured at amortised cost		3	114	2
Other financial assets and liabilities		34	73	238
Gains/(losses) on financial assets and liabilities held for trading, net	32	97	127	139
Other gains or losses		97	127	139
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net	32	(3)	(24)	(74)
Other gains or losses		(3)	(24)	(74)
Gains/(losses) from hedge accounting, net	32	51	(3)	45
Exchange differences (gain/loss), net		39	(49)	(52)
Other operating income	33	551	649	655
Other operating expenses	33	(1,445)	(1,005)	(1,041)
Income from assets under insurance and reinsurance contracts	33	1,128	1,107	884
Expenses from liabilities under insurance and reinsurance contracts	33	(478)	(509)	(328)
GROSS INCOME		**10,274**	**8,410**	**8,605**
Administrative expenses		(7,354)	(4,039)	(5,204)
Personnel expenses	34	(5,588)	(2,841)	(3,956)
Other administrative expenses	35	(1,766)	(1,198)	(1,248)
Depreciation and amortisation	18 and 19	(695)	(540)	(546)
Provisions or reversal of provisions	23	(418)	(221)	(186)
Impairment/(reversal) of impairment on financial assets not measured at fair value through profit or loss or net profit or loss due to a change	36	(897)	(1,943)	(425)
Financial assets at fair value with changes in other comprehensive income		0	(1)	0
Financial assets measured at amortised cost		(897)	(1,942)	(425)
Impairment/(reversal) of impairment on investments in joint ventures and associates.	16	(19)	(316)	0
Impairment/(reversal) of impairment on non-financial assets	37	(158)	(112)	(106)
Tangible assets		(62)	(110)	(80)
Intangible assets		(58)	(14)	(25)
Other		(38)	12	(1)
Gains/(losses) on derecognition of non-financial assets, net	16 and 38	295	27	55
Negative goodwill recognised in profit or loss	7	4,300	0	0
Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	39	(13)	334	(116)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**5,315**	**1,600**	**2,077**
Tax expense or income related to profit or loss from continuing operations	25	(88)	(219)	(369)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**5,227**	**1,381**	**1,708**
Profit/(loss) after tax from discontinued operations		2	0	
PROFIT/(LOSS) FOR THE PERIOD		**5,229**	**1,381**	**1,708**
Attributable to minority interests (non-controlling interests)		3		3
Attributable to owners of the parent		5,226	1,381	1,705

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

(1) Also includes the interest on available-for-sale financial assets (IAS 39) linked to the insurance business.

(2) Also includes interest on loans and receivables (IAS 39) of the insurance business.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PART A)
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(Millions of euros)

	NOTE	2021	2020 *	2019 *
PROFIT/(LOSS) FOR THE PERIOD		**5,229**	**1,381**	**1,708**
OTHER COMPREHENSIVE INCOME		**246**	**(740)**	**(76)**
Items that will not be reclassified to profit or loss		**486**	**(815)**	**(232)**
Actuarial gains or losses on defined benefit pension plans		106	(139)	(124)
Share of other recognised income and expense of investments in joint ventures and associates		70	13	(8)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income	13	307	(719)	(145)
Profit or loss from hedge accounting of equity instruments measured at fair value with changes in other comprehensive income		0	0	0
Fair value changes of equity instruments measured at fair value with changes in equity [hedged instrument]		(12)	58	(58)
Fair value changes of equity instruments measured at fair value with changes in equity [hedging instrument]		12	(58)	58
Income tax relating to items that will not be reclassified		3	30	45
Items that may be reclassified to profit or loss		**(240)**	**75**	**156**
Foreign currency exchange		29	(29)	2
Translation gains/(losses) taken to equity		29	(29)	2
Cash flow hedges (effective portion)		(234)	146	(54)
Valuation gains/(losses) taken to equity		(222)	130	9
Transferred to profit or loss		(12)	16	(63)
Debt instruments classified as fair value financial assets with changes in other comprehensive income		(241)	65	325
Valuation gains/(losses) taken to equity		(200)	101	523
Transferred to profit or loss		(41)	(36)	(198)
Share of other recognised income and expense of investments in joint ventures and associates		80	(39)	41
Income tax relating to items that may be reclassified to profit or loss		126	(68)	(158)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**5,475**	**641**	**1,632**
Attributable to minority interests (non-controlling interests)		3	0	3
Attributable to owners of the parent		5,472	641	1,629

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

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

		EQUITY ATTRIBUTABLE TO THE PARENT									MINORITY INTERESTS		
		SHAREHOLDERS' EQUITY											
	NOTE	CAPITAL	SHARE PREMIUM	OTHER EQUITY ITEMS	RETAINED EARNINGS	OTHER RESERVES	LESS: TREASURY SHARES	PROFIT/(LOSS) ATTRIBUTABLE TO THE OWNERS OF THE PARENT	LESS: INTERIM DIVIDENDS	ACCUMULATED OTHER COMPREHENSIVE INCOME	ACCUMULATED OTHER COMPREHENSIVE INCOME	OTHER ITEMS	TOTAL
BALANCE AT 31-12-2020		**5,981**	**12,033**	**25**	**8,719**	**(1,009)**	**(12)**	**1,381**		**(1,865)**		**25**	**25,278**
OPENING BALANCE AT 01-01-2021		5,981	12,033	25	8,719	(1,009)	(12)	1,381		(1,865)		25	25,278
TOTAL COMPREHENSIVE INCOME FOR THE								5,226		246		3	5,475
OTHER CHANGES IN EQUITY		2,080	3,235	14	1,062	(334)	(7)	(1,381)				3	4,672
Issuance of ordinary shares	7	2,080	3,235										5,315
Dividends (or remuneration to shareholders)	6				(216)							0	(216)
Purchase of treasury shares	24						(15)						(15)
Sale or cancellation of treasury shares	24						8						8
Reclassification of financial instruments from liability to equity				10									10
Transfers among components of equity					1,381			(1,381)					0
Other increase/(decrease) in equity				4	(103)	(334)						3	(430)
BALANCE AT 31-12-2021		**8,061**	**15,268**	**39**	**9,781**	**(1,343)**	**(19)**	**5,226**		**(1,619)**		**31**	**35,425**

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

		EQUITY ATTRIBUTABLE TO THE PARENT									MINORITY INTERESTS		
		SHAREHOLDERS' EQUITY											
	NOTE	CAPITAL	SHARE PREMIUM	OTHER EQUITY	RETAINED EARNINGS	OTHER RESERVES	LESS: TREASURY SHARES	PROFIT/(LOSS) ATTRIBUTABLE TO THE OWNERS OF THE PARENT	LESS: INTERIM DIVIDENDS	ACCUMULATED OTHER COMPREHENSIVE INCOME	ACCUMULATED OTHER COMPREHENSIVE INCOME	OTHER ITEMS	TOTAL
BALANCE AT 31-12-2018		5,981	12,033	19	7,300	(1,505)	(10)	1,985	(419)	(1,049)		29	24,364
OPENING BALANCE AT 01-01-2019		5,981	12,033	19	7,300	(1,505)	(10)	1,985	(419)	(1,049)		29	24,364
TOTAL COMPREHENSIVE INCOME FOR THE								1,705		(76)		3	1,632
OTHER CHANGES IN EQUITY				5	495	224		(1,985)	419			(3)	(845)
Dividends (or remuneration to shareholders)					(598)							(3)	(601)
Purchase of treasury shares	24						(8)						(8)
Sale or cancellation of treasury shares	24						8						8
Transfers among components of equity					1,566			(1,985)	419				
Other increase/(decrease) in equity				5	(473)	224							(244)
BALANCE AT 31-12-2019		5,981	12,033	24	7,795	(1,281)	(10)	1,705		(1,125)		29	25,151
OPENING BALANCE AT 01-01-2020		5,981	12,033	24	7,795	(1,281)	(10)	1,705		(1,125)		29	25,151
TOTAL COMPREHENSIVE INCOME FOR THE								1,381		(740)			641
OTHER CHANGES IN EQUITY				1	924	272	(2)	(1,705)				(4)	(514)
Dividends (or remuneration to shareholders)	6				(418)							(4)	(422)
Purchase of treasury shares	24						(8)						(8)
Sale or cancellation of treasury shares	24						6						6
Transfers among components of equity					1,705			(1,705)					
Other increase/(decrease) in equity				1	(363)	272							(90)
BALANCE AT 31-12-2020		**5,981**	**12,033**	**25**	**8,719**	**(1,009)**	**(12)**	**1,381**		**(1,865)**		**25**	**25,278**

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

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)
(Millions of euros)

	NOTE	2021	2020 **	2019 **
A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		38,628	37,562	(6,453)
Profit (loss) for the period *		5,229	1,381	1,708
Adjustments to obtain cash flows from operating activities		(924)	3,062	4,495
Depreciation and amortisation		695	540	546
Other adjustments		(1,619)	2,522	3,949
Net increase/(decrease) in operating assets		15,712	(24,832)	(8,780)
Financial assets held for trading		1,401	1,013	(1,743)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss		95	110	277
Financial assets designated at fair value through profit or loss		0	0	(1)
Financial assets at fair value with changes in other comprehensive income		12,795	(1,488)	4,016
Financial assets measured at amortised cost		4,670	(25,193)	(5,879)
Other operating assets		(3,249)	726	(5,450)
Net increase/(decrease) in operating liabilities		19,462	58,101	(3,787)
Financial liabilities held for trading		(912)	(1,914)	1,333
Financial liabilities designated at fair value through profit or loss		0	0	1
Financial liabilities at amortised cost		18,934	59,369	(4,687)
Other operating liabilities		1,440	646	(434)
Income tax (paid)/received		(851)	(150)	(89)
B) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		13,888	484	(117)
Payments:		(1,266)	(776)	(822)
Tangible assets		(358)	(403)	(525)
Intangible assets		(320)	(287)	(232)
Investments in joint ventures and associates		(49)	0	(5)
Non-current assets and liabilities classified as held for sale		(539)	(86)	(60)
Proceeds:		15,154	1,260	705
Tangible assets		311	228	340
Intangible assets		1	0	8
Investments in joint ventures and associates		208	644	9
Subsidiaries and other business units		277	0	0
Non-current assets and liabilities classified as held for sale		2,266	388	348
Other proceeds related to investing activities	7	12,091	0	0
C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		88	(1,540)	2,521
Payments:		(4,438)	(5,277)	(2,869)
Dividends	6	(216)	(418)	(602)
Subordinated liabilities		(665)	0	0
Purchase of own equity instruments		(15)	(8)	(8)
Other payments related to financing activities		(3,542)	(4,851)	(2,259)
Proceeds:		4,526	3,737	5,390
Subordinated liabilities	22	1,750	746	0
Disposal of own equity instruments		8	6	8
Other proceeds related to financing activities		2,768	2,985	5,382
D) EFFECT OF EXCHANGE RATE CHANGES		1	(5)	1
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		52,605	36,501	(4,048)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		51,611	15,110	19,158
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (E+F)		104,216	51,611	15,110
Cash		3,044	2,339	2,700
Cash equivalents at central banks		99,574	48,535	11,836
Other financial assets		1,598	737	574
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR		**104,216**	**51,611**	**15,110**
(*) Of which: Interest received		8,124	7,413	7,080
Of which: Interest paid		2,637	2,123	1,951
Of which: Dividends received		431	532	578

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF CAIXABANK GROUP AT 31 DECEMBER 2021

As required by current legislation governing the content of consolidated financial statements, these notes to the consolidated financial statements complete, extend and discuss the balance sheet, statement of profit or loss, statement of changes in equity and the statement of cash flows, and form an integral part of them to give a true and fair view of the equity and financial position of CaixaBank group at 31 December 2021, and the results of its operations, the changes in equity and the cash flows during the year then ended.

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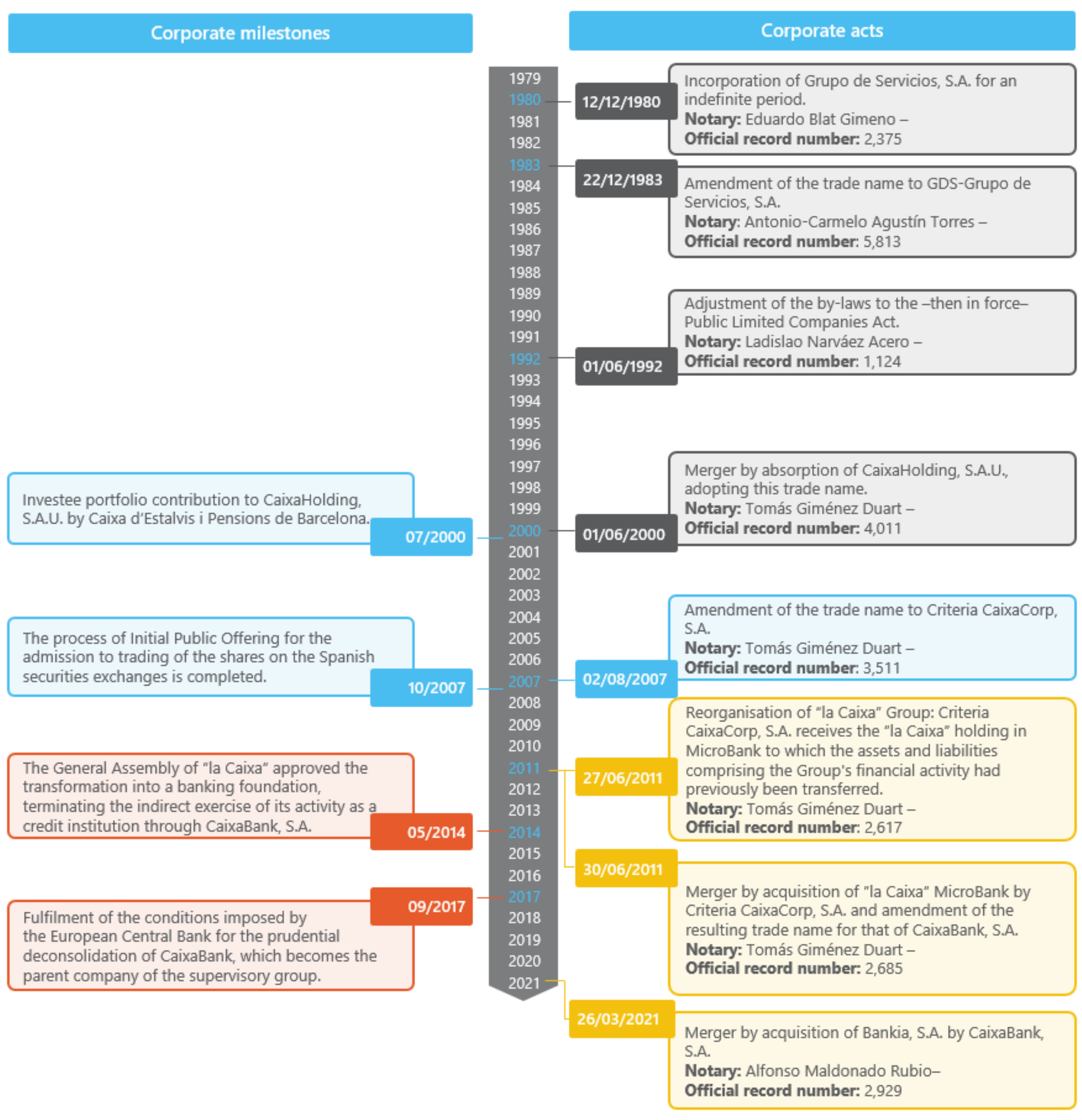
1. Corporate information, basis of presentation and other information

1.1 Corporate information

CaixaBank, S.A. (hereinafter, CaixaBank - its trade name - or the Entity), is a Spanish public limited company registered in the Commercial Register of Valencia, Volume 10370, Folio 1, Sheet V-178351, and in the Special Administrative Register of the Bank of Spain, under number 2100. The Legal Entity Identifier (LEI) of CaixaBank is 7CUNS533WID6K7DGFI87, and its tax ID (NIF) is A08663619.

As of 1 July 2011, CaixaBank's shares are listed on the securities exchanges of Madrid, Barcelona, Valencia and Bilbao, in their continuous markets. The registered office and tax address of CaixaBank is Calle Pintor Sorolla, 2-4 in Valencia (Spain). The contact numbers for the shareholder service line are 902 11 05 82 / +34 935 82 98 03, and the one for institutional investors and analysts is +34 934 11 75 03.

The Entity's most relevant company milestones during its period of activity are:



The corporate purpose of CaixaBank, covered under Article 2 of its By-laws, mainly entails: i) the undertaking of all kinds of activities, operations, acts, contracts and services inherent to the banking business in general, including the provision of investment and ancillary services, and the performance of insurance agency activities; ii) the receipt of funds from the public in the form of irregular deposits or other similar forms, to be applied at its own discretion to active credit and microcredit operations and other investments, providing customers with money order, transfer, custody, mediation and other services; and iii) the acquisition, holding, use and disposal of all kinds of securities and the formulation of public offerings for the acquisition and sale of securities, as well as all kinds of holdings in any company or enterprise.

CaixaBank, S.A. and its subsidiaries comprise CaixaBank Group (hereinafter "CaixaBank Group" or the "Group").

CaixaBank S.A. is the parent company of the financial conglomerate formed by the Group's entities that are considered to be regulated, recognising CaixaBank as a significant supervised entity, whereby CaixaBank comprises, together with the credit institutions of its Group, a significant supervised group of which CaixaBank is the entity at the highest level of prudential consolidation.

As a listed bank, it is subject to oversight by the European Central Bank and the Spanish national securities market regulator (the Comisión Nacional del Mercado de Valores, CNMV); however, the entities of the Group are subject to oversight by supplementary and industry-based bodies.

Since CaixaBank is a Spanish commercial enterprise structured as a public limited company, it is therefore subject to the amended text of the Spanish Corporate Enterprises Act ("Corporate Enterprises Act"), enacted by Royal Legislative Decree 1/2010 of 2 July and its implementing provisions. Furthermore, given that it is a listed company, it is also governed by the amended text of the Securities Markets Law, approved by Royal Legislative Decree 4/2015, of 23 October, and its implementing provisions.

CaixaBank's corporate website is www.caixabank.com.

1.2. Basis of presentation

The Group's consolidated financial statements have been prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Group at 31 December 2021, which is set forth in the International Financial Reporting Standards adopted by the European Union (hereinafter, "IFRS-EU"). In preparing these statements, Bank of Spain Circular 4/2017 of 27 November has been taken into account, which constitutes the adaptation of the IFRS-EU to Spanish credit institutions, and subsequent amendments in force at the end of the financial year.

The financial statements, which were prepared from the accounting records of CaixaBank and the Group's companies, are presented in accordance with the regulatory financial reporting framework applicable to them and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Group's equity, financial position, results of operations and cash flows for the financial year. The accompanying financial statements include certain adjustments and reclassifications required to apply the policies and criteria used by the Group companies on a consistent basis with those of CaixaBank.

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

Standards and interpretations issued by the International Accounting Standard Board (IASB) that became effective in the year

In 2021 the following accounting standards became effective:

STANDARDS AND INTERPRETATIONS THAT BECAME EFFECTIVE IN 2021

STANDARDS AND INTERPRETATIONS	TITLE	DATE OF APPLICATION
Amendment to IAS 39, IFRS 9, IFRS 7, IFRS 16 and IFRS 4 *	Interest rate benchmark reform (phase 2)	1 January 2021
Amendment to IFRS 4	Scope of the temporary exemption for applying IFRS 9	1 January 2021
Amendment to IFRS 16 *	Rental reductions related to COVID-19 beyond 30 June 2021	1 April 2021

(*) They have not had a significant effect on the Group.

Amendment to IAS 39, IFRS 9, IFRS 7, IFRS 16 and IFRS 4 (phase 2)

Global financial regulators have driven the gradual abandonment of IBORs and their replacement with new risk-free rates in recent years. This has led to the need for a transition from the old LIBORs to the new rates recommended by the task forces established in the various jurisdictions.

This transition has been expedited with the announcement of the cessation of some LIBOR indices at the beginning of 2022. For this reason, market participants need to start using new risk-free indices and remedy those contracts that were affected by the cessation of publication of the index.

Since the regulators' first announcements, the Group has taken an active position both externally—participating in the working group on Risk Free Rates (RFR) for the eurozone— and internally, where it has laid down an index transition project with a robust governance structure to meet the regulatory, financial, commercial and technical needs of index transition.

Similarly, the Group has set up an internal task force to manage the various risks to which the Group is exposed as a result of this transition: risk of litigation on contracts indexed to rates that will disappear, operational risks arising from the need for technological changes, operational processes and controls, legal risks when remedying existing contracts, financial and accounting risks from the use and change to new rates as well as reputational conduct risks.

The Group has a high exposure to the Euribor index that is not affected by the transition, while this index, following a reform of its methodology, has received the backing of supervisors and regulators and fully complies with the index regulation. The Group uses Euribor for mortgages, loans, deposits and debt issuances, as well as in a broad range of derivative instruments. However, the eurozone working group and the European authorities recommend that all contracts indexed to Euribor include replacement clauses in the event of a possible future termination of the Euribor based on the new RFR indices for the euro, i.e. in temporary structures of €STR.

With regard to EONIA, it has basically been used in current account contracts, currently already transferred into €STR and in derivatives settled through Central Clearing Houses that migrated to €STR in October 2021. The other contracts referenced to EONIA are those that refer to collateral remuneration in derivative framework contracts that are already being migrated.

Lastly, with regard to the LIBOR indices, the Group's exposure can be considered non-material, the LIBOR USD being the most representative in terms of exposure.

The IASB has completed its response to the global interest rate benchmark reform (IBORs) with a series of amendments to IAS 39, IFRS 9, IFRS 7, IFRS 16 and IFRS 4 -the so-called phase 2-, which supplement those issued in 2019.

These amendments focus on cases in which entities replace the previous benchmark interest rate for an alternative benchmark rate and on the effects of the amendment on the financial statements. Specifically:

- Changes in the contractual cash flows: entities will not have to derecognise or adjust the carrying amount of financial instruments due to the changes required by the reform, but will have to update the effective interest rate in order to reflect the change to the alternative benchmark rate;
- Hedge accounting: entities will not have to abandon their hedge accounting simply because they have to apply the changes required by the reform if the hedging complies with other hedge accounting criteria; and
- Breakdowns: entities must publish information about any new risks that arise following the reform and how they will manage the transition to the alternative benchmark rates.

On 5 March 2021, the Financial Conduct Authority (FCA) announced the termination of the LIBOR on 31 December 2021 for certain terms and currencies, and the USD LIBOR overnight and 12-month terms will terminate on 30 June 2023. As a result of this announcement, ISDA reported that it constitutes an "index cessation event" under its protocol and specific supplements issued in an attempt to replace the IBORs, and consequently Bloomberg has set and published official fallback spread adjustments. The various LIBOR indices are scheduled to cease publication in June 2023, at which time the aid measures adopted in these amendments are expected to be applied, which are effective from 1 January 2021, since they are still considered to be representative until then.

What is more, and in reference to the EURIBOR methodology change, the amendments have been implemented from 1 January 2021 with no material impact. From 15 April 2021 the European Central Bank is began publishing the ESTER (euro short-term rate) in its composite average rate form for 1-week, and 1, 3, 6 and 12-month terms.

Amendment to IFRS 4

For insurance operations, the Group's insurance companies have made use of the temporary exemption of the application of IFRS 9, by virtue of the application of EU Regulation 2020/2097, thus, this standard is no longer in force for the insurance business. This regulation allows for the deferral of IFRS 9 until 1 January 2023 for insurance companies that form part of a financial conglomerate, as stated in article 2, section 14 of Directive 2002/87/EC. This option was adopted by CaixaBank Group for the financial investments of the Group's insurance companies (VidaCaixa and BPI Vida y Pensões) from 1 January 2018, as it fulfilled the conditions laid down by article 2 of the EU Regulation (EU) 2017/1988. As regards Bankia Vida, the temporary exemption from IFRS 9 has also been applied from the date of the company's takeover (see Note 7).

Amendment to IFRS 16

In February 2021 the IASB issued *Rent reductions related to COVID-19* amending the aid in the application of IFRS 16 *Leases*, which had previously been issued in May 2020. As a practical solution, the 2020 amendment enabled lessees not to account for the specific rent concessions as lease modifications as a direct consequence of the COVID-19 pandemic and instead to account for such rent reductions as if they were not lease modifications.

The IASB proposes extending the time period to be able to implement the practical solution, so that it applies to rent reductions for which any decrease in lease payments affects only payments originally due until 30 June 2022, as long as all other conditions for the application of the practical solution are met.

The Group has not identified any material contracts that may form within the scope of this amendment, and thus there will no material impacts on assets nor on the presentation of financial statements derived therefrom.

Standards and interpretations issued by the IASB but not yet effective

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

STANDARDS AND INTERPRETATIONS ISSUED BY THE IASB BUT NOT YET EFFECTIVE

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

IFRS 17 "Insurance contracts"

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

Furthermore, on 9 December 2021, the IASB issued an amendment to IFRS 17 on comparative information in the initial implementation of IFRS 17 and IFRS 9, seeking to help entities avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and therefore improve comparative information for users of financial statements. This modification enables companies to submit comparative information on financial assets in the initial application of IFRS 17 and IFRS 9 based on the expected classification according to IFRS 9, as if the classification and measurement requirements of IFRS 9 had been applied to these financial assets. This presentation can only be applied in comparison periods that have been restated for IFRS 17. This amendment is currently in the process of being endorsed at European level, and has not yet been completed.

As specified in note 2.21 for insurance operations, the Group's insurance companies have made use of the temporary exemption of the application of IFRS 9, thus, this standard is no longer in force for the insurance business by virtue of the application of EU Regulation 2017/1988. This regulation allows for the deferral of IFRS 9 for insurance companies that form part of a financial conglomerate, as stated in article 2, section 14 of Directive 2002/87/EC. This option was adopted by the Group for the financial investments of the Group's insurance companies (VidaCaixa and BPI Vida y Pensões) from 1 January of 2018, as it fulfilled the conditions laid down by article 2 of the EU Regulation EU 2017/1988. As regards Bankia Vida, the temporary exemption from IFRS 9 has also been applied from the date of the company's takeover (see Note 7).

The Group continues to work intensively to implement this standard, in accordance with the plan approved in 2018, which was subject to an update in 2019 and 2020; in particular, the work currently focuses on completing the modelling, estimating financial impacts, as well as conducting dry runs and parallel calculations. Relevant changes to the project plan are not expected in 2022.

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

- Based on the analyses conducted, no changes in the scope of the Standard are expected since the products continue to comply with the definition of an insurance contract.
- The level of grouping of insurance contracts will be based on the product groups currently used for Solvency II analyses.
- In general, the Group will use the general model when measuring groups of insurance contracts, reserving the premium allocation approach chiefly for temporary annual renewable contracts, and the variation of the general model for insurance contracts with direct participation components mainly in Unit Linked contracts.
- For products managed under cash flow matching, discount rates are due to be used to adjust estimates of future cash flows aligned with the rates of the underlying financial assets used to manage them. A contract service margin recognition pattern similar to that currently used to record the margin of products in the income statement is also due to be used.

As regards the impacts that will result from the entry into force of this Standard on 1 January 2023, although work on its details remains ongoing, some changes are expected in the classification and presentation by heading in the income statement, the format of which must be revised. However, these will not have a material impact on profitability or the ability to pay dividends. Similarly, for the purposes of capital ratios or tangible book value, the impacts of first-time adoption are expected to be assumable.

Part A) Statement of comprehensive income1.3. Responsibility for the

The Entity's consolidated financial statements for 2021 were authorised for issue by the Board of Directors at a meeting held on 17 February 2022. They have not yet been approved by the Annual General Meeting, while it is expected that they will be approved without any changes. The financial statements of 2020 were approved by the Ordinary Annual General Meeting on 14 May 2021.

These consolidated financial statements have been prepared according to a going concern based on the solvency (see Note 4) and liquidity (see Note 3.3.3.) of the Group. The preparation of the consolidated financial statements required the Board of Directors to make certain judgements, estimates and assumptions in order quantify certain assets, liabilities, revenues, expenses and obligations shown in them. These judgements and estimates mainly refer to:

- The measurement of goodwill and intangible assets (Note 2.15 and 19).
- The term of the lease agreements used in the assessment of the lease liabilities (Note 2.18).
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations (Note 7)
- Impairment losses on financial assets, and of the fair value of guarantees associated thereto, according to their classification in accounts, which entail the need to make judgments regarding: i) the consideration of “significant increase in credit risk” (SICR); ii) the definition of default; and iii) the inclusion of forward-looking information (Notes 2.7 and 3.4.1.).
- The measurement of investments in joint ventures and associates (Note 16).
- Determination of the share of profit/(loss) of associates (Note 16).
- Actuarial assumptions used to measure liabilities arising from insurance contracts (Note 17).
- The classification, useful life of and impairment losses on tangible assets and intangible assets (Notes 18 and 19).
- Impairment losses on non-current assets and disposal groups classified as held for sale (Note 21).
- Actuarial assumptions used to measure post-employment liabilities and commitments (Note 23).
- The measurement of the provisions required to cover labour, legal and tax contingencies (Note 23).
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets (Note 25).
- The fair value of certain financial assets and liabilities (Note 40).

These estimates were made on the basis of the best information available at the date of authorisation for issue of the financial statements. However, considering the uncertainty at this time derived from the impact of COVID-19 on the current economic environment, it is possible that events may occur that make it necessary for them to be changed in future periods. According to applicable legislation, the effects of these changes would be recognised prospectively in the corresponding statement of profit or loss.

1.4. Comparison of information and changes in consolidation perimeter

The 2020 and 2019 figures presented in the accompanying 2021 Financial Statements are given for comparison purposes only. In some cases, in order to facilitate comparability, the comparative information is presented in a summarised way, and the full information is available in the 2020 and 2019 financial statements.

The 2020 and 2019 comparative figure for the asset memorandum item "Financial instruments loaned or delivered as collateral with the right of sale or pledge - Financial assets at amortised cost" has been amended, since mortgage covered bonds were being included. This change does not have any effect on equity.

In addition, the 2020 and 2019 comparative figure corresponding to the classification of the cumulative amounts of fair value hedge adjustments of hedged items accrued until the maturity thereof (whose hedge was terminated early) from the balance sheet asset item "Other assets — All other assets" to "Changes in fair value of hedged items in a portfolio with interest rate risk hedge", amounting to EUR 1,017 million and EUR 781 million, respectively, has been changed to "Changes in fair value of hedged items in a portfolio with interest rate risk hedge". This change does not have any effect on equity.

The takeover of Bankia, SA was conducted on 23 March 2021. The financial statements at 31 December 2021 reflect the recognition of this business combination. Note 7 explains the balance sheet items integrated into the business combination, as well as the negative goodwill resulting from the transaction.

1.5. Seasonality of operations

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

1.6. Ownership interests in credit institutions

At year-end, the Group held no direct ownership interest equal to or greater than 5% of the capital or voting rights in any credit institution other than the investments and subsidiaries and associates listed in Appendices 1 and 3.

1.7. Minimum reserve ratio

In this year, the Entity complied with the minimum reserve ratio required by applicable regulations.

1.8. Relevant COVID-19 information

In 2021, in the context of the pandemic, the inputs of the macroeconomic scenarios used in the estimation of the expected credit risk loss have been updated (see Note 3.4.1). Given that there are still uncertainties in the macroeconomic forecasts about their evolution in the context of the potential end of the pandemic, the scenarios considered and the weightings applied to calculate provisions under the forward-looking approach required by IFRS 9 have not been altered in 2021 compared to the end of 2020.

This update has implied maintaining, on the basis of the existing provisioning models and a prudent approach, a post model adjustment in the Entity amounting to EUR 1,395 million as at 31 December 2021 in the form of a collective fund.

1.9. Significant operations

Business combination with Bankia

There was a business combination with Bankia on 23 March 2021 (see Note 7). The Group recorded a positive result equivalent to the negative consolidation difference of EUR 4,300 million under "Negative goodwill recognised in profit or loss" in the statement of profit or loss (before and after tax).

Associated with the merger, and in addition to the restructuring process agreements detailed in the following section, EUR 234 million of integration expenses were recorded under "Administrative expenses - Other administrative expenses" (see Note 35), EUR 93 million corresponding to a provision to cover write-downs of assets essentially deriving from the planned restructuring plan for the commercial network under "Provisions or reversal of provisions" (see Note 23) and EUR 105 million for the write-down and impairment of other assets and for commitments already assumed with suppliers as part of the merger with Bankia, recorded under "Impairment or reversal of impairment of non-financial assets" (see Note 37).

As a result of the business merger, BFA Tenedora de Acciones, SAU (wholly owned by the FROB, Fondo de Reestructuración Ordenada Bancaria) holds a 16.12% stake in CaixaBank.

Agreement for the restructuring process

Furthermore, on 1 July 2021, an agreement was reached with the workers' representatives for the execution of the Entity’s restructuring process resulting from the business combination with Bankia affecting 6,452 employees, as well as other changes in the conditions of the current employment framework, in particular those affecting social commitments and with a gross cost of EUR 1,884 million, which has been recorded in the statement of profit or loss (see Note 23).

As of 1 January 2022, 3,922 people have already left with the Restructuring Plan (around 60% of the planned departures), which is expected to be completed by a majority in the second quarter of 2022.

1.10. Subsequent events

The operations —in addition to those stated in the rest of the notes— that have taken place between the close and the formulation thereof are set out below.

Agreement with Mutua Madrileña

In January 2022, CaixaBank reached an agreement with Mutua Madrileña and SegurCaixa Adeslas for the payment of a EUR 650 million loan for the increase the Bankia network in the current distribution agreement. The income will be accrued over a period of 10 years in line with the accrual of the expense of part of the compensation for the breakdown of non-life agreements with Mapfre (see Note 18).

Debt securities issued

Issuance of senior preferred debt

On 13 January 2022, CaixaBank completed an issuance of senior preferred debt amounting to EUR 1,000 million, maturing in 6 years and paying a return of 0.673% (equivalent to the midswap + 62 bp).

Early redemption of subordinated bonds

On 1 February 2022, CaixaBank reported the early redemption of the subordinated debt issued on 15 March 2017 and due on 15 March 2027, for a nominal amount of EUR 500 million, once ECB authorisation has been obtained, and pursuant to its terms and conditions. This issuance was recorded as Tier 2 by CaixaBank and the Group.

2. Accounting policies and measurement bases

The principal accounting policies and measurement bases used in the preparation of the consolidated financial statements of the Group for 2021 were as follows:

2.1. Business combinations and basis of consolidation

In addition to data relating to the parent company, the consolidated financial statements contain information on subsidiaries, joint ventures and associates. The procedure for integrating the assets and liabilities of these companies depends on the type of control or influence exercised.

Subsidiaries

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

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

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

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

The subsidiaries are consolidated, without exception, on the grounds of their activity, using the full consolidation method, which consists of the aggregation of the assets, liabilities, equity, income and expenses of a similar nature included in their separate financial statements. The carrying amount of direct and indirect investments in the share capital of subsidiaries is eliminated in proportion to the percentage of ownership in the subsidiaries held by virtue of these investments. All other balances and transactions between the consolidated entities are eliminated on consolidation.

The share of third parties in the equity and profit or loss is shown under "Minority interests (non-controlling interests)" in the balance sheet and in "Profit/(loss) attributable to minority interests (non-controlling interests)" in the statement of profit or loss.

The results of subsidiaries acquired during the year are consolidated from the date of acquisition. Similarly, the results of subsidiaries that are no longer classified as subsidiaries in the year are consolidated at the amount generated from the beginning of the year up to the date on which control is lost.

Acquisitions and disposals of investments in subsidiaries without a change of control are accounted for as equity transactions, with no gain or loss recognised in the statement of profit or loss. The difference between the consideration paid or received and the decrease or increase in the amount of minority interests, respectively, is recognised in reserves.

According to IFRS 10, on loss of control of a subsidiary, the assets, liabilities, minority interests and other items recognised in valuation adjustments are derecognised, and the fair value of the consideration received and any remaining investment recognised. The difference is recognised in the statement of profit or loss.

Regarding non-monetary contributions to jointly controlled entities, the IASB recognised a conflict in standard between IAS 27, under which on the loss of control, any investment retained is measured at fair value and the full gain or loss on the transaction is recognised in the statement of profit or loss, and paragraph 48 of IAS 31 and the interpretation SIC 13, which, for transactions under their scope, restrict gains and losses to the extent of the interest attributable to the other equity holders of the jointly controlled entity. The Group has elected to apply, in a consistent manner, the provisions of IAS 27 to transactions under the scope of these standards.

Relevant information on these entities is disclosed in Appendix 1.The above information is based on the most recent data available (actual or estimated) at the time of preparation of these Notes.

Joint ventures

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

Investments in joint ventures are accounted for using the "equity method", i.e. in the proportion to the Entity's share of the assets of the investee, after adjusting for dividends received and other equity eliminations.

Relevant information on these entities is disclosed in Appendix 2. The above information is based on the most recent data available (actual or estimated) at the time of preparation of these Notes.

Associates

Associates are companies over which the Group exercises significant direct or indirect influence, but which are not subsidiaries or joint ventures. In the majority of cases, significant influence is understood to exist when the company holds 20% or more of the voting rights of the investee. If it holds less than 20%, significant influence is evidenced by the circumstances indicated in IAS 28. These include representation on the board of directors, participation in policy-making processes, material transactions between the entity and its investee, interchange of managerial personnel or the provision of essential technical information.

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

Investments in associates are accounted for using the equity method, i.e. in the proportion to the share of the assets of the investee, after adjusting for dividends received and other equity eliminations. The profits and losses arising from transactions with an associate are eliminated to the extent of the Group's interest in the share capital of the associate.

The amortisation of intangible assets with a finite useful life identified as a result of a Purchase Price Allocation (PPA) is recognised with a charge to "Share of profit/(loss) of entities accounted for using the equity method" in the statement of profit or loss.

The Group has not used the financial statements of companies accounted for using the equity method that refer to a different date than that of the Group's Parent.

Relevant information on these entities is disclosed in Appendix 3.The above information is based on the most recent data available (actual or estimated) at the time of preparation of these Notes.

Structured entities

A structured entity is that which has been designed so that voting or similar rights are not the dominant factor in deciding its control, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In any case, the Group also uses the percentage of voting rights as an indicator for the purpose of measuring the existence of control in entities of this nature.

Where the Group creates or holds ownership interests in entities to provide customers access to investments or transfer certain risks to third parties, it analyses whether it has control over the investee and, therefore, whether it should or should not be consolidated.

- Consolidated structured entities:

  To determine whether there is control over a structured entity and, therefore whether it should be consolidated, the Group analyses the contractual rights other than voting rights. For this, it considers the purpose and design of each entity and, inter alia, evidence of the ability to direct the relevant activities, potential indications of special relationships or the ability to affect the returns from its involvement.

  With regard to securisation funds, the Group is highly exposed to variable returns and has decision-making power over the entity, directly or through an agent. Information on these funds, the financial support given to the vehicles and the reason are detailed in Note 27.2.

  At year-end, there were no agreements to provide additional financial support to other types of consolidated structured entities than those described.

- Unconsolidated structured entities:

  The Group creates vehicles to provide its customers access to certain investments or to transfer risks or for other purposes. These vehicles are not consolidated, as the Group does not have control and as the criteria for consolidation set out in IFRS 10 are not met.

At year-end, the Group did not have any significant interests in or provide financial support to unconsolidated structured entities.

Business combinations

Accounting standards define business combinations as the combination of two or more entities within a single entity or group of entities. “Acquirer” is defined as the entity which, at the date of acquisition, obtains control of another entity.

For business combinations in which the Group obtains control, the cost of the combination is calculated. Generally, it will be the fair value of the consideration transferred. This consideration includes the assets transferred by the acquirer, the liabilities assumed by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

In addition, the acquirer recognises, at the acquisition date, any difference between:

i) the aggregate of the fair value of the consideration transferred, of the minority interests and the previously held equity interest in the company or business acquired, and

ii) the net amount of the identifiable assets acquired and liabilities assumed, measured at their fair value.

The positive difference between i) and ii) is recognised under “Intangible assets – Goodwill” in the balance sheet provided it is not attributable to specific assets or identifiable intangible assets of the company or business acquired. Any negative difference is recognised under “Negative goodwill recognised in profit or loss” in the statement of profit or loss.

Classification of the financial assets

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

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

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

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

It is important to underline that the sale of financial assets held in the amortised cost portfolio as a result of the Entity's change of view arising from the COVID-19 effects cannot be considered a change in the business model or does not involve an accounting reclassification of the securities held in this portfolio, as these were correctly reclassified when the business model was assessed without the global crisis caused by COVID-19 being a reasonably possible scenario. If the completed sales and those able to be made, where applicable, during the crisis are significant in terms of value or frequency, based on the exceptions foreseen in the regulatory framework, we consider that these would also be consistent with a business model of maintaining financial assets to obtain contractual cash flows, as the current conditions and the reasons that give rise to the need to sell classified assets in the amortised cost portfolio are and will be obviously extraordinary and transitory in nature and can be framed within an identifiable time frame.

More specifically, the fact that the Group expects to make regular sales, focusing on loans (or similar financial assets) that have experienced a drop in credit risk levels, is not inconsistent with how those loans are classified under a business model that holds financial assets to receive contractual cash flows. These sales are not counted for the purpose of determining the frequency of sales and their materiality will, therefore, remain separate from the tracking ratios.

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

- Modified time value of money: in order to assess whether the interest rate of a particular operation incorporates some consideration other than that linked to the passage of time, the Group considers factors such as the currency in which the financial asset is denominated and the term for which the interest rate is established. In particular, the Group performs a regular analysis for operations that present a difference between the holding period and the review frequency, whereby they are compared with another instrument that does not present such differences within a tolerance threshold.

- Exposure to risks inconsistent with a basic lending arrangement: an assessment is conducted on whether the contractual features of financial assets introduce exposure to risks or volatility in the contractual cash flows unrelated to a basic lending arrangement, such as exposure to changes in equity or commodity prices, in which case they would not be considered to pass the SPPI test.

- Clauses that amend the schedule or amounts of cash flows: the Group considers the existence of contractual conditions in virtue of which the timing or amount of the contractual flows of the financial asset can be modified. This applies to: i) assets whose contractual conditions allow for the total or partial early amortisation of the principal: ii) assets whose contracts allow for their duration to be extended, or iii) assets for which interest payments may vary according to a non-financial variable specified in the agreement. In these instances, the Entity evaluates whether the contractual cash flows that the instrument may generate over its life due to this contractual condition are solely payments of principal and interest on the principal amount outstanding and may include a reasonable additional compensation in the event of an early termination of the contract.

- Leverage: financial assets with leverage, i.e. those in which the variability of the contractual flows increases such that they do not have the economic characteristics of interest, cannot be considered financial assets that pass the SPPI test (e.g. derivative instruments such as simple option contracts).

- Subordination and loss of the right to receive payment: the Group evaluates any contractual clauses that may result in a loss of rights to receive payment of principal and interest on the principal amount outstanding.

- Currency: in analysing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Group takes into consideration the currency in which the financial asset is denominated to assess the characteristics of the contractual flows, for instance by assessing the component corresponding to the time value of money based on the benchmark used for setting the financial asset's interest rate.

- Contractually linked instruments: with respect to positions in contractually linked instruments, a ‘look through to’ analysis is performed, and based on this analysis it is considered whether the flows derived from this type of asset consist solely of payments of principal and interest on the principal amount outstanding. Specifically, this is the case if:

  - the contractual terms of the tranche being assessed for classification (without looking through to the underlying pool of financial instruments) give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (for example, the interest rate on the tranche not linked to a commodity index);

  - the underlying pool of financial instruments comprises one or more instruments with contractual cash flows that are solely payments of principal and interest on the principal amount outstanding; and

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

  The underlying group of instruments referred to in the previous section could also include instruments that reduce the variability of the flows of that group of instruments such that, when they are combined with these instruments, they generate flows that are solely payments of principal and interest on the principal amount outstanding (e.g. an interest rate ceiling or floor option or a contract that reduces the credit risk associated with the instruments). It could also include instruments that allow the flows from the tranches to be aligned with the flows from the group of underlying instruments to settle exclusively the differences in the interest rate, the currency in which the flows are denominated (including inflation) and the timing of cash flows.

- Assets without personal liability (non-recourse): the fact that a particular financial asset does not have any personal liability associated with it does not necessarily mean it must be considered a Non-SPPI financial asset. In these situations, the Group assesses the underlying assets or cash flows to determine whether they consist solely of payments of principal and interest on the principal amount outstanding, regardless of the nature of the underlying assets in question.

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

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

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

In cases where a characteristic of a financial asset is not congruous with a basic loan agreement, i.e. the asset has characteristics that give rise to contractual flows other than payments of principal and interest on the principal amount outstanding, the Group will assess the materiality and probability of occurrence in order to determine whether this characteristic or element should be taken into consideration when evaluating the SPPI test.

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

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

Classification of the financial liabilities

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

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

Initial recognition and measurement

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

The transaction costs are defined as expenses directly attributable to the acquisition or drawdown of a financial asset, or to the issuance or assumption of a financial liability, which would not have been incurred if the Group had not made the transaction. These include fees paid to intermediaries (such as prescribers); mortgage arrangement expenses borne by the Group and part of the personnel expenses in the Risk Acceptance Centres. Under no circumstances are the internal administrative costs or those deriving from prior research and analysis considered transaction costs.

The Group uses analytical accounting tools to identify direct and incremental transaction costs of asset operations. These costs are included in determining the effective interest rate, which is reduced for financial assets, thus, the costs are accrued throughout the duration of the transaction.

Subsequent measurement of the financial assets

After its initial recognition, the Group measures the financial asset at amortised cost, at fair value with changes recognised in other comprehensive income, or at fair value with changes recognised in profit or loss.

The receivables for trading operations that do not have a significant financing component and the commercial loans and short-term debt instruments that are initially measured by the price of the transaction or its principal, respectively, continue to be measured by said amount less the correction of value due to estimated allowances for impairment as described in Note 2.7.

Regarding the conventional purchases and sales of fixed income and equities instruments, these are generally registered at the settlement date.

Income and expenses of the financial assets and liabilities

The income and expenses of financial instruments are recognised according to the following criteria:

Portfolio		Recognition of income and expenses
Financial assets	At amortised cost	> Accrued interest: recorded in the statement of profit or loss using the effective interest rate of the transaction on the gross carrying amount of the transaction (except in the case of non-performing assets, where it is applied to the net carrying amount). > Other changes in value: income or expense when the financial instrument is derecognised from the balance sheet, reclassified or when losses occur due to impairment or gains are produced by its subsequent recovery.
	Measured at fair value through profit or loss	> Changes in fair value: fair value changes are recorded directly in the statement of profit or loss, and a differentiation is made —for non-derivative instruments— between the part attributable to the returns earned by the instrument, which will be recorded as interest or as dividends according to its nature, and the rest, which will be recorded as profit/(loss) of financial operations in the corresponding balance item. > Accrued interest: on these debt instruments, calculated using the effective interest method.
	At fair value with changes in other comprehensive income (*)	> Interests or dividends accrued, in the statement of profit or loss. For interest, the same as assets at amortised cost. > The differences in a change in the statement of profit or loss in the case of monetary financial assets, and in other comprehensive income, in the case of non-monetary financial assets. > For the case of debt instruments, impairment losses or gains due to their subsequent recovery in the statement of profit or loss. > The remaining changes in value are recognised in other comprehensive income.
Financial liabilities	At amortised cost	> Accrued interest: recorded in the statement of profit or loss using the effective interest rate of the operation on the gross carrying amount of the operation, except in the case of Tier 1 issuances, in which the discretionary coupons are recognised in reserves. > Other changes in value: income or expense when the financial instrument is derecognised from the balance sheet or reclassified.
	Measured at fair value through profit or loss	> Changes in fair value: changes in the value of a financial liability designated at fair value through profit or loss, in the case of applying in the following manner: > a) the amount of the change in the fair value of the financial liability attributable to changes in the credit risk of said liability is recognised in other comprehensive income, which would be directly transferred to a reserve item if the aforementioned financial liability is derecognised, and > b) the remaining amount of the change in the fair value of the liability is recognised in the profit or loss for the year. > Accrued interest: on these debt instruments, calculated using the effective interest method.

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

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

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

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

In the case of the third series of targeted longer-term refinancing operations (known as 'TLTRO III' — see Note 3.3.3.), the Group considers that each of the operations falls under the scope of the IFRS 9 *Financial Instruments*, given that they are operations whose interest rate is not significantly below the market rate. Here, in its initial recognition, the Group considers whether the terms of each operation, in relation to market prices for other loans with similar guarantees available to the Group, and the rates of bonds and other relevant instruments of the money market, are close to market terms or whether they are significantly off market.

For TLTRO III, the effective interest rate determined in 2021 is calculated for each operation of this series and reflects the Group's estimation in the initial recognition with respect to the amount of final interest to charge upon its specific maturity, considering specific hypotheses of fulfilment of eligible volumes. This entails splitting the interest rate of each of the TLTRO III operations into time periods. Should there be a subsequent change in this estimation due to a change in the Group's expectations regarding compliance with the credit performance thresholds, this would be reflected as a recalculation of the operation's amortised cost (in application of paragraph B5.4.6 of IFRS 9).

Reclassifications between financial instrument portfolios

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

2.3. Accounting hedges

The Group uses financial derivatives as a financial risk management tool, mainly interest rate risk in the banking book (see Note 3). When these transactions meet certain requirements, they qualify for hedge accounting.

When a transaction is designated as a hedge, this is done at inception of the transaction or of the instruments included in the hedge and a technical note of the transaction is documented in accordance with the regulations in force. The hedge accounting documentation duly identifies the hedging instrument or instruments, and the hedged item or forecast transaction, the nature of the risk to be hedged and the way in which the Group assesses whether the hedging relationship meets the requirements of hedging effectiveness (together with the analysis of the causes of failed protection and the way in which the coverage ratio is determined).

For the purpose of verifying the effectiveness requirement:

A there must be an economic relationship between the hedged item and the hedging instrument;

B the credit risk of the hedged item's counterparty or of the hedging instrument should not have a dominant effect on changes in value resulting from said economic relationship; and

C it is essential to comply with the coverage ratio of the hedging accounting relationship, which is defined as the relationship between the quantity of the hedged item and the quantity of the hedging instrument, and it must be the same as the coverage ratio used for management purposes.

Fair value hedges

Fair value hedges hedge the exposure to changes in fair value of financial assets and liabilities or unrecognised firm commitments, or an identified portion of such assets, liabilities or firm commitments, that is attributable to a particular risk and could affect the statement of profit or loss.

In fair value hedges, the gains or losses on the hedging instrument or on the hedged item for the portion attributable to the hedged risk are recognised in an asymmetrical way according to whether the hedged element is a debt instrument or an equity instrument:

- Debt instruments: In fair value hedges, the gains or losses on the hedging instrument or on the hedged item for the portion attributable to the hedged risk are recognised in the statement of profit or loss, in the "Gains/(losses) from hedge accounting, net" section. Particularly, in fair value macro-hedges, gains or losses arising on the hedged items are balanced in “Assets – Fair value changes of the hedged items in portfolio hedge of interest rate risk” or “Liabilities – Fair value changes of the hedged items in portfolio hedge of interest rate risk” depending on the substance of the hedged item, rather than in the items under which the hedged items are recognised.
- Equity instruments: the gains or losses on the hedging instrument or on the hedged item for the portion attributable to the hedged risk are recognised in the section "Accumulated other comprehensive income – Items that will not be reclassified to profit or loss – Failed fair value hedges of equity instruments measured at fair value with changes in other comprehensive income" of the balance sheet.

When hedging derivatives no longer meet the requirements for hedging accounting, they are reclassified as trading derivatives. The amount of the previously registered adjustments to the hedged item is attributed as follows:

- Debt instruments: they are recognised in the heading "Gains/(losses) from hedge accounting, net" of the statement of profit or loss using the effective interest rate method at the date hedge accounting is discontinued.
- Equity instruments: are reclassified to reserves under the heading "Accumulated other comprehensive income – Elements that will not be reclassified to profit or loss – Failed fair value hedges of equity instruments measured at fair value with changes in other comprehensive income" of the balance sheet.

Cash flow hedges

Cash flow hedges hedge exposure to variability in cash flows that is attributable to a particular risk associated with a recognised financial asset or liability or with a highly probable forecast transaction and could affect the statement of profit or loss.

The amount adjusted on the hedging item is recognised in “Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Hedging derivatives. Reserve of cash flow hedges [effective portion]" where they will remain until the forecast transaction occurs, at which point it will be recognised in "Gains/(losses) from hedge accounting, net" of the income statement, in symmetry with the forecast cash flow. However, if it is expected that the transaction will not be carried out, in, it will be recognised immediately in the statement of profit or loss. The hedged items are recognised using the methods described in Note 2.2, without any changes for their consideration as hedged instruments.

2.4. Offsetting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount presented in the balance statement when, and only when, the Entity has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously, taking the following into consideration:

- The legally enforceable right to set off the recognised amounts should not be contingent on a future event and must be legally enforceable in all circumstances, including cases of default or insolvency of any or all the counterparties.
- Settlements that meet the following requirements are considered equivalent to 'net settlement': they totally eliminate or result in insignificant credit and liquidity risk; and settlement of the asset and liability is made in a single settlement process.

A breakdown of the offset transactions are presented below:

OFFSETTING OF ASSETS AND LIABILITIES
(Millions of euros)

	31-12-2021			31-12-2020			31-12-2019		
	GROSS AMOUNT RECORDED (A)	OFFSET AMOUNT (B)	NET AMOUNT IN BALANCE SHEET (C=A-B)	GROSS AMOUNT RECORDED (A)	OFFSET AMOUNT (B)	NET AMOUNT IN BALANCE SHEET (C=A-B)	GROSS AMOUNT RECORDED (A)	OFFSET AMOUNT (B)	NET AMOUNT IN BALANCE SHEET (C=B-A)
ASSETS									
FA held for trading - derivatives	18,877	8,558	10,319	10,323	5,022	5,301	10,382	4,188	6,194
FA at amortised cost - Loans and advances	368,419	16,026	352,393	248,137	5,298	242,839	231,247	3,934	227,313
Of which: Collateral	1,592	1,592		2,779	2,779		2,372	2,372	
Of which: Reverse repurchase agreement *	14,434	14,434		2,045	2,045		990	990	
Of which: Tax lease transaction				474	474		572	572	
Derivatives - Hedge accounting	3,656	2,618	1,038	2,382	1,867	515	2,133		2,133
LIABILITIES									
FL held for trading	17,419	12,581	4,838	9,374	9,223	151	9,882	8,015	1,867
FL at amortised cost	561,290	14,265	547,025	345,074	2,671	342,403	284,082	107	283,975
Of which: Other financial liabilities	(169)	(169)		152	152			(1,455)	1,455
Of which: Repurchase agreement	14,434	14,434		2,045	2,045		990	990	
Of which: Tax lease transaction				474	474		572	572	
Derivatives - Hedge accounting	2,104	1,144	960	574	337	237	515		515

FA: Financial assets; FL: Financial liabilities

(*) Collateral exchange operations implemented through repos, whereby separate cancellation is not permitted. They are generally carried out at 12 months.

2.5. Derecognition of financial

All or part of a financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or when the entity transfers the asset to an unrelated third party.

The accounting treatment of transfers of financial assets depends on the extent to which the risks and rewards associated with ownership of the transferred assets are transferred to third parties:

- If all the risks and rewards of ownership of the transferred asset are substantially transferred (such as in the case of, among others: unconditional sales, a sale with an option to repurchase the financial asset at its fair value at the time of repurchase, a sale of a financial asset together with a put or call option that is deep out of the money, or asset securitisations in which the transferor does not retain any subordinated loans and does not provide any type of credit enhancement to the new owners), it is derecognised, and any rights or obligations retained or arising as a result of the transfer are simultaneously recognised.
- If the risks and rewards of ownership of the transferred financial asset are substantially retained (such as in the case of, among others: sale and repurchase transactions where the repurchase price is a fixed price or the sale price plus a lender's return, a securities lending agreement under which the borrower has the obligation to return the securities or similar), it is not derecognised and continues to be measured by the same criteria used before the transfer and the following are recognised:
  - A financial liability equal to the consideration received, which is subsequently measured at amortised cost, unless it meets the requirements to be classified under other liabilities at fair value through profit or loss; and
  - The income generated on the transferred (but not derecognised) financial asset and the expenses of the new financial liability, without offsetting.
- If substantially all the risks and rewards of ownership of the transferred financial asset are neither transferred nor retained (such as in the case of, among others, a sale of a financial asset together with a put or call option that is neither deep-in-the-money

nor deep-out-of-the-money, securitisations in which the transferor assumes a subordinated loan or other type of credit enhancement for part of the transferred asset), the following distinction is made:

- If the transferor does not retain control over the financial asset transferred, it is derecognised and any right or obligation retained or arising from the transfer is recognised; or
- If the transferor retains control over the financial asset transferred, it continues to recognise the asset for an amount equal to its exposure to changes in value of the asset, recognising a liability associated with the financial asset transferred. The net amount of the transferred asset and the associated liability shall be the amortised cost of the rights and obligations retained, if the asset is measured at amortised cost, or at fair value of the rights and obligations retained, if the transferred asset is measured at fair value.

According to the terms of the transfer agreements in place, virtually the entire portfolio of loans and receivables securitised by the Group does not need to be written off the balance sheet.

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

2.6. Financial guarantees

Financial guarantees given

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

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

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

At the time of their initial recording, the Group accounts for financial guarantees provided in the liabilities of its balance sheet at fair value, which generally equates to the current value of fee and commission income and income to collect for said agreements throughout their duration, whereby the counterpart is the amount of fee and commission income and similar income charged at the start of the operations, and a credit in the assets of the balance sheet for the current value of commissions and yields not yet charged.

Financial guarantee and guarantee contract portfolios, regardless of the guarantor, instrumentation or other circumstances, are reviewed periodically so as to determine the credit risk to which they are exposed and, if appropriate, estimate any provision required. The credit risk is determined by applying criteria similar to those established for quantifying impairment losses on debt securities measured at amortised cost as set out in Note 23, except in the case of technical guarantees, where the criteria set out in Note 2.20 are applied.

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

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

Financial guarantees received

No significant guarantees or collateral were received regarding which there is authorisation to sell or repledge without default by the owner of the guarantee or collateral, except for the collateral inherent to the Group's treasury activity (see Note 3.12).

2.7. Impairment of financial assets

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

The aim of the regulatory accounting framework requirements as regards impairment is to ensure recognition of the credit losses of operations, assessed collectively or individually, considering all the reasonable and substantiated information available, including information of a prospective nature.

Impairment losses on debt instruments in the period are recognised as an expense under the heading "Impairment or reversal of impairment losses on financial assets not measured at fair value through profit or loss or net profit or loss due to a change" in the statement of profit or loss. The impairment losses of debt instruments at amortised cost are recognised against a corrective account of provisions that reduces the carrying amount of the asset, whereas those of instruments at fair value with changes in other comprehensive income are recognised against accumulated other comprehensive income.

The hedges to cover impairment losses in exposures involving credit risk other than debt instruments are recorded as a provision under the heading "Provisions – Commitments and guarantees given" on the liabilities side of the balance sheet. Additions to and reversals of these hedges are recognised charged under the heading “Provisions or reversal of provisions” in the statement of profit or loss.

For the purpose of recording the hedging for impairment losses of debt instruments, the following definitions must be taken into account in advance:

A Credit losses: these correspond to the difference between all the contractual cash flows owed to the Group in accordance with the financial asset's contract and all the cash flows that it is due to receive (i.e. all the insufficiency of cash flows), discounted at the original effective interest rate or, for financial assets that were purchased with or that originated with credit impairment, discounted at the effective interest rate adjusted to reflect credit quality, or the interest rate on the date referred to in the financial statements in the case of a variable rate.

In the case of the loan commitments given, the contractual cash flows that would be owed to the Group in the event the loan commitment were drawn down are compared to the cash flows that it would expect to receive if the commitment were drawn down. In the case of financial guarantees given, the payments that the Group expects to receive are considered, less the cash flows that are expected to be received from the guaranteed holder.

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

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

If the Group's current non-performing asset reduction strategy expects loan sales and other accounts receivable whose credit risk has increased (exposure classified at Stage 3), then the Group will retain any asset affected by this strategy under the model for retaining assets to receive their contractual cash flows, thus they are measured and classified in the portfolio of "Financial assets at amortised cost", provided that their flows only include payments of principal and interest. Similarly, until they no longer intend to make sales, the corresponding credit risk provision considers the price to be received from a third party.

- **B** Expected credit losses: these are the weighted average of the credit losses, using as weighting the respective risks of default events. The following distinction will be considered:
  - Expected credit losses during the life of the operation: these are expected credit losses resulting from all the possible default events during the expected life of the operation.
  - Expected credit losses at twelve months: these are the part of the credit losses expected during the life of the operation corresponding to the expected credit losses resulting from any default events during the twelve months following the reference date.

The amount of the hedges to cover impairment loss is calculated according to whether there has been a significant increase in credit risk since the operation's initial recognition, and whether a default event has occurred:

	Observed impairment of credit risk since its initial recognition			
Credit risk category	**Performing** Stage 1	**Watch-list performing** Stage 2	**Non-performing** Stage 3	**Write-off**
Classification and transfer criteria	Operations whose credit risk has not significantly increased since their initial recognition.	Operations whose credit risk has significantly increased (SICR), but they do not have any default events.	Impair. or credit options. Default event: with amounts past due of over **90** days.	Operations without reasonable expectations of recovery.
Calculation of the impairment hedge	Expected credit losses at twelve months	Expected credit losses during the life of the operation.		Recognition in results of losses for the carrying amount of the operation and total derecognition of the asset.
Interest calculation and recognition	It is calculated by applying the effective interest rate to the gross carrying amount of the operation.		Calculated by applying the effective interest rate at amortised cost (adjusted to reflect any impairment value correction).	They are not recognised in the income statement.
Included operations	Initial recognition of the financial instruments.	Operations included in sustainability agreements that have not completed the trial period. Operations carried out by insolvent borrowers that should not be classified as non-performing or write-off. Refinanced or restructured operations that should not be reclassified as non-performing and that are still in the trial period Operations with amounts past due of over **30** days. Operations which can be identified as having registered a significant increase in credit risk on the basis of market indicators/triggers.	**Non-performing due to borrower arrears:** Operations with amounts past due of over **90** days. Operations where all holders are classified as non-performing (personal risk criteria). **Non-performing for reasons other than borrower arrears:** > Operations that pose reasonable doubts regarding full repayment. > Operations with legally demanded balances. > Operations in which the collateral execution process has been initiated. > Operations and guarantees of the holders in insolvency proceedings with no liquidation petition. > Refinanced operations classifiable as non-performing. > Operations purchased/originating with credit impairment.	Operations with remote recovery possibility. Partial write-offs without the extinction of the rights (partial write-off). Non-performing operations due to arrears of more than 4 years, when the amount not hedged by effective guarantees has been maintained with 100% credit risk hedge for more than 2 years (unless they have effective collateral to hedge at least 10% of the gross amount). Operations with all the holders in insolvency proceedings in the liquidation phase (unless they have effective collaterals that cover at least 10% of the gross amount)

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

This category includes i) non-performing operations due to customer arrears older than four years, or, before the end of the four-year period when the amount not secured by effective guarantees is fully covered for more than two years, and ii) operations made by borrowers declared to be insolvent which have entered or will enter the liquidation phase. In both cases, the operations are not considered to be write-offs if they have effective collateral that covers at least 10% of its gross carrying amount.

However, to reclassify transactions to this category before these terms expire, the Group must demonstrate the remote likelihood of recovering the corresponding balances.

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

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

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

2.8. Refinancing or restructuring operations

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

These operations may derive from:

- A new transaction (refinancing operation) granted that fully or partially cancels other transactions (refinanced operations) previously granted by any Group company to the same borrower or other companies forming part of its economic group that become up-to-date on its payments for previously past-due loans.
- The amendment of the contractual terms of an existing operation (restructured operations) that changes its repayment schedule (grace periods, extension of loan maturities, reduction in interest rates, changes in the repayment schedule, extension of all or part of the capital on maturity, etc.).
- The activation of contract clauses agreed at source that extend the debt repayment terms (flexible grace period).
- The partial cancellation of the debt without the contribution of funds by the customer (foreclosure, purchase or received in lieu of payment of the collateral, or forgiveness of capital, interest, fees and commissions or any other cost relating to the loan extended to the borrower).

The existence of previous defaults is an indication of financial difficulty. Unless otherwise demonstrated, a restructuring or refinancing operation is assumed to exist when the amendment to contractual terms affects operations that have been past due for more than 30 days at least once in the three months prior to the amendment. However, previous defaults are not a requirement for an operation to be classified as refinanced or restructured.

The cancellation of an operation, changes in the contractual terms or the activation of clauses that delay payments when the customer is unable to meet future repayment obligations can also be classified as refinancing/restructuring.

In contrast, debt renewals and renegotiations may be granted when the borrower does not have, or is not expected to have, financial difficulties; i.e. for business reasons, not to facilitate repayments.

For an operation to be classified as such, the borrower must have the capacity to obtain credit from the market, at the date in question, for a similar amount and on similar terms to those offered by the Entity. In turn, these terms must be adjusted to reflect the terms offered to borrowers with a similar risk profile.

In general, refinanced or restructured operations and new operations carried out for refinancing are classified in the watch-list performing category. However, according to the particular characteristics of the operation, they are classified as non-performing when they meet the general criteria for classifying debt securities as such, and specifically i) operations backed by an unsuitable business plan, ii) operations that include contractual clauses that delay repayments in the form of interest-only periods longer than 24 months, iii) operations that include amounts that have been removed from the balance sheet having been classified as unrecoverable that exceed the hedging applicable according to the percentages established for operations in the watch-list performing category, and iv) when pertinent restructuring or refinancing measures may result in a reduction of the financial obligation higher than 1% of the net present value of the expected cash flows. Additionally, adjustments have been made to the criteria for exit from default, thus, refinanced operations cannot be migrated to stage 2 until their repayment has been ongoing for 12 months.

Refinanced or restructured operations and new operations carried out for refinancing are classified as watch-list performing for a trial period until all the following requirements are met:

- After reviewing the borrower's asset and financial position, it is concluded that they are unlikely to have financial difficulties and therefore it is highly probable that they will meet their obligations vis-a-vis the entity in both time and form.
- A minimum period of two years has elapsed from the date of authorisation of the restructuring or refinancing operation, or, if later, from the date of its reclassification from the non-performing category.
- The borrower has covered all the principal and interest payments from the date of authorisation of the restructuring or refinancing transaction, or, if later, from the date of its reclassification from the non-performing category. Additionally: i) the borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing operation, or that were derecognised as a result of it; or ii) when it is deemed more appropriate given the nature of the operations, the borrower complies with other objective criteria that demonstrate their payment capacity.

  If there are contractual clauses that may delay repayments, such as grace periods for the principal, the operation will remain classified as watch-list performing until all criteria are met.
- The borrower must have no other operations with past due amounts for more than 30 days at the end of the period.

When all the above requirements are met, the operations are no longer classified as refinancing, refinanced or restructured operations in the financial statements.

During the previous trial period, further refinancing or restructuring of the refinancing, refinanced or restructured operations, or the existence of amounts that are more than 30 days overdue in these operations, will mean that the operations are reclassified as non-performing for reasons other than arrears, provided that they were classified in the non-performing category before the start of the trial period.

Refinanced and restructured operations and new operations carried out for refinancing remain classified as non-performing until they meet the general criteria for debt instruments; specifically the following requirements:

- A period of one year has elapsed from the refinancing or restructuring date.
- The borrower has covered all the principal and interest payments (i.e. they are up to date on payments) thereby reducing the renegotiated principal, from the date of authorisation of the restructuring or refinancing operation, or, if later, from the date of its reclassification to the non-performing category.
- The borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing operation, or that were derecognised as a result of it, or, when it is deemed more

appropriate given the nature of the operations, the borrower complies with other objective criteria that demonstrate their payment capacity.

- The borrower has no other operations with past due amounts for more than 90 days at the date the refinancing or restructured operation is reclassified to the watch-list performing category.

Furthermore, in relation to the accounting treatment of the moratoria, both legislative and sectoral, established in support of COVID-19, the entity considers them a relevant qualitative change that gives rise to a contractual modification, but not a recognition of the affected financial instrument (see Note 3.4.1 Credit risk – Impact of COVID-19).

2.9. Foreign currency transactions

The Group's functional and presentation currency is the euro. Consequently, all non-euro balances and transactions are foreign currency balances and transactions.

All foreign currency transactions are recorded, on initial recognition, by applying the spot exchange rate between the functional currency and the foreign currency.

At the end of each reporting period, foreign currency monetary items are translated to euros using the average exchange rate prevailing on the spot currency market at the end of each period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to euros using the exchange rate at the date of acquisition. Non-monetary items measured at fair value in a foreign currency are translated to euros using the exchange rates at the date when the fair value is determined.

Unmatured forward foreign exchange purchase and sale transactions not considered as hedges are translated to euros at the year-end exchange rates on the forward currency market.

The exchange rates used in translating the foreign currency balances to euros are those published by the European Central Bank (ECB) at 31 December of each year.

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

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

2.10. Recognition of income and expense

The main policies applied to recognise income and expenses are as follows:

	Characteristics		Recognition
Interest income, interest expense, dividends and similar items	Interest income, interest expense and similar items		Recognised on an accrual basis, using the effective interest method, regardless of when the resulting monetary or financial flow arises, as previously described
	Dividends received		Recognised as income when the right to receive payment is established. This is when the dividend is officially declared by the company's relevant body.
Fees collected/ paid*	**Credit fees** They are an integral part of the yield or effective cost of a financing operation. They are received in advance.	Fees received by creating or acquiring financing operations that are not measured at fair value through profit or loss (i.e. remuneration from activities such as the assessment of the financial situation of the borrower, assessing and recording various guarantees, negotiating the terms and conditions of operations, preparing and processing documentation and closing the transaction)	They are deferred and are recognised over the life of the transaction as an adjustment to the return or effective cost of the operation.
		Fees negotiated as compensation for the commitment of granting financing, when this commitment is not measured at fair value through profit or loss and it is likely that the Group enters into a specific loan agreement.	They are deferred, deposited over the life of the transaction as an adjustment to the return or effective cost of the operation. If the commitment expires and the company has not made the loan, the fee is recognised as income at the time of expiry.
		Fees paid when issuing financial liabilities at amortised cost.	They are included together with any related direct cost in the carrying amount of the financial liability, and are deposited as an adjustment to the effective cost of the operation.
	Non-credit fees This includes those deriving from different provisions for the various financial services of the financing operations.	Those related to the execution of a service provided over time (i.e. the fees for the administration of accounts and those received in advance for the issuance or renewal of credit cards).	They will be registered over time, measuring the progress towards full compliance with the execution obligation.
		Those related to the provision of a service that is executed at a specific time (i.e. subscription of securities, currency exchange, consultancy or syndication of loans).	They are registered in the income statement upon collection.
Other non-financial income and expenses	Other income from ordinary activities		› As a general criterion, they are recognised inasmuch as the assets and services contractually agreed with the customers are provided. The amount of the payment to which the Group expects to have a right in exchange for these goods or services, is recognised as income, during the life of the contract. › If it receives or has a right to receive a payment and the goods or services have not been transferred, the Group recognises a liability, which remains on the balance sheet until it is allocated to the statement of profit or loss. › The Group can transfer the control over time or at a specific time (see the phases in the following chart).

(*) Exceptions: Fees for the financial instruments that are measured by their fair value through profit or loss and the non-availability fee (in operations where drawing down funds is optional for the credit holder) are immediately registered in the statement of profit or loss.
The accrued fees deriving from typical products or services of the financial activity are presented separate to those deriving from products and services that do not correspond to typical activity, which are presented under the heading "Other operating income" in the statement of profit or loss.

The Group adheres to the following stages:

Stage 1	Identifying the contract (or contracts) with the customer and of the obligation or obligations arising out of the execution of the contract.	The Group assesses the committed goods or services and identifies – as an execution obligation – each commitment to transfer to the customer: > a good, a service or a differentiated group of goods or services, or > a series of differentiated goods or services that are practically identical and comply with the same customer transfer pattern.
Stage 2	Determining the price of the transaction	It is defined as the amount of the payment to which the Group expects to have the right in exchange for delivering the goods or providing the services, excluding amounts charged on behalf of third parties, such as indirect taxes, and not taking into consideration any cancellations, renewals or modifications to the contract. The price of the transaction can consist of fixed or variable amounts, or both, and may vary due to discounts, subsidies, reductions or other similar elements. Similarly, the price will be variable when the right to charge for the transaction depends on whether a future event will occur. To reach the transaction price it will be necessary to deduct discounts, subsidies or commercial reductions. In the event the price includes a variable payment, the Group initially estimates the amount of the payment to which it will have the right, either as an expected value, or as the amount in the most probable scenario. This amount is included, in whole or in part, in the transaction price only inasmuch as it is highly probable that there will be no significant reversal in the amount of the accumulated income recognised by the contract. At the end of each period, the Group updates the estimate of the transaction price, to accurately represent the existing circumstances at the time. To determine the price of the transaction, the Group adjusts the amount of the payment to take into account the time value of the money when the agreed payment schedule provides the customer or the company with a significant financing profit. The discount rate used is that which would be used in an independent financing transaction between the company and its customer at the start of the contract. This discount rate is not subject to subsequent updates. Notwithstanding the above, the Group does not update the amount of the payment if, at the start of the contract, the maturity is likely to be equal to or less than a year.
Phase 3	Allocating the price of the transaction between the execution obligations.	The Group distributes the price of the transaction in such a way that each execution obligation identified in the contract is assigned an amount that represents the payment that it will obtain in exchange for transferring to the customer the good or service committed in this execution obligation. This amount is allocated based on the corresponding independent selling prices of the goods and services subject to each execution obligation. The best evidence of an independent selling price is its observable price, if these goods or services are sold separately in similar circumstances. The Group allocates to the different execution obligations of the contract any subsequent change in the estimate of the transaction price on the same basis as at the start of the contract.
Phase 4	Recognising the income inasmuch as the company complies with its obligations.	The Group recognises as income the amount of the transaction price allocated to an execution obligation, inasmuch as it meets this obligation by transferring the committed good or service to the customer.

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

According to the accounting framework applicable to the Group, all the incremental costs from obtaining and/or fulfilling a contract are proceeded to be activated, provided that:

- the costs are directly related to a contract or to an expected contract that the company can specifically identify (e.g. costs related to services that will be provided as a result of the renewal of an existing contract or design costs of an asset that will be transferred under a specific contract that has not yet been approved);

- the costs generate or improve the company's funds that will be used to pay (or to continue paying) for future execution obligations; and
- the costs are expected to be recovered.

The Group attributes these capitalised costs to the statement of profit or loss based on the term of the framework agreement or the operations that give rise to the costs and additionally, at least on a half-yearly basis, conducts an impairment test to assess to what degree the future profits generated by these contracts bear the capitalised costs. If the costs exceeded the current value of the future profits, these assets would be impaired by the appropriate proportion.

2.11. Funds managed

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

2.12. Employee benefits

Employee benefits include all forms of consideration given in exchange for services rendered to the Group by employees or for benefits payable after completion of employment. They can be classified into the following categories:

Short-term employee benefits

These are employee benefits (other than termination benefits) which fall due wholly within 12 months after the end of the period in which the employees render the related service. It includes wages, salaries and social security contributions; paid annual leave and paid sick leave; profit-sharing and bonuses; and non-monetary benefits payable to employees such as medical care, housing, cars and free or subsidised goods or services.

The cost of services rendered is recognised under "Administrative expenses – Personnel expenses" of the statement of profit or loss, except for part of the personnel costs of the Risk Acceptance Centres which are presented as a smaller financial margin of the operations to which they are associated and certain incentives for the personnel of the branch network for the marketing of products, including insurance policies, which are also presented with a reduced financial margin or under the heading of expenses from liabilities under insurance or reinsurance contracts.

Credit facilities made available to employees at below market rates are considered to be non-monetary benefits and are calculated as the difference between market rates and the rates agreed with employees. The difference is recognised under "Administrative expenses – Personnel expenses" with a balancing entry under "Interest income" in the statement of profit or loss.

Remuneration to employees based on equity instruments

The delivery of shareholder equity instruments to employees as payment for their services —when such a delivery is made upon completion of a specific period of services— is recognised as a services expense, insomuch as it is provided by employees, with a balancing entry under the heading "Shareholders' Equity - Other equity items" elements.

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

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

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

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

Post-employment benefits

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

Defined contribution plans

The post-employment obligations with employees are deemed to be defined contribution obligations when the Group makes pre-determined contributions to a separate entity or pension fund and has no legal or constructive obligation to make further contributions if the separate entity or fund cannot pay the employee benefits relating to the service rendered in the current and prior periods. Defined contribution plans each year are recognised under “Administrative expenses – Personnel expenses” in the statement of profit or loss. Post-employment obligations that do not meet the aforementioned conditions are considered defined benefit obligations.

Defined benefit plans

The present value of defined benefit post-employment obligations, net of the value of plan assets, is recorded under “Provisions – Pensions and other post-employment defined benefit obligations” in the balance sheet.

Plan assets are defined as follows:

- The assets held by a long-term employee benefit fund, and
- Qualifying insurance policies; those issued by an insurer that it is not a related part of the Group.

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

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

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

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

The assets and liabilities of subsidiaries that include the mathematical provisions of the policies taken out directly by CaixaBank are included on consolidation. Therefore, in this process the amount under “Liabilities under insurance contracts” is deducted and the investments in financial instruments under policies are registered.

Post-employment benefits are recognised as follows:

- Service cost is recognised in the statement of profit or loss and includes the following:
    - Current service cost, understood as the increase in the present value of obligations arising from employee service in the current period, recognised under "Administrative expenses – Personnel expenses".

- Past service cost, resulting from amendments to existing post-employment benefits or the introduction of new benefits, and the cost of curtailments, recognised under "Provisions or reversal of provisions".
- Any gain or loss arising on settlement of a plan is recognised in "Provisions or reversal of provisions".

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

Other long-term employee benefits

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

Termination benefits

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

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

In the case of payments of over 12 months, the same treatment is applied as for the other long-term employee benefits.

2.13. Income tax

The expense for Spanish income tax is considered to be a current expense and is recognised in the statement of profit or loss, except when it results from a transaction recognised directly in equity, in which case the corresponding tax effect is recognised in equity.

Income tax expense is calculated as the sum of the current tax for the year resulting from applying the tax rate to the taxable profit for the year and any changes in deferred tax assets and liabilities recognised in the year in the statement of profit or loss, less any allowable tax deductions.

Temporary differences, tax loss carryforwards pending offset and unused tax deductions are recognised as deferred tax assets and/or deferred tax liabilities. The amounts are recognised at the tax rates that are expected to apply when the asset is realised or the liability is settled.

Tax assets are recognised under “Tax assets” in the balance sheet as current, for amounts to be recovered in the next 12 months, or deferred, for amounts to be recovered in future reporting periods.

Similarly, tax liabilities are recognised in “Tax liabilities" in the balance sheet, also by current and deferred. Current tax liabilities include the amount of tax payable within the next 12 months and deferred tax liabilities as the amount expected to be paid in future periods.

Deferred tax liabilities arising from temporary differences related to investments in subsidiaries, associates or joint ventures are not recognised when the Group is able to control the timing of the reversal of the temporary difference and, in addition, it is probable that the temporary difference will not reverse.

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

2.14. Tangible assets

Property, plant and equipment for own use

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

Property, plant and equipment for own use includes assets held by the Group for present or future administrative uses or for the production or supply of goods and services that are expected to be used over more than one financial period.

Investment property

It reflects the carrying amounts of land, buildings and other constructions —including those received by the Bank for the total or partial settlement of financial assets that represent collection rights vis-à-vis third parties— owned to obtain rental income or gains through sale.

Tangible assets are generally stated at acquisition cost less accumulated depreciation and any impairment losses determined by comparing the carrying amount of each item to its recoverable amount.

Depreciation is calculated using the straight-line method on the basis of the acquisition cost of the assets less their net carrying value. Land is not depreciated since it is considered to have an indefinite life.

The depreciation charge is recognised with a balancing entry under “Depreciation and amortisation” in the statement of profit or loss and is calculated basically using the depreciation rates set out in the table below, which are based on the years of estimated useful life of the various assets.

USEFUL LIFE OF TANGIBLE ASSETS
(Years)

	ESTIMATED USEFUL LIFE
Constructions	
Buildings	16 - 50
Installations	8 - 25
Furniture and fixtures	4 - 50
Electronic equipment	3 - 8
Other	7 - 14

At the end of each reporting period, the Group assesses tangible assets for any indications that their net carrying amount exceeds their recoverable amount, understood as fair value less costs to sell and value in use.

Any impairment loss determined is recognised with a charge to “Impairment/(reversal) of impairment on non-financial assets – Tangible assets” in the statement of profit or loss and a reduction to the carrying amount of the asset to its recoverable amount. After the recognition of an impairment loss, the depreciation charges for the asset in future periods are adjusted in proportion to its revised carrying amount and remaining useful life.

Similarly, when there are indications of a recovery in the value of the assets, a reversal of the impairment loss recorded in prior periods is recognised and the depreciation charge for the asset in future periods is adjusted. In no circumstances may the reversal of an impairment loss on an asset raise its carrying amount above that which it would have if no impairment losses had been recognised in prior years.

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

Upkeep and maintenance expenses are recognised under “Administrative expenses – Other administrative expenses” in the statement of profit or loss, when they are incurred. Similarly, operating income from investment properties is recognised under “Other operating income” in the statement of profit or loss and the related operating expenses under “Other operating expenses”.

2.15. Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance acquired from third parties or developed internally.

Goodwill

Goodwill represents the payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. Goodwill is only recognised in the acquisition of a business combination for valuable consideration.

In business combinations, goodwill arises as the positive difference between:

- the consideration transferred plus, as appropriate, the fair value of any previously-held equity interest in the acquiree and the amount of minority interests; and
- the net fair value of the identifiable assets acquired less the liabilities assumed.

Goodwill is recognised in "Intangible assets – Goodwill" and is not amortised.

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

Other intangible assets

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

Other intangible assets have an indefinite useful life when, based on an analysis of all the relevant factors, it is concluded that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group, and a finite useful life in all other cases.

Intangible assets with an indefinite life are not amortised. However, at the end of each reporting period, or whenever there is any indication of impairment, the remaining useful lives of the assets are reviewed in order to determine whether they continue to be indefinite and, if this is not the case, to take the appropriate steps.

Intangible assets with a finite useful life are amortised over the useful life, applying policies similar to those followed for the depreciation of tangible assets.

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

Software

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

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

Almost all software recorded under this chapter of the balance sheet has been developed by third parties and is amortised with an average useful life of between 4 and 15 years.

2.16. Inventories

This item in the balance sheet includes non-financial assets held for sale in the ordinary course of business, that are in the process of production, construction or development for such sale, or that are to be consumed in the production process or in the rendering of services.

Inventories are measured at the lower of cost, including borrowing costs, and net realisable value. Net realisable value is defined as the estimated selling price less the estimated costs of production and the estimated costs necessary to make the sale. The accounting principles and measurement bases applied to assets received as payments of debts classified under this item are the same as those set out in Note 2.17. These assets are classified as Level 2 in the fair value hierarchy.

The cost of inventories of items that are not ordinarily interchangeable and of goods and services produced and segregated for specific projects is determined individually, while the cost of other inventories is assigned mainly by using the First-In-First-Out method (FIFO) or weighted average cost formula, as appropriate.

Any write-downs to inventories or subsequent reversals of write-downs are recognised under "Impairment/(reversal) of impairment on non-financial assets – Other" in the statement of profit or loss for the year in which the write-down or reversal occurs.

When inventories are sold, the carrying amount of those inventories is derecognised and an expense recognised in the statement of profit or loss for the period in which the related revenue is recognised. The expense is recognised under "Other operating expenses" in the statement of profit or loss.

2.17. Assets and liabilities held for sale

Assets recognised under this heading in the balance sheet reflect the carrying amount of individual assets or disposal groups, or assets that form part of a line of business that will be disposed of (discontinued operation) whose sale is highly probable in their present condition within one year from the reporting date. Assets that will be disposed of within a year but where disposal is delayed by events and circumstances beyond the Group's control may also classified as held for sale, when there is sufficient evidence that the Entity is still committed to selling them. The carrying amount of these assets will be recovered principally through a sale transaction.

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

The Group has centralised the ownership of virtually all the real estate assets acquired or foreclosed in payment of debts in its subsidiary BuildingCenter, SAU, in a bid to optimise management.

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

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

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

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

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

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

2.18. Leases

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

Determining whether the contract constitutes or contains a lease (*)

At the beginning or upon amending the conditions of the contract

Is the asset identified in the contract? — YES → Does the party that receives the asset have the right to control its use? — YES → It is a lease contract

NO → It is not a lease contract

(*) The Group records each component of the agreement that constitutes a lease regardless of the rest of the components in the agreement that are not leasing components. For any contracts that have a leasing component and one or more additional leasing components, or others that are not related to leasing, the contract payment will be distributed to each leasing component on the basis of the relative price, independent of the leasing component, and on the basis of aggregate price, independent of the components that are not related to leasing.

Recording as a lessor

According to the economic fund of the transaction, regardless of its legal form

Finance leases

- Operations in which, substantially, all the risks and benefits that fall on the leased asset are transferred to the lessee.
- These are registered as financing in the section entitled "financial assets at amortised cost" of the balance sheet for the sum of the updated value of the charges receivable from the lessee during the term of the lease and any unguaranteed residual value corresponding to the lessor.
- These include fixed charges (minus the payments made to the lessee) and specific variable charges subject to an index or rate, as well as the price of exercising the call option, if there is reasonable certainty that the lessee will indeed exercise this option, and the penalties for rescission by the lessee, if the term of the lease reflects the exercise of the option to rescind.
- Financial income obtained as a lessor is registered in the statement of profit or loss under the heading "Interest income".

Operational leases

- Operations in which, substantially, all the risks and benefits that fall on the leased asset, and also its property, are maintained by the lessor.
- The cost of purchasing the leased assets is recorded in the section "Tangible assets" of the balance sheet.
- These are amortised with the same criteria as those used for the rest of own-use tangible assets.
- Income appears in the section "Other operating income" of the profit and loss account.

Recording as a lessee

Term of the contract

- Fixed-term contracts with or without the early termination option in favour of the Entity and without permission from the other party (with only a non-significant compensation): generally, the lease term matches the initial agreed duration.
- Fixed-term contracts with the option to renew on the part of the Entity and without permission from the other party: it has been surmised that this option will be exercised, considering that there are financial incentives and in light of the Company's past practices.
- The term of specific contracts can be affected as a result of possible restructuring plans undertaken by the Company.

Accounting registration

		At the beginning date of the contract	Subsequently
Contracts with a term above 12 months or in which the underlying asset is not of a low value (set at EUR 6,000)	Lease liability ("Other financial liabilities")	A lease liability is valued based on the current value of any lease payments that have not been paid by said date, using, as a discount rate, the interest rate that the lessee would have to pay to borrow - with a similar term and guarantee - the funds necessary to purchase an asset whose value is similar to that of the right-of-use asset in an similar economic climate. This rate is called "additional financing rate"*.	It is measured at amortised cost using the effective interest rate method and is re-valued (with the corresponding adjustment in the relative right-of-use asset) when there is a change in the future lease payments during renegotiation, changes to an index or rate or a new evaluation of contract options.
	Right-of-use asset ("Tangible assets - land and buildings")	The asset is measured at cost and includes the amount of the initial valuation of the lease liability, the payments made on or before the start date and the initial direct costs, dismantling costs or restoring costs when there is obligation to bear the same.	It is amortised on a straight-line basis and is subject to any loss due to depreciation, where applicable, in accordance with the procedure established for the rest of the tangible and intangible assets. In particular, right-of-use assets are included within the banking CGU impairment test together with the corresponding lease liabilities.
Rest of contracts		Lease liabilities are recorded as operating leases	

(*) The additional financing rate has been calculated, taking the issued debt instruments - mortgage bonds and senior debt - as a reference, which are weighted according to the issue capacity of each one. The Group uses a specific rate according to the term of the operation and the business (Spain or Portugal) where the agreements are formalised.

Sale and leaseback transactions	When acting as seller-lessee: • If control of the asset is not retained: - It derecognises the sold asset. - It values the right-of-use asset derived from the subsequent lease at an amount equal to the part of the prior carrying amount of the leased asset corresponding to the proportion represented by the right of use withheld by the bank from the value of the sold asset. - A lease liability is recognised. • If control of the asset is not retained: - It does not derecognise the sold asset. - It recognises a financial liability for the amount of the received payment. The results generated in the operation are recognised immediately in the statement of profit or loss if it is determined that a sale has taken place (only for the amount of the profit or loss in relation to transferred rights of the asset), in such a way that the buyer-lessor acquires control of the asset. There is a procedure for monitoring the transaction prospectively, paying special attention to changes in market office rental prices compared to the contractual rents and the condition of the assets sold

2.19. Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent assets are not recognised in financial statements, except where an inflow of economic benefits is practically certain. If there is a probable inflow of economic benefits, the group discloses the contingent asset.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

2.20. Provisions and contingent liabilities

Provisions cover present obligations at the date of preparation of the financial statements arising from past events which could give rise to a loss considered likely to occur. They are certain as to its nature but uncertain as to its amount and/or timing.

The financial statements include all the material provisions with respect to which it is considered more likely than not that the obligation will have to be settled. Provisions are recognised on the liability side of the balance sheet in accordance with the obligations covered.

Provisions, which are quantified based on the best information available on the consequences of the event giving rise to them and are re-estimated at the end of each reporting period, are used for specific expenditures for which the provision was originally recognised. Provisions are fully or partially reversed when the obligations cease to exist or are reduced.

The tax contingency policy is to set aside provisions for the possible tax expense and late-payment interest arising from the income tax assessments initiated by the tax authorities for the main applicable taxes, irrespective of whether an appeal has been lodged. Meanwhile, provisions are made for legal suits, in those instances where there is over a 50% probability of losing the case.

When there are present obligations but they are not likely to give rise to an outflow of resources, they are recorded as contingent liabilities. Contingent liabilities may develop in a way not initially expected. Therefore, they are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes more probable than not that an outflow of future economic benefits will be required, a provision is recognised in the balance sheet.

Provisions are recognised under "Provisions" on the liability side of the balance sheet in accordance with the obligations covered. Contingent liabilities are recognised under memorandum items in the balance sheet.

Financial instruments

The Group's insurance companies (VidaCaixa, BPI Vida y Pensões and Bankia Vida) have made use of the temporary exemption from IFRS 9, which is why its financial instruments are presented in accordance with IAS 39 in the heading "Assets under the insurance business" of the accompanying balance sheet (see Notes 1 and 17).

Classification of financial assets and liabilities

Financial assets are presented in the balance sheet, grouped in the section "Assets under the insurance business" in different categories in which they are classified for management and assessment purposes, and which are described below:

- "Financial assets and liabilities held for trading": This item mainly comprises financial assets or liabilities acquired or issued for the purpose of selling in the short term or which are part of a portfolio of identified financial instruments managed together and for which there is evidence of a recent pattern of short-term profit-taking. Financial liabilities held for trading also comprise short positions arising from sales of assets acquired temporarily under a non-optional reverse repurchase agreement or borrowed securities. Also included as financial assets or liabilities held for trading are derivative assets and liabilities that do not meet the definition of a financial guarantee contract and have not been designated as hedging instruments.
- "Financial assets and liabilities designated at fair value through profit and loss": includes, where applicable, financial instruments designated upon initial recognition, e.g. hybrid financial assets or liabilities mandatorily measured in full at fair value, or with financial derivatives, the purpose of which is to mitigate the exposure to changes in fair value, or managed as a group with financial liabilities and derivatives to mitigate the overall exposure to interest rate risk. In general, the category includes all financial assets and liabilities when such designation eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatches) that would otherwise arise. Financial instruments in this category must be subject at all times to an integrated and consistent measurement system, management and control of risks and returns permitting verification that risk has effectively been mitigated. Financial assets and liabilities may only be included in this category on the date they are acquired or originated.
- "Available-for-sale financial assets": includes debt securities and equity instruments not classified under any of the preceding categories.
- "Loans and receivables": includes financing granted to third parties through ordinary lending and credit activities carried out by said subsidiaries, their receivables from policyholders and for debt securities not quoted in an active market.

Measurement of the financial assets

All financial instruments are initially recognised at their fair value, which, unless there is evidence to the contrary, is the transaction price.

Subsequently, at a specified date, the fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. The most objective reference for the fair value of a financial instrument is the price that would be paid for it on an active, transparent and deep market. Accordingly, the quoted or market price is used.

If there is no market price, fair value is estimated on the basis of the price established in recent transactions involving similar instruments and, in the absence thereof, of valuation techniques commonly used by the international financial community, always taking into account the specific features of the instrument to be measured and, in particular, the various types of risk associated with it.

Any changes in fair value of financial instruments, except for trading derivatives, due to the accrual of interest and similar items, are recognised in the statement of profit or loss of the year of the accrual. Dividends received from other companies are recognised in the statement of profit or loss of the year in which the right to receive the dividend is established.

Changes in fair value after initial recognition for reasons other than those indicated in the preceding paragraph are treated as described below based on the category of financial asset or financial liability:

- Financial instruments classified as “Financial assets held for trading”, “Financial assets designated at fair value through profit or loss”, “Financial liabilities held for trading” and “Financial liabilities designated at fair value through profit or loss” are measured initially at fair value, with any changes in fair value recognised with a balancing entry in the statement of profit or loss.
- In turn, financial instruments classified as "Available-for-sale financial assets" are initially measured at fair value, with subsequent changes, net of the related tax effect, recognised with a balancing entry in "Equity – Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Available-for-sale financial assets” and “Equity – Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Foreign currency exchange” in the balance sheet.
- Derivatives are recognised in the balance sheet at fair value. When derivatives are entered into, in the absence of evidence to the contrary, fair value is the transaction price. The derivative is recognised as an asset if the fair value is positive and a liability if it is negative. For derivatives classified in Levels 1 and 2 of the fair value hierarchy (see section on "Fair value of financial instruments" of this Note), if the price differs from the fair value when the derivative is entered into, the difference is recognised immediately in the statement of profit or loss.
- Subsequent changes in fair value of derivatives are recognised in the statement of profit or loss, except with cash flow hedges, in which case they are recognised under "Equity – Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Hedging derivatives. Cash flow hedges.
- Derivatives embedded in other financial instruments or in other contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the instrument or host contract, provided a reliable fair value can be attributed to the embedded derivative taken separately.
- Financial instruments classified as “Loans and receivables” and “Financial liabilities at amortised cost” are measured at amortised cost. Amortised cost is acquisition cost, minus principal repayments and plus or minus the cumulative amortisation (as reflected in the statement of profit or loss by the effective interest rate method) of any difference between the initial amount and the maturity amount. And, in the case of assets, minus any allowances for impairment.

The effective interest rate is the discount rate that exactly equates the initial value of a financial instrument to the estimated cash flows for all items until the instrument matures or is cancelled. For fixed-rate financial instruments, the effective interest rate coincides with the contractual interest rate plus any commission or transaction costs included in its yield. Where the fixed rate of interest is contingent, the Group includes it in the estimate of the effective interest rate only if it is highly probable that the triggering event will be reached. For floating-rate financial instruments, the effective interest rate is calculated as a fixed rate until the next reference rate reset.

Reclassifications between financial instrument portfolios

At the close of the financial year, the amounts of financial assets under IAS 39 processing reclassified in previous financial years were not significant.

Impairment of financial assets (IAS 39)

A financial asset is considered to be impaired when there is objective evidence of an adverse impact on the future cash flows that were estimated at the transaction date, where the borrower is unable or will be unable to meet its obligations in time or form, or when the asset’s carrying amount may not be fully recovered. However, a decline in fair value to below the cost of acquisition is not in itself evidence of impairment.

As a general rule, the carrying amount of impaired financial instruments is adjusted with a charge to “Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net profit or loss due to a change” in the statement of profit or loss for the period in which the impairment becomes evident. The reversal, if any, of previously recognised impairment losses is recognised in the same item in the statement of profit or loss for the period in which the impairment no longer exists or has decreased.

For the case of debt instruments at amortised cost, the categories specified in section 2.7 remain, although the calculation of the provisions is based on the provisions of IAS 39. The calculated allowance or provision is defined as the difference between the gross carrying amount of the transaction and the estimated value of future expected cash flows, discounted at the original effective interest rate of the transaction. Effective guarantees received are taken into consideration. For the purposes of estimating allowances, the amount of the risk for debt instruments is the gross carrying amount, and for off-balance exposures, the estimated value of the disbursements.

Both transactions classified as not bearing appreciable risk and those that, due to their type of collateral, are classified as not bearing appreciable risk, could have 0% allowance. This percentage will only be applied to the covered risk.

The accounting policy referring to the recognition of losses due to impairment of the categories of available-for-sale instruments is described below:

- Debt securities classified as available for sale: the market value of quoted debt securities is deemed to be a reliable estimate of the present value of their future cash flows.
- When there is objective evidence that the negative differences arising on measurement of these assets are due to impairment, they are removed from "Equity – Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Available-for-sale financial assets" and the cumulative amount considered impaired at that date is recognised in the statement of profit or loss. If all or part of the impairment loss is subsequently reversed, the reversed amount is recognised in the statement of profit or loss for the period in which the reversal occurs.

Assets under insurance and reinsurance contracts

Furthermore, the chapter "Assets under the insurance business – under insurance and reinsurance contracts" of the balance sheet also covers the amounts that the consolidated companies have the right to receive that originate from reinsurance contracts that they hold with third parties, and more specifically, the share of the reinsurance in the technical provisions constituted by the consolidated insurance companies.

Insurance contract liabilities

The chapter "Liabilities under the insurance business" of the balance sheet covers the technical provisions of the direct insurance and of the accepted reinsurance recorded by the consolidated companies to cover the obligations originating from insurance contracts that they hold that are in force at the close of the period. The main components of technical provisions are as follows:

- Unconsumed premiums and risk in progress:
  - The provision for unearned premiums includes the proportion of premiums written in the year that must be allocated to the period between the close of the reporting period and the expiry of the policy period.
  - The provision for unexpired risks is designed to complement the provision for unearned premiums by the amount which is not sufficient to cover the measurement of all the risks and expenses corresponding to the coverage period not elapsed at the end of the period.
- Life insurance provision: consists mainly of the mathematical provisions of the insurance contracts and the provision for unearned premiums of insurance contracts with a period of coverage equal to or less than one year. Mathematical provisions represent the excess of the current actuarial value of the future obligations of subsidiary insurance companies over that of the premiums which the policyholder must satisfy.
- Relating to life insurance when the policyholder assumes the investment risk: they correspond to the technical provisions of insurance contracts where the investment risk is born by the policyholder.
- Claims: this represents the total amount of outstanding liabilities on claims occurring before the end of the reporting period. The Group calculates this provision as the difference between the total estimated or exact cost of the claims that have occurred and are pending declaration, settlement or payment, including external and internal expenses for handling and processing the files, and the combined amount of the amounts already paid as a result of the claims.
- Provisions for bonuses and rebates: these include the benefits accrued to the policyholders or beneficiaries and not yet assigned at the end of the reporting period. Not included is the effect of allocating part of the unrealised gains on the investment portfolio to policyholders.

Technical provisions linked to risks assigned to reinsurers are calculated on the basis of the reinsurance contracts entered into and by applying criteria similar to those used for direct insurance.

Additionally, the Group has applied the accounting option provided for in IFRS 4 named "shadow accounting", whereby the insurer is permitted to change its accounting policies so that a recognised but unrealised gain or loss on an asset related to insurance contracts affects those measurements of liabilities under insurance contracts in the same way as a realised gain or loss does. The related adjustment to the insurance liability (or deferred acquisition costs or intangible assets) shall be recognised in the statement of profit or loss in other comprehensive income if, and only if, the unrealised gains or losses are recorded in other recognised income and expense.

The Group carries out an annual liability adequacy test in order to identify any provision shortfall and to make the related provision. Otherwise, if the result of the liability adequacy test shows that the provisions recognised were adequate or that excess provisions were recognised, the Group adopts the principle of prudence as established in IFRS 4. The liability adequacy test consists of assessing liabilities under insurance contracts based on the most up-to-date estimates of future cash flows from their contracts in relation to the assets covered. In this respect, it determines:

- The difference between the carrying amount of the insurance contracts less any related deferred acquisition costs and any related intangible assets, and the present value of contractual cash flows from the insurance contracts and any related cash flows, such as claims handling costs, as well as cash flows resulting from embedded options and guarantees.
- The difference between the carrying amount and the present value of projected cash flows from the financial assets related to the insurance contracts.

The future estimated cash flows arising from insurance contracts and affected financial assets are discounted subject to a yield curve of assets with high credit quality (Spanish sovereign debt). In order to estimate future cash flows arising from insurance contracts, the surrender rates observed in the portfolio in accordance with the average over the last 3 years for Pensión 2000 and PPA, and the average observed over the last 5 years for other products are taken into consideration. In addition, sensitivity exercises are carried out with regard to the discount curve used. This sensitivity analysis consists of entering a drop in the interest rate of 100, 150 and 200 basis points of the discount curve used, and an increase of 80, 100 and 200 basis points.

The Group does not unbundle any deposit component of insurance contracts. This unbundling is voluntary. In addition, the fair value of the policyholders' option to surrender insurance contracts is estimated to be zero, otherwise it is measured as part of the value of the insurance contract liabilities.

2.22. Statements of cash flows

The following terms are used in the presentation of the statement of cash flows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the indirect method is used to present cash flows from operating activities, which are the principal revenue-producing activities of credit institutions and other activities that are not investing or financing activities.
- Investing activities: the acquisition, sale or other disposal of long-term assets, such as equity investments and strategic investments, and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and liabilities that do not form part of operating activities, such as subordinated financial liabilities. The issues placed on the institutional market are classified as financing activities, whereas the issues placed on the retail market among our customers are classified as operating activities.

2.23. Statement of changes in equity.

This statement presents the income and expense recognised as a result of the Group's activity in the period, with a distinction between those taken to profit or loss in the statement of profit or loss and other comprehensive income directly in equity.

2.24. Statement of changes in equity. Part B) Statement of total changes in equity

This statement presents all changes in the Group's consolidated equity, including those due to accounting policy changes and error corrections. This statement presents a reconciliation between the carrying amount of each component of equity at the beginning and the end of the period, grouping movements by nature under the following headings:

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

Particularly, the headings 'Retained earnings' and 'Other reserves' contain:

- The shareholder equity heading, 'Retained earnings', includes, at year-end, undistributed gains from the appropriation of the profit/loss of the companies of the consolidated group, and income coming from the sale of investments classified in 'Financial assets at fair value with changes in other comprehensive income – Equity instruments', among others.
- The shareholder equity heading, 'Other reserves', includes, at year-end, the implications of the 1st application of accounting regulations, the application of the profit/(loss) of companies consolidated using the equity accounting method, net of the dividends distributed to companies of the consolidated group, the remuneration of issuances with certain characteristics, and gains/losses deriving from operations with own shares, among others.

3. Risk management

3.1 Risk factors and environment

The following risk factors had a significant influence on the Group's management in 2021, due to their impact during the year and their long-term implications for the Group:

- Macroeconomic environment
  - Global economy

    After the historic recession in 2020 (3.1% drop in global GDP), as a result of COVID-19 and the massive restrictions on activity imposed to contain it, the global economy recorded a strong recovery in 2021, with growth of around 6%. The rapid and forceful economic policies launched in 2020 and continued during 2021, along with the gradual withdrawal of many of the restrictions, provided support for recovery in the year.

    However, this has been an unequal recovery on a country-by-country basis. This is not, in purity, an absolute novelty: when the pandemic erupted in 2020, and the waves were repeated, even though it was a global shock, different local intensities were experienced depending on the sectoral characteristics of the economy; of the containment strategy of varying degrees of aggressiveness; and, lastly, the degree of economic stimuli adopted. And if the shock was global, but the impact was local, the recovery is occurring in a similar manner. In that regard, the key factors that have defined 2021 have been the degree of vaccination of the population; the fiscal and monetary capacity to continue supporting the economy; the different variants, which have spread in very uneven vaccination contexts; and the disruption of global supply chains. Thus, while China did not contract in the 2020 annual assessment (+2.3%) and will have grown by around 8% in 2021; and the United States already reached pre-pandemic levels of GDP in 2Q21 (-3.4% in 2020 and an estimated 5.4% in 2021); the eurozone will not reach these pre-COVID-19 levels until mid-2022 (-6.5% in 2020 and around 5% in 2021).

    In the forthcoming quarters, the global economic recovery will continue, albeit at a slower pace. Moreover, the risks of a further weakening in the pace of progress are not negligible. In particular, at the global level, the impact of new variants and global supply chain disruptions stand out, which in turn are further fuelling inflation concerns in many countries (e.g. in the US). In this regard, the pressure on the Fed to raise interest rates has intensified and it is estimated that it could do so up to three times by 2022. At a more regional level, the crisis of the Chinese real estate company Evergrande is concerning. While international financial contagion is limited, the main risk comes from contagion in the domestic real estate sector, which would negatively affect the Asian giant's growth rate.

  - Eurozone

    In the Eurozone, after a remarkable recovery of activity in the second and third quarters of 2021, the latest indicators show a weaker performance in the fourth quarter. Specifically, economic activity has been negatively impacted by the shortage of supplies, which is affecting significantly countries like Germany, given their high exposure to the industrial sector (especially the automotive industry, highly integrated in the global value chains). In addition, the increase of COVID-19 cases in central and northern Europe has also led to new mobility constraints, with clear effects on the economy. Even so, the eurozone's GDP is estimated to have grown by around 5% in 2021. In 2022, annual growth will slip to around 4.0% with clear differences between countries: contracting in Italy and France; and growing in Germany and Spain. The main countries in the eurozone area will recover their lost GDP levels by mid-2022, except Spain.

  - Spain and Portugal

    In 2021, the Spanish economy recorded a strong recovery in activity and, above all, in employment, which returned to pre-pandemic levels. However, the growth experienced fluctuations throughout the year. After a hesitant start of the year due to the effects of the third wave of infections and the adverse weather conditions, the economic activity was back on the path of recovery thanks to the rapid deployment of vaccinations and the resulting containment of infections and ease of the pressure on the health system. This, in turn, facilitated the reactivation of tourism and household spending, especially in activities that require more social interaction and that were most affected by the previous restrictive measures, such as hospitality, leisure and tourism, which are particularly important to our economy.

    In the last part of the year, activity continued to expand, albeit at a more moderate pace, in a context of a sharp rise in inflation due to higher energy prices and difficulties in some supplies due to bottlenecks in supply chains. In 2021 as a whole, GDP increased by 5%, thus, at year-end, it would still be 4.0% below pre-crisis levels (Q4 2019).

In 2022, the economic recovery is expected to consolidate and GDP growth is projected to accelerate to 5.5%, such that GDP would reach the pre-crisis level of Q4 2019 in the last quarter of 2022. The pandemic may still generate new waves, but its impact on the health system is expected to be limited thanks to advances in vaccines, and there will be no need to reintroduce severe restrictions on activity. Growth in 2022 will be largely supported by three drivers: the recovery of the tourism sector, the impact of European funds and the pent-up demand. However, the year will be subject to uncertainties. On the one hand, the current energy crisis in Europe has led to sharp increases in energy prices which reduce households' purchasing power and put pressure on business margins. The impact of this crisis, although acute, should be temporary, and its effects should moderate once the winter is over. On the other hand, the disruptions to global supply chains will continue to hamper the industrial sector's ability to recover, especially during the first half of 2022. All in all, the energy crisis and logistical problems are expected to end up having a relatively contained impact compared to the magnitude of growth drivers. Although new waves or new variants of the virus cannot be ruled out, it is estimated that the impact on the economy will be increasingly limited, thanks to the effectiveness of vaccines to prevent the most severe cases of the disease, so it would not be necessary to implement measures to restrict activity.

In 2021, the Portuguese economy recorded a remarkable recovery, although performance was uneven throughout the year. After a weak start to the year marked by a new wave of the pandemic, from March onwards, with the gradual withdrawal of measures restricting activity and mobility, the economy recorded a significant drive, with GDP growing by 4.5% quarter-on-quarter in Q2 and by 2.9% in Q3. This recovery was supported by the success of the vaccination plan; with about 88% of the population fully vaccinated, Portugal topped the vaccination ranking worldwide, which contributed to the positive performance of tourism in the summer months. In the last quarter of the year, the pace of GDP growth is expected to decelerate, reflecting, on the one hand, the fact that activity entered into a period of greater normality, and on the other hand, due to some uncertainty factors, such as the increase in COVID-19 infections, the early elections scheduled for the end of January 2022, bottlenecks in production chains and higher energy prices. In 2021 as a whole, GDP is estimated to have grown by 4.3%, reducing its distance from the 2019 level to 2.9%.

For 2022, taking into account the implementation of possible pandemic control restrictions, potentially more pronounced in the first months of the year, GDP growth is projected at 4.9%. The recovery of tourism, the receipt of European funds and accumulated savings will be the growth drivers in 2022, and will be stronger than the factors that can hamper growth (energy crisis and bottlenecks). However, the scenario remains subject to some uncertainty that could turn out to be unfavourable if negative factors persist longer than expected, or favourable if they dissipate more quickly.

Regulatory environment

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

Proposals for legislative and regulatory changes, as well as new legislation and regulation passed in 2021, include:

- **COVID-19 crisis**:
  - Measures and publications impacting the exposures that benefit from measures to combat the COVID-19 pandemic and their classification, notably including:
    - Royal Decree-Law (RDL) 5/2021, of 12 March, on extraordinary measures to support business solvency in response to the COVID-19 pandemic, as well as the Code of Good Practice for the framework of renegotiation with customers with financing guaranteed by the Official Credit Institute (ICO), provided for in RDL 5/2021.
    - Royal Decree-Law 27/2021, of 23 November, extending certain economic measures to support the recovery.
    - Resolution of 30 November 2021, of the Secretary of State for the Economy and Business Support, publishing the Agreement of the Council of Ministers of 30 November 2021, adapting the conditions and extending the application deadlines for guarantees regulated by Royal Decree-Laws 8/2020, of 17 March, and 25/2020, of 3 July, and amending the Code of Best Practices for the renegotiation framework for customers with guaranteed financing provided for in Royal Decree-Law 5/2021, of 12 March.
- **Sustainable finance and environmental, social and governance (ESG) factors**:
  - Reports of authorities subject to public consultation: i) the EBA report on the incorporation of ESG risks in the management and supervision of credit institutions; ii) the ITS (Implementing Technical Standards) for ESG risk disclosures under Pillar 3 of the EBA; iii) the European Commission's Sustainable Finance Platform reports on social taxonomy and options for extending taxonomy linked to environmental objectives.

- Legislative and regulatory proposals in discussion: i) the proposal for a Regulation on a European Green Bond Standard; ii) the proposed Corporate Sustainability Reporting Directive (CSRD).
- Legislative and regulatory texts finalised and published and under implementation: i) the delegated acts of amending MiFID II, IDD (Insurance Distribution Directive), AIFMD (Alternative Investment Managers Directive), UCITS (Undertakings for Collective Investment in Transferable Securities) and Solvency II for the integration of sustainability factors, risks and preferences; (ii) the delegated act on Climate Taxonomy (activities contributing to the goals of mitigating and adapting to climate change); (iii) the Delegated Act on Art. 8 of the Taxonomy Regulation on the degree of alignment of the activities of companies obliged to report under the NFRD with the Climate Taxonomy.
- Legislative and regulatory texts that entered into force/application: the Sustainable Finance Disclosure Regulation (SFDR), despite the lack of second-level developments.
- Other important texts and milestones: i) the European Climate Act, which makes the EU's commitment to achieve climate neutrality by 2050 legally binding, as well as the target of reducing net greenhouse gas emissions to 55% below 1990 levels by 2030; ii) the establishment of a global standard-setter for non-financial reporting, as well as a European one;

- **Prudential regulation**:
  - EBA public consultation on the update of the SREP guidelines proposing a new methodology for establishing the P2G requirement.
  - Bank of Spain Public Consultation on the development of new macro-prudential tools introduced by RD-L 22/2018.
  - Publication of the legislative proposal for CRR III (Capital Requirements Regulation) and CRD-VI (Capital Requirements Directive) implementing the final reforms of the Basel III accords in Europe. In addition, the proposal strengthens the framework for the management and supervision of ESG risks and enhances the provision of supervisory tools.
  - Implementation of CRR II which, among other things, introduces a new standardised approach (SA-CCR) for the purposes of calculating capital requirements for counterparty risk.
- In the **digital field**:
  - Launch of the 24-month research phase of the Digital Euro focusing on a possible functional design and establishment of the 30-member Market Advisory Group to advise the ECB.
  - Amendment of the eIDAS (electronic IDentification, Authentication and trust Services) Regulation, for the creation of a European digital identity, which will include attributes for identification (including information from financial institutions), secure authentication and for the approved signing of documents.
- **Markets**:
  - Progress in the process of replacing IBORs (Interbank Offered Rates). This came particularly in connection with the withdrawal of the LIBOR. The Commission submitted for consultation the drafts of the delegated acts, establishing the replacement indices for the CHF LIBOR and EONIA.
  - Consultation on the EC Retail Investor Strategy in order to boost the participation of retail investors in capital markets.
  - Publication of the proposal for a review of the Consumer Credit Directive and public consultation of the review of the Mortgage Loan Directive.
  - Publication of Act 5/2021, amending the Consolidated Text of the Corporate Enterprises Act, which involves the adaptation of the new regime of related-party transactions and the new requirements for long-term shareholder involvement.
  - Publication of RDL 24/2021, transposing pending Directives, including the Guaranteed Bonds Directive, which completes the regulation on covered bonds and mortgage, territorial and internationalisation bonds.
  - Bank of Spain Circular 4/2021, which determines the models of confidential statements, defining their content and the frequency with which they must be sent to the Bank of Spain, and the need for institutions to have a registry of complaints available to the supervisor with predefined content.

- **Prevention of Money Laundering and the Financing of Terrorism** (PML/FT):
  - Publication of a package of 4 legislative proposals: i) Regulation establishing the new PML/TF European Supervisory Authority (AMLA); ii) the Regulation on obligations in matters of PML/TF; iii) the 6the PML/TF Directive (amends the 5th by repealing the 4th); and iv) the Regulations on the transfer of funds.
  - RDL 7/2021, transposing Directives including the 5th Money Laundering Directive, with the aim of improving transparency and availability of beneficial ownership information.
- Other:
  - Public consultation on the revision of the framework for managing bank crises and the deposit guarantee, from which an assessment of the measures for the preparation and prevention of bank failures will be conducted, as well as those applicable once a bank has been declared bankrupt or likely to fail.

Strategic events

Strategic events are the most relevant occurrences that may result in a medium-term material impact on the Group. Only events that are not yet materialised and do not form part of the Catalogue, but which the organisation is exposed to due to causes that are external to its strategy are considered, even if the severity of their impact can be mitigated through management. If a strategic event occurs, the impact may be on one or more of the risks of the Catalogue simultaneously.

The most relevant strategic events currently identified are detailed here, with a view to better anticipate and manage their effects:

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

  Significant and persistent impairment of macroeconomic perspectives, and increase of risk aversion in financial markets. It could be, for example, a result of prolongation of the pandemic, global geopolitical shocks, domestic political factors (such as territorial tensions, populist governments and social protests), or the reappearance of tensions in the eurozone that rekindle the risks of fragmentation. Possible consequences: rise of the country risk premium (cost of financing), reduction of business volume, a worsening of credit quality, deposit withdrawals, material damages to offices or impeded access to corporate centres (due to protests or sabotage due to social unrest).

  Mitigating factors: the Group understands that such risks are sufficiently managed by its capital and liquidity levels, validated by compliance with both external and internal stress exercises, and reported in the annual internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP, respectively).

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

  There is an expectation that the competition of newcomers will increase, such as fintech companies (e. g. digital banks), as well as big tech companies and other players with disruptive proposals or technologies. This could lead to the disaggregation and disintermediation of part of the chain of value, which in turn could lead to an impact on margins and cross-selling, given that we would be competing with more agile, flexible companies with, in general, low-cost proposals for the consumer. All of this could be exacerbated if the regulatory requirements applicable to these new competitors and services were not the same as those in place at present for credit institutions.

  In addition, the race among competitors to develop and apply new technologies, such as Artificial Intelligence or Blockchain, could pose a competitive disadvantage in certain use cases in the event of lack of momentum or low adoption in the Group.

  By way of example, the potential issuance of a digital euro could lead to the emergence of agents other than banks in the European banking system (e. g. payment institutions and digital money institutions), should intermediation be authorised in the management of digital euro wallets (e-wallets). Furthermore, insofar that payment methods associated to the digital euro could replace current electronic means, banks may lose information provided by customer transactions in terms of their end operator.

  Mitigating factors: the Group considers new entrants a potential threat, whilst also seeing an opportunity for collaboration, learning and stimulus to meet the objectives of digitalisation and business transformation established in the Strategic Plan. For this reason, the Group periodically monitors the evolution of the main newcomers and the big tech movements within the industry. Furthermore, an internal sandbox space has been in place since 2020 to technically analyse —in a streamlined and secure way— the solutions of certain fintech companies with which there are partnership opportunities.

  The Group also has *Imagin* as a first-rate value proposal that it will continue to leverage. With respect to the Group's competition from big tech companies, it is committed to improving the customer experience with the added value represented by the Group's social sensitivity (bits and trust) in addition to proposing possible collaboration approaches (open banking) and having agreements in some cases (e. g. *Apple*, *PayPal*).

- **Cybercrime and data protection**

Cybercrime evolves criminal schemes to try to profit from different types of attacks. In this regard, the dissemination of new technologies and services that the Group makes available to customers entails easier access to cybercrime, and thus makes their criminal operations more sophisticated. This constant evolution of criminal vectors and techniques puts pressure on the Group to constantly reassess the model for preventing, managing and responding to cyberattacks and fraud.

Campaigns to impersonate different companies and government agencies, as well as the accelerated deployment of remote working to maintain productivity during the pandemic, have meant that certain cybersecurity events have materialised in many organisations due to cybercriminals. In parallel, regulators and supervisors in the financial field have escalated the priority of this field. Taking into account the existing threats regarding cybersecurity and recent attacks received by other organisations, these events on the Group's digital environment could pose serious impacts of a different kind, notably including mass data corruption, the unavailability of critical services (e. g. ransomware), breaches of confidential information or fraud on digital service channels. Should these impacts directly related to banking operations occur, they could entail significant sanctions by the competent organisations and potential reputational damage for the Group.

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

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

The risk of increased pressure from the legal, regulatory or supervisory environment is one of the risks identified in the risk self-assessment that could entail a higher impact in the short-medium term. Specifically, we have observed a need to continue to uphold constant monitoring of new regulatory proposals and their implementation, given the high activity of legislators and regulators in the financial sector.

Mitigating factors: the control and monitoring of regulations carried out by the different areas of the Group, under the coordination of a collegiate body, the Regulation Committee, and control over the effective implementation of regulations in the Group's companies.

- **Pandemics and other extreme events**

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

Mitigating factors: capacity for effective implementation of management initiatives to mitigate the effect on the risk profile caused by the deterioration of the economic environment in case of an extreme operational event, as is the specific case of COVID-19.

- **Operational and technological integration with Bankia (see Notes 1.9 and 7).**

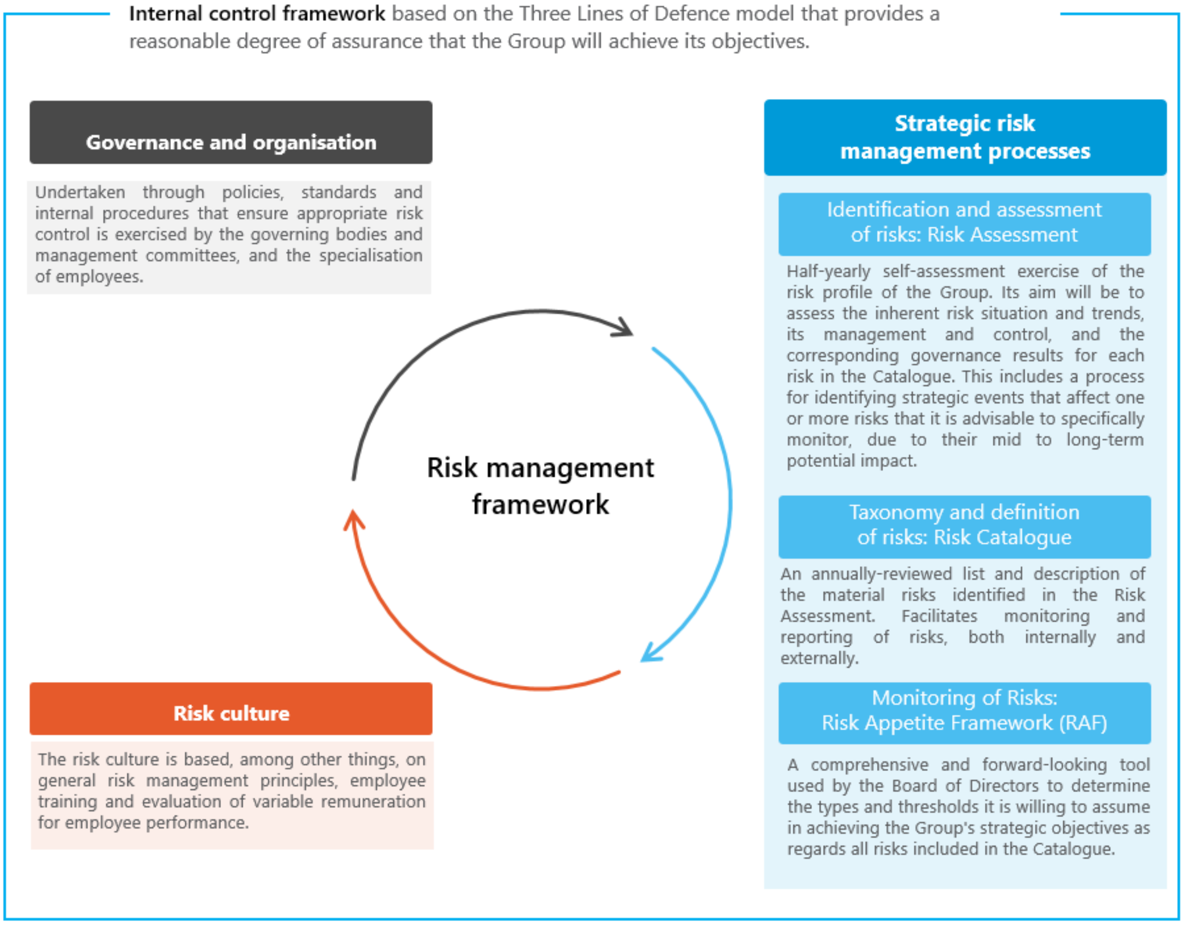
Once the legal and technological merger is completed, CaixaBank may be unable to successfully integrate Bankia's business from other operational perspectives (e.g. branch closures, change of management, etc.). All of this could impede the benefits identified when drawing up the joint merger project from materialising.

Mitigating factors: CaixaBank's successful track record of merger projects, in which it has managed to materialise the savings and synergies foreseen. Additionally, the compatibility of the business models of both organisations and a shared origin and corporate values, as well as solid financial strength in asset solvency and quality, allow them to face the risks of the merger with a significant margin.

3.2. Risk governance, management and control

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

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



3.2.1. Internal control framework

The internal control framework is the set of strategies, policies, systems and procedures that exist across CaixaBank Group to ensure prudent business management and effective and efficient operations. This is carried out via:

- the suitable identification, measurement and mitigation of risks that the Group is or could be exposed to,
- the existence of comprehensive, pertinent, reliable and relevant financial and non-financial information,
- the adoption of solid administrative and accounting procedures, and
- compliance with regulations and requirements in terms of supervision, codes of ethics and internal policies, processes and standards.

This is integrated into the Group's internal governance system, is aligned with the business model and is in line with: i) the regulations applicable to financial institutions; ii) the EBA Guidelines on Internal Governance, of 21 July 2021, which develops the internal governance requirements established in Directive 2013/36/EU of the European Parliament; iii) the recommendations of the CNMV in this respect and iv) other guidelines on control functions applicable to financial institutions.

The guidelines for the Group's Internal Control Framework are set out in the Internal Corporate Control Policy and are structured around the "three lines of defence" model.

First line of defence

Comprises the business lines and units, together with the areas providing support, that give rise to the exposure to risks in the performance of the Group's operations. They take on risks taking into account the Group's risk appetite, the authorised risk limits and policies and procedures in force, and is responsible for managing these risks. They are therefore responsible for developing and maintaining effective controls over their businesses, and for identifying, managing, measuring, controlling, mitigating and reporting the main risks that arise throughout their activity.

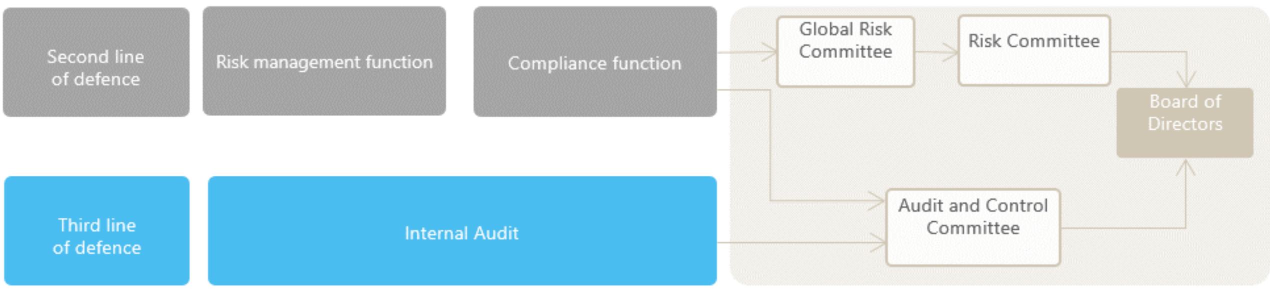
The business lines and support departments integrate control in their daily activities as a basic element that reflects the Group's risk culture.

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

Second line of defence

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

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



The activities of the second line of defence, in the same way as i) the identified weaknesses, ii) the monitoring of action plans and iii) the opinion on the adequacy of the control environment in the Group, are regularly reported to the bodies responsible for the control environment, following the established hierarchy, as well as to supervisory bodies.

- Risk management function

  As well as performing the identification, definition of lines of assumption, measurement, monitoring, management and reporting of risks under its area of responsibility, i) it ensures that all risks that the Group is or could be exposed to are identified, assessed, monitored and controlled adequately; ii) it provides the Governing Bodies with an aggregated vision of all the risks that the Group is or could be exposed to, including an aggregated view of the operational control environment of the risk processes; iii) it monitors the risk generating activities, assessing their alignment with the approved risk tolerance and ensuring the prospective planning of the corresponding capital and liquidity needs in normal and adverse circumstances; iv) it monitors compliance with the risk appetite limits approved by the Board of Directors, and v) validates and controls the appropriate functionality and governance of the risk models, verifying their suitability in accordance with the regulatory uses.

  At CaixaBank, second-line risk management functions are carried out by the Corporate Risk Management Function & Planning and Compliance and Control divisions.

  The responsibilities of the Corporate Risk Management Function & Planning directorate include the corporate coordination of the risk management function in CaixaBank Group; direct exercising of the second line of defence functions in terms of the specific risks of the business model and activity, and any cross-cutting aspects that affect the risk management activities carried out in Group companies. The Corporate Risk Management Function & Planning Director will be responsible for CaixaBank Group's risk management function and, therefore, will attest to the compliance of the supervisor's requirements in this matter and perform the functions allocated to this position by the applicable regulations.

  Furthermore, the Directorate of Compliance and Control directly exercises the second line of defence functions for non-financial risks; the cross-cutting function of promotion, coordination and governance of the operational internal control activity in all the Company's risks, the reliability of information and the model risk and model validation functions.

- Compliance function

  The mission of the compliance function is to identify, evaluate, supervise and report on the risks of sanctions or financial losses to which the Bank is exposed, as a result of the breach of or defective compliance with laws, regulations, legal or administrative requirements, codes of conduct, ethical standards or good practices, relating to the scope of action and in reference to the legal/regulatory and conduct risks and compliance (Compliance Risk); as well as advise, inform and assist the senior management and the governance bodies in relation to regulatory compliance, promoting a culture of compliance throughout the organisation by way of training actions, information and raising awareness.

  The compliance function is conducted from the Office of Compliance, dependent upon the Directorate of Compliance and Control, and reports directly to the Governing Bodies and to supervisory bodies (Bank of Spain, ECB, Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences SEPBLAC, Treasury, CNMV and other bodies).

  The management model of the compliance function has two main pillars: the compliance risk taxonomy and the three lines of defence model. The function is served by the following key elements to ensure an adequate coverage of Compliance Risk: compliance programme, annual compliance plan and monitoring of gaps (control deficiencies or breaches of regulations) identified and of the action plans to mitigate them. Furthermore, the function carries out advisory activities on the matters that fall under its responsibility, and carries out actions to foster the culture throughout the organisation (training, awareness-raising and corporate challenges.

In order to facilitate compliance with the applicable regulations and codes of conduct, CaixaBank has a confidential whistleblower and reporting channel aligned with the best practices through which interpretative queries can be submitted and possible irregularities that may result in breaches can be reported.

Lastly, in June 2021, CaixaBank obtained ISO 37301 certification on the Compliance Management System, which involved a comprehensive review of the elements comprising the function, seeking to confirm alignment with regulatory best practices.

Third line of defence

Internal Audit acts as the third line of defence, independently supervising the activities of the first and second lines to provide Senior Management and Governing Bodies with a reasonable degree of security.

In order to establish and preserve the function's independence, Internal Audit Management functionally reports to the Chair of the Board of Director's Audit and Control Committee, without prejudice to the fact that it must report to the Chairman of the Board of Directors for the due compliance of duties.

Internal Audit has a rule book governing how it operates, which has been approved by the Board of Directors. It establishes that it is an independent and objective assurance and consultation function, established to add value and improve operations. Its objective is to provide reasonable assurance to Senior Management and the Governing Bodies with regard to:

- The effectiveness and efficiency of internal control systems in offsetting the risks associated with the Group's activities;
- Compliance with the legislation in force, with special attention to the requirements of supervising bodies and the suitable application of the Global Management and Risk Appetite Frameworks defined.
- Compliance with internal policies and rules, and alignment with best practices and uses in the sector, for adequate internal governance of the Group.
- The reliability and integrity of financial, non-financial and operational information, including the effectiveness of the Internal Control Systems on financial and non-financial reporting (SCIIF and SCIINF).

Its main supervisory functions include:

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

Its duties also include:

i) Preparing the multi-year Annual Audit Plan based on risk assessments, which includes regulatory requirements and tasks and projects requested by Senior Management/the Management Committee and the Audit and Control Committee. In that regard, the 2021 Annual Audit Plan has focused on five particularly relevant fields: the merger with Bankia, sustainability, COVID-19 impacts, cybersecurity, compliance with regulations and supervisor expectations.

ii) The periodical report on the conclusions of works carried out and weaknesses detected, passed on to Governing Bodies, senior management, external auditors, supervisors and all other relevant control and management environments.

iii) Adding value by proposing recommendations to address weaknesses detected in reviews and monitoring their implementation by the appropriate centres.

3.2.2. Governance and organisation

Below is the organisational diagram in relation to the governance of risk management:

Directors

Annual General Meeting

Board of Directors (BoD)

The Board of Directors is the highest decision-making body, except for matters reserved for the annual general meeting. Determines and monitors the business model and is responsible for introducing a risk governance framework in keeping with the Group's risk appetite. This includes the promotion of a solid and diligent risk culture, establishing the risk appetite within a Risk Appetite Framework. Monitors the result of the risk assessment processes, establishes the Corporate Risk Catalogue, the internal governance policies, and management and control of risk.

Executive Committee

Board steering committee meeting with greater frequency than the Board itself. All the competencies of the Board that can be delegated are delegated thereto.

Risk Committee

Advises the Board of Directors on the bank's risk strategy and global risk propensity, reports on the risk appetite framework and proposes the Group's risk policy to the Board.

Audit and Control Committee (ACC)

Supervises the effectiveness of the internal control systems, of internal audit and of financial and non-financial risk management systems. Supervises the process of preparing and presenting the financial and non-financial information.

Appointments and Sustainability Committee

Assesses and proposes to the Board the evaluation of responsibilities, necessary knowledge and experience of the members of the Board and of the key personnel of CaixaBank. Supervises and controls the correct operation of the CaixaBank corporate governance system, as well as the fulfilment of the policies and rules regarding environmental and social matters.

Remuneration Committee

Establishes the general principles and governance framework for the payment policy for directors and senior executives, and reports on the general remunerations policy.

Innovation, Technology and Digital Transformation Committee

Assists the Board in all matters related to technological innovation and digital transformation, as well as the monitoring and analysis of trends and innovations when they may affect the strategy and business model.

Senior Management*

Management Committee

The Chief Risk Officer and the Chief Compliance and Control Officer are members of the Management Committee.

- ALCO "Assets and Liabilities Committee"
- Transparency Committee
- Sustainability Committee
- Efficiency Committee
- Regulation Committee
- Information Governance and Data Quality Committee
- Internal Control Body
- Recovery and Resolution Plan Committee
- Expert Planning Group

Standing Committee on Lending

Jointly approves asset operations, in compliance with the powers conferred to it by the Board of Directors.

Global Risk Committee

Under the presidency of the Corporate Risk Management Function & Planning (CRMF&P) and the vice-presidency of Compliance, the Global Risk Management Committee comprehensively controls and monitors the Group's risks, as well as the implications for managing liquidity, solvency and capital consumption.

- Credit Risk Policy Committee
- Global Default and Recovery Committee
- Operational Risk Committee
- Models Committee
- Impairment Committee
- Corporate Criminal Management Committee
- Reputational Risk Committee
- Technological Risk Expert Group
- External Fraud Risk Expert Group

* Acting within the framework of the assigned duties it comprises several committees for risk governance, management and control.
Note: Not all the committees are shown.

3.2.3. Strategic risk management system

The goal of strategic risk management processes is to identify, measure, monitor, control and report risks. To this end, the processes include three key elements, which are developed below: risk assessment (identification and evaluation), the risk catalogue (taxonomy and definition) and the risk appetite framework (monitoring).

The result of strategic processes is reported at least annually, first to the Global Risk Committee and then to the Risk Committee, before finally being submitted to the Board of Directors for approval.

Risk Assessment

The Group conducts a risk profile self-assessment process every six months, seeking to:

- Identify and assess inherent risks assumed by the Group in its environment and business model.
- Make a self-assessment of its risk management, control and governance capacity, as a tool to help detect best practices and weaknesses in relation to risks.

This allows us to determine the status of each of the material risks identified in the Corporate Risk Catalogue

The Risk Assessment is one of the main sources for identifying the following:

- **Emerging risks**: a risk whose materiality or importance for the institution is increasing to the extent that it could be included directly in the Corporate Risk Catalogue.
- **Strategic events**: the most relevant occurrences that may result in a medium-term material impact on the Group. Only events that are not yet materialised and do not form part of the Catalogue, but which the organisation is exposed to due to causes that are external to its strategy are considered, even if the severity of their impact can be mitigated through management.

Corporate Risk Catalogue

The Corporate Risk Catalogue is the list of the Group's material risks. It covers both the definition of the material risks to which the institution is exposed and the definition of emerging risks and strategic events. It facilitates internal and external monitoring and reporting, and is subject to review at least once per year. This update process also assesses the materiality of emerging risks previously identified in the Risk Assessment process.

The definition of each risk is set out below:

Risks	Description
Business model risks	
Business profitability	Obtaining results below market expectations or Group targets that, ultimately, prevent the company from reaching a level of sustainable returns that exceeds the cost of capital.
Eligible own funds / Capital adequacy	Risk caused by a restriction of the CaixaBank Group's ability to adapt its level of capital to regulatory requirements or to a change in its risk profile.
Funding and liquidity	Risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.
Risks affecting financial activity	
Credit	Risk of 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.
Actuarial	Risk of a loss or adverse change to the value of the commitments assumed through insurance or pension contracts with customers or employees due to the differences between the estimate for the actuarial variables used in the tariff model and reserves and the actual performance of these.
Structural rate	Negative impact on the economic value of the balance sheet's items or on the financial margin due to changes in the temporary structure of interest rates and its impact on asset and liability instruments and those outside of the Group's balance sheet not recorded in financial assets held for trading.
Market	Loss of value, impacting on performance or solvency, of a portfolio (set of assets and liabilities), due to unfavourable movements in prices or market rates.
Reputation and Operational risks	
Conduct and Compliance	The application of conduct criteria that run contrary to the interests of customers and stakeholders, or acts or omissions that are not compliant with the legal or regulatory framework, or with internal codes and rules, or with codes of conduct and ethical and good practice standards.
Legal/Regulatory risk	The potential loss or decrease in the profitability of the CaixaBank Group as a result of changes in the legislation, of the incorrect implementation of this legislation in the CaixaBank Group's processes, of the inappropriate interpretation of the same in various operations, of the incorrect management of court or administrative injunctions, or of the claims or complaints received.
Technological	Losses due to the unsuitability or failures of the hardware or software of technological infrastructures, due to cyberattacks or other circumstances, which can compromise the availability, integrity, accessibility and security of infrastructure and data.
Reliability of information	Deficiencies in the accuracy, integrity and approach to compiling the data and information needed to evaluate the financial position and assets of CaixaBank Group, as well as information provided to stakeholders and published to market that offers a holistic view of the stance in terms of environment sustainability and that is directly related to environmental, social and governance (ESG principles) aspects.
Model	Possible adverse consequences for the Group that may arise as a result of decisions founded chiefly on the results of internal models with errors in the construction, application or use of these models.
Other operational risks	Losses or damages caused by errors or faults in processes, due to external events, or actions of third parties outside the Group, whether accidentally or intentionally. It includes, among others, risk factors related to outsourcing, the custody of securities or external fraud.
Reputational	The possibility that the CaixaBank Group's competitive edge could be blunted by loss of trust by some of its stakeholders, based on their assessment of real or purported actions or omissions carried out by the Group, its Senior Management or Governing Bodies, or due to the bankruptcy of related unconsolidated entities (step-in risk).

The most relevant amendments of this year's review are:

- Integration of the risk of impairment of other assets (such as equity holdings, deferred tax assets, intangible assets, and real estate) as part of credit risk, in line with regulatory treatment, even taking into account the specific management of some of them.

- With respect to ESG (sustainability) risk: it remains an emerging candidate in the Corporate Catalogue during 2022, given its increasing relevance. It is already included in the Catalogue as a cross-cutting factor in several of its risks (credit, reputational, other operational risks). Furthermore, it is worth mentioning that CaixaBank includes the integration of ESG aspects into risk management in its Socially Responsible Banking Plan approved by the Board of Directors in 2017. In that regard, particularly noteworthy is the environmental strategy approved by the Management Committee, which results in active management of environmental risks and climate change risks.

  In that regard, the CaixaBank lines of work in 2021 were:

  - Establishing an action plan to meet the supervisory expectations of the ECB's Guide on Climate-related and Environmental Risks of November 2020.
  - Conducting a materiality analysis of ESG risks (following the lines of work begun in previous years) and advancing the qualitative and quantitative analysis of climate risks, including the preparation of the ECB's climate stress exercise;
  - Advancing in the classification of portfolios, pursuant to the EU Taxonomy Regulation; and
  - Subscribing to the Net Zero Banking Alliance, which commits to aligning its financing portfolios with the goals of the Paris Agreement and achieving zero net emissions by 2050.

  For further details, see Environmental Strategy in the Consolidated Management Report 2021.

Risk Appetite Framework

The Risk Appetite Framework (RAF) is a comprehensive and forward-looking tool used by the Board of Directors to determine the types and thresholds of risk (risk appetite) it is willing to assume in achieving the Group's strategic objectives.[1]. These objectives are formalised through qualitative statements in relation to the risk appetite, expressed by the Board of Directors, and the metrics and thresholds that allow for the development of the activity to be monitored for the different risks of the Corporate Catalogue.

To determine the thresholds, as applicable, the references taken into account are current regulatory requirements, historical developments and business objectives with a sufficient additional margin to allow for early management to prevent non-compliance.

[1] It is worth noting that these goals are not only displayed through risk tolerance levels but the RAF also considers minimum risk appetite statements, such as the tax risk monitoring under legal risk covered in the Corporate Risk Catalogue.

Responsible body

Equivalence in Risk Catalogue	Board of Directors (advised by the Risk Committee)	Global Risk Committee	Areas managing / controlling Risks and Human Resources
	Statements and primary metrics LEVEL I	Metrics that supplement and implement those of LEVEL I LEVEL 2	Management mechanisms LEVEL 3

Priority dimensions

Qualitative statements

- Maintain a medium-low (moderate) risk profile with a comfortable capital adequacy level to boost customer confidence through financial soundness.
- Be permanently in a position to meet its obligations and funding needs in a timely manner, even under adverse market conditions.
- Have a stable and diversified funding base to preserve and protect the interests of its depositors.
- Generate revenue and capital in balanced and diversified manner.
- Align business strategy and customer relations with socially responsible actions by meeting the highest ethical and governance standards and addressing potential impacts on climate change and the environment.
- Promote a risk culture embedded in management through policies, communication and staff training.
- Pursue excellence, quality and operational resilience to continue to provide financial services to customers in line with their expectations, even under adverse conditions.

Business risk model

- Business profitability
- Own funds/Capital adequacy
- Funding and liquidity

- Cost-to-income ratios
- Regulatory solvency ratios
- Regulatory and internal liquidity metrics that oversee the upholding of comfortable liquidity levels

Risks affecting financial activity

- Credit
- Actuarial
- Market
- Structural rate

- Calculations based on advanced models and approaches
- Accounting figures (cost of risk and NPL ratio)
- Indicators that encourage diversification (e.g. by borrower, sector)

Reputation and Operational risks

- Conduct and Compliance
- Legal/Regulatory risk
- Technological
- Reliability of information
- Model risk
- Other operational risks
- Reputational

- Quantitative metrics on non-financial risks (i.e. reputational, operational)
- Metrics of number of complying incidents

Global Risk Committee:

- Detailed metrics deriving from the factorial decomposition of Level I metrics or from a greater breakdown. They also include more complex and specialised risk measurement parameters

Areas managing / controlling Risks and Human Resources:

- Training and communication
- Methodologies used to measure risk and assess assets and liabilities (monitoring the RAF)
- Limits, policies and powers
- Incentives and appointments
- Tools and processes

Alert System Reports

	Monthly to the Global Risk Committee				Quarterly to the Risk Committee	Half-yearly to the Board of Directors
	Green	Tolerance	Non-compliance	Recovery Plan		
Level 1		The Global Risk Committee foments an action plan and draws up a schedule.	Monitoring of the action plan by the Global Risk Committee and specific communication to the Risk Committee.	Governance Process of the Recovery Plan to reduce the possibility of bankruptcy.	Trend of metrics and LEVEL I projection. Status of non-compliance and action plans.	Trend of metrics and LEVEL I projection. Status of non-compliance and action plans.
Level 2	Through threshold benchmarks.					

3.2.4. Risk culture

The risk culture at the Group will encompass the conduct and attitudes towards risk and the management thereof of employees, reflecting the values, objectives and practices shared by the entire Group, and it is integrated into management through its policies, communication and staff training.

This culture influences employees' management decisions in their day-to-day work to prevent any behaviour that could unintentionally increase risks or lead to unacceptable risks. It is based on a high level of risk awareness and risk management, a robust governance structure, open and critical dialogue across the organisation, and the absence of incentives for unwarranted risk-taking.

Thus, actions and decisions involving an assumption of risk are:

- Aligned with the Group's corporate values and basic principles of action.
- Aligned with the Group's risk appetite and risk strategy.
- Based on exhaustive knowledge of the risks involved and how to manage them, including environmental, social and governance factors.

The risk culture includes, but is not limited to, the following elements:

Responsibility

CaixaBank's Board of Directors is responsible for establishing and supervising the implementation of a solid and diligent risk culture in the organisation, which promotes conduct in line with risk identification and mitigation. Furthermore, they shall examine the impact of such a culture on the financial stability, risk profile and appropriate governance of the institution and make changes where necessary.

All employees must be fully aware of their responsibility towards risk management; management that does not only correspond to risk experts or internal control functions, given that the business units are primarily responsible for the day-to-day management of risks.

Communication

CaixaBank's management assists the governing bodies in establishing and communicating the risk culture to the rest of the organisation, ensuring that all members of the organisation are aware of the fundamental values and associated expectations in risk management, an essential element for maintaining a robust and coherent framework aligned with the Group's risk profile.

In this regard, the Risk Culture project, which aims to raise awareness of the importance of all employees in risk management (credit, environmental, etc.) in order to be a solid and sustainable bank, has marked a turning point in the dissemination of the risk culture throughout the Institution. Various actions intended to raise awareness of the risk culture among all CaixaBank employees within the framework of this project, by publication on the intranet, as well as other places, of news related to risk projects.

More than 100 news items have been published on the intranet's risk news channel in 2021, explaining the most relevant projects, providing general information on risk measurement concepts, publicising the organisational structure, etc. One of these initiatives was the introduction of the "Risk Dictionary", making the technicalities of day-to-day risk management easily accessible to the entire organisation (e.g. RAF, Risk Assessment, NPL, etc.).

Furthermore, the (Company and Retail) corporate risk intranets comprise a dynamic environment for directly communicating key updates in the risk environment. They are notable for their content on news, institutional information, sector information, training and FAQs.

Training

Training is a key mechanism in the Group through which the risk culture is instilled, ensuring employees have the appropriate knowledge and skills to perform their duties in full awareness of their responsibility for risk-taking to achieve the Group's risk objectives. To that effect, CaixaBank provides regular training according to employees' duties and profiles, in line with the bank's business strategy to ensure they are aware of the bank's risk management policies, procedures and processes, including a review of changes in the applicable legal and regulatory frameworks.

In the area of Risks, the Entity defines the content of all training for functions supporting the Board/Senior Management covering specific matters that help high-level decision-making, as well as the rest of the organisation's functions, especially as regards branch network personnel. This is carried out to ensure: communication of the RAF throughout the whole organisation; the decentralisation of decision-making; the updating of risk analysis competencies; and optimisation of risk quality.

The Group structures its training programme through the Risk School. It sees training as a strategic tool to provide support to business areas, whilst providing a conduit for disseminating the Group's risk policies, providing training, information and tools for all of the personnel. This proposal comprises a training circuit for specialising in risk management. This is linked to the professional development of the entire workforce from Retail Banking staff through to specialists in any field.

The figures for the Group's main training initiatives in the field of promoting risk culture are as follows:

RISK CULTURE AND TRAINING

COURSE	TITLE	GROUP TRAINED	NUMBER OF INDIVIDUALS
Basic Banking Risk course (latest edition)	Basic level university qualification	Generalist managers and staff from the business network of branches and other stakeholders who may need a basic knowledge of the organisation’s risk management criteria to carry out their work	2,259 (accumulated)
Postgraduate Diploma in Banking Risk Analysis *(7th edition of Retail and 3rd of Company)*	University diploma	Business network branch deputy managers and managers and other stakeholders who, given their role, may be involved in approving loans or may require in-depth knowledge of risk	318 in 2021 (2,183 accumulated in the speciality of Retail and 589 in the speciality of Companies)
Specialist training in risks for AgroBank branches	Speciality	Employees that make up the AgroBank branch network	2,105 (accumulated)
Specialist training in risks for BusinessBank branches	Speciality	Employees that make up the BusinessBank branch network	277 in 2021 (631 accumulated)
Specialist training in risks for Private Banking branches	Speciality	Employees that make up the Private Banking network	552 (accumulated)
Training in Property Credit Contract Act 5/2019 (6th and 7th editions)	Certificate of specialisation from Pompeu Fabra University — BSM	A refresher course on the new act 5/2019 intended for employees that comprise the Retail, Business and Risk network	1,020 in 2021 (30,704 accumulated)
Training in Document Compliance and data quality	Internal training	Aimed at all employees to improve awareness of risk aspects such as document integrity and the quality of data entered into the systems	22,400
Basic Course on Economic – Financial Analysis	Internal training	Intended for the Retail and Company Centre network collective, including Welcome - Company Banking, Welcome - Business Bank	517 employees (397 in self-training, 39 Welcome - Company Banking, employees and 81 Welcome - Business Bank)
Risk Management and Company Banking Circuits training	Internal training	A specific training course on risk policies and circuits has been developed for the group of professionals in the Risk department arising from the merger with Bankia	365

Performance assessment and remuneration

The Group seeks to keep the motivation of its employees in line with the risk culture, and with compliance of the risk levels that the Board is prepared to take on. Thus, responsibility for risk management will be embedded, as appropriate, in the duties performed by employees, including their personal goals, performance appraisal and remuneration structures.

Along these lines, there are compensation schemes in remuneration policies that establish adjustments to the remuneration of senior executives and other groups whose activities have a significant impact on the risk profile directly linked to the annual progress of the RAF metrics and which are specified in the Annual Remunerations Report.

3.3. Business model risks

3.3.1. Business profitability risk

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

The profitability objectives, backed by financial planning and monitoring process, are set out in the Group's Strategic Plan, over three years, and are specified annually in the Group's budget and in the commercial network challenges.

The Group has a corporate Policy for Business Profitability risk management. Management of this risk is founded on visions of management:

- Group vision: the overall aggregated return at the level of CaixaBank Group.
- Business/Region vision: the return from businesses/territories.
  - Financial-Accounting vision: the return from different corporate businesses.
  - Commercial-Management vision: the return from the management of the CaixaBank commercial network.
- Pricing vision: the return from setting prices for CaixaBank products and services.
- Project vision: the return from relevant Group projects.

The risk management strategy for business profitability is closely integrated with the capital adequacy and liquidity management strategy of the Group, and is supported by the strategic risk processes (Corporate Risk Catalogue, risk assessment and RAF).

3.3.2. Risk of own funds and capital adequacy

The risk of own funds and capital adequacy responds to the potential restriction of the Group to adapt its volume of own funds to regulatory requirements or a change to its risk profile.

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

Regulatory capital is the metric required by regulators and used by analysts and investors to compare financial institutions. It is governed by Regulation 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council (CRD 4) which incorporated the Basel III regulatory framework (BIS III) into the European Union. Whereas the CRR was directly applied in Spain, CRD 4 was transposed to Spanish law through Act 10/2014 on the arrangement, monitoring and solvency of credit institutions and its subsequent regulatory development through Royal Decree 84/2015 and Bank of Spain Circular 2/2016. On 27 June 2019, a comprehensive package of reforms to amend the CRR and CRD4 directive came into force. The CRD 5 directive has been incorporated into Spanish legislation through Royal Decree-Law 7/2021 (which has amended, among others, Act 10/2014). Although RDL 7/2021 has generally been applicable since 29 April 2021, on 19 May 2021 the Spanish Parliament decided to process it as a law, so it may be subject to change. Similarly, Royal Decree 970/2021 amended, among others, RD 84/2015. Furthermore, in relation to Circular 2/2016, the Bank of Spain has published Circular 5/2021 amending this circular with the incorporation of macroprudential tools and a draft circular whose definitive publication is scheduled for 2022 and through which it will complete the transposition of CRD 5 into the Spanish legal system. Similarly, following the transposition to European legislation in 2013, the Basel Committee and other relevant bodies published a series of additional rules and documents containing new specifications for the calculation of capital

This means that procedures are constantly being updated, and therefore the Group continuously adapts its processes and systems to ensure the calculation of capital consumption and deductions from own funds are fully aligned with the new established requirements.

Meanwhile, the economic capital measures the internal criteria for own funds and capital requirements for all risks derived from its activity. This measure complements the regulatory vision of capital adequacy, allows for it to better offset the risk assumed by the Entity and includes risks that have not been factored in at all or only partially by the regulatory measures. In that regard, in addition to the risks referred to in Pillar I (credit, market and operational risk), it includes others also included in the Corporate Risk Catalogue, (e.g. interest rate risk in the banking book, and liquidity, business and actuarial risk, etc.). This vision is used for i) the self-assessment of capital, subject to presentation and periodical review in the Group's corresponding bodies; ii) as a control and monitoring tool; iii) risk planning and iv) calculating Risk-Adjusted Return (RAR) and Pricing. In contrast with regulatory capital, economic capital is an internal estimate which is adjusted according to the level of tolerance to risk, volume, and type of business activity.

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

The Group has a Corporate Policy for Own Funds and Capital Adequacy Risk that covers a broad concept of own funds, including both eligible own funds under prudential regulations and eligible instruments for hedging MREL minimum requirements, the purpose of which is to lay down the principles on which capital objectives are determined in CaixaBank Group, as well as to lay down a common set of guidelines in relation to the monitoring, control and management of own funds that allow this risk to be mitigated, among other aspects. Similarly, the main processes comprising the management and control of capital adequacy and own funds risk are as follows: i) ongoing measurement and internal and external reporting on regulatory capital and economic capital through relevant metrics; ii) capital planning in different scenarios (standardised and stress scenarios, including ICAAP, EBA Stress Test and Recovery Plan), integrated in the corporate financial planning process, which includes the projection of the Group's balance sheet, income statement, capital requirements and own funds and capital adequacy. All of this is accompanied by monitoring of the capital regulations applicable at present and over the coming years.

For further information on the risk management of own funds and capital adequacy, see Note 4 - Capital Adequacy Management.

3.3.3. Liquidity and funding risk

Overview

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

The Group manages this risk in order to ensure liquidity is maintained at levels that allow it to comfortably meet all its payment obligations and to prevent its investment activities from being affected by a lack of lendable funds, operating at all times within the RAF. The strategic principles to achieve the liquidity management objectives are as follows:

- A decentralised liquidity management system across three units (the CaixaBank subgroup, the BPI subgroup and CaixaBank Wealth Management Luxembourg, S.A.), which includes a segregation of duties to ensure optimal management, control and monitoring of risks.
- Maintaining an efficient level of liquid funds in order to meet obligations assumed, fund business plans and comply with regulatory requirements.
- Active management of liquidity through ongoing monitoring of liquid assets and the balance sheet structure.
- Sustainability and stability as principles of the funding source strategy, which is based on i) the customer deposit-based funding structure and ii) capital market funding, complementing the funding structure.

The liquidity risk strategy and appetite for liquidity and financing risk involves:

- identifying significant liquidity risks for the Group and its liquidity management units;
- formulating the strategic principles the Group must observe in managing each of these risks;
- establishing the relevant metrics for each of these risks;
- setting appetite, tolerance, limit and —as the case may be— recovery thresholds within the RAF;
- setting up management and control procedures for each of the risks, including mechanisms for internal and external systematic monitoring;
- defining a stress testing framework and a Liquidity Contingency Plan to ensure liquidity risk can be appropriately managed in moderate and severe crisis situations;
- and a recovery planning framework, in which scenarios and measures are devised for stress conditions.

In particular, the Group holds specific strategies with regard to: i) management of intraday liquidity risk; ii) management of the short-term liquidity; iii) management of sources of financing/concentrations; iv) management of liquid assets; and v) management of collateralised assets. Similarly, the Group has procedures to minimise liquidity risks in stress conditions through i) the early detection of the circumstances through which it can be generated; ii) minimising negative impacts; and iii) sound management to overcome a potential crisis situation.

Mitigation techniques for liquidity risk

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

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

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

AVAILABLE IN ECB FACILITY
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Value of guarantees delivered as collateral	**89,345**	**72,139**	**51,455**
CaixaBank	83,424	66,498	46,001
BPI	5,921	5,641	5,454
Drawn down	**(80,752)**	**(49,725)**	**(12,934)**
TLTRO II – CaixaBank			(3,409)
TLTRO III – CaixaBank *	(75,890)	(45,305)	(8,145)
TLTRO II – BPI			(500)
TLTRO III – BPI *	(4,862)	(4,420)	(880)
Interest on drawn guarantees	**951**	**122**	**49**
Interest on drawn guarantees - CaixaBank	951	122	44
Interest on drawn guarantees - BPI			6
TOTAL AVAILABLE BALANCE IN ECB FACILITY	**9,543**	**22,536**	**38,571**

(*) Interest accrued from the borrowing from TLTRO III on 31 December 2021 and 2020 amounts to EUR 746 million and EUR 288 million, respectively. This interest is calculated for each operation of this series and reflects the Group's estimation in the initial recognition with respect to the amount of final interest to charge upon its specific maturity, taking into account specific hypotheses of fulfilment of eligible volumes. The value "interest on drawn guarantees" is the calculation carried out by the Bank of Spain to assess the guarantees drawn in the facility. In the calculation of the balance available in the facility at 31 December 2021, Bank of Portugal does not calculate the interest on guarantees drawn.

In TLTRO III fixed-term monetary policy financing operations, there are preferential financing interest rates on condition of fulfilling variations in the admissible credit during certain periods.

The threshold established for obtaining the preferential rate for TLTRO financial has been met in the period from 1 October 2020 to 31 December 2021.

- Maintaining issuance programmes aimed at expediting formalisation of securities issuances in the market.

DEBT ISSUANCE CAPACITY - 31-12-2021
(Millions of euros)

	ISSUANCE CAPACITY	TOTAL ISSUED
CaixaBank Base Prospectus for Non-Participating Securities (FBVNP) (CNMV 13-07-2021)	20,000	6,000
CaixaBank EMTN ("Euro Medium Term Note") programme (Ireland 27-04-2021)	30,000	17,925
BPI EMTN ("Euro Medium Term Note") programme (Luxembourg 09-09-2021)	7,000	1,725
CaixaBank ECP ("Euro Commercial Paper") programme (Ireland 13-12-2021)	3,000	590
BPI mortgage covered bonds programme (CMVM Portugal 25-11-2021)	9,000	7,300
BPI Programa Obrigações sobre o Sector Público (CMVM Portugal 16-12-2021)	2,000	600

- Capacity to issue backed bonds

COVERED BOND ISSUANCE CAPACITY - 31-12-2021
(Millions of euros)

	ISSUANCE CAPACITY	TOTAL ISSUED
Mortgage covered bonds	16,755	67,661
Public sector covered bonds	9,450	4,500

- To facilitate access to short-term markets, CaixaBank currently maintains the following:
  - Interbank facilities with a significant number of (domestic and foreign) banks, as well as central banks.
  - Repo facilities with a number of domestic and foreign counterparties.
  - Access to central counterparty clearing houses for repo business (LCH SA – Paris, Meffclear and EUREX – Frankfurt).
- The Contingency Plan and Recovery Plan contain a wide range of measures that allow for liquidity to be generated in a wide range of crisis situations. These include potential issuances of secured and unsecured debt, use of the repo market, and so on. For all these, viability is assessed under different crisis scenarios and descriptions are provided of the steps necessary for their execution and the expected period of execution.

Liquidity situation

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

LIQUID ASSETS *
(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	MARKET VALUE	APPLICABLE WEIGHTED AMOUNT	MARKET VALUE	APPLICABLE WEIGHTED AMOUNT	MARKET VALUE	APPLICABLE WEIGHTED AMOUNT
Level 1 assets	166,473	166,466	94,315	94,280	53,098	53,021
Level 2A assets	182	155	344	292	42	36
Level 2B assets	1,338	669	1,590	795	3,670	1,960
TOTAL HIGH-QUALITY LIQUID ASSETS (HQLAS) (1)	**167,993**	**167,290**	**96,249**	**95,367**	**56,810**	**55,017**
Assets available in facility not considered HQLAs		1,059		19,084		34,410
TOTAL LIQUID ASSETS		**168,349**		**114,451**		**89,427**

(*) Assets under the calculation of the LCR (Liquidity Coverage Ratio). It corresponds to high-quality liquid assets available to meet liquidity needs for a 30 calendar day stress scenario.

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

LCR AND NSFR

(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
High-quality liquid assets - HQLAs (numerator)	167,290	95,367	55,017
Total net cash outflows (denominator)	49,743	34,576	30,700
Cash outflows	62,248	42,496	36,630
Cash inflows	12,505	7,920	5,930
LCR (LIQUIDITY COVERAGE RATIO) (%) (1)	**336%**	**276%**	**179%**
NSFR (NET STABLE FUNDING RATIO) (%) (2)	**154%**	**145%**	**129%**

(1) LCR: regulatory ratio whose objective is to maintain an adequate level of high-quality assets available to cover liquidity needs with a 30-day horizon, under a stress scenario that considers a combined crisis of the financial system and reputation.
According to Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 (and its amendment in Delegated Regulation (EU) 2018/1620 of July 2018), supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the liquidity coverage requirement for credit institutions. The established regulatory limit for the LCR is 100%.

(2) NSFR – regulatory balance sheet structure ratio that measures the ratio between the quantity of available stable funding (ASF) and the quantity of required stable funding (RSF). Available stable funding is defined as the proportion of own funds and customer funds that are expected to be stable in the time horizon of one year. The amount of stable funding required by an institution is defined in accordance with its liquidity and the residual maturities of its assets and its balance sheet positions.
Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019, came into force in June 2021 and lays down the regulatory limit for the NSFR ratio at 100%.

Key credit ratings are displayed below:

CAIXABANK CREDIT RATINGS

	ISSUER RATING						
	NON-CURRENT DEBT	SHORT-TERM DEBT	OUTLOOK	SENIOR PREFERRED DEBT	REVIEW DATE	*RATING* MORTGAGE COVERED BONDS	LAST REVIEW DATE OF MORTGAGE COVERED BONDS
S&P Global	A-	A-2	Stable	A-	16-12-2021	AA+	21-12-2021
Fitch Ratings	BBB+	F2	Stable	A-	02-09-2021		
Moody's	Baa1	P-2	Stable	Baa1	22-09-2020	Aa1	24-08-2021
DBRS	H	R-1(low)	Stable	H	29-03-2021	AAA	14-01-2022

In the event of a downgrade of the current credit rating, additional collateral must be delivered to certain counterparties, or there are early redemption clauses. The breakdown of the impact on liquidity deriving from 1, 2 and 3-notch downgrading is shown below:

SENSITIVITY OF LIQUIDITY TO VARIATIONS IN THE CREDIT RATING

(Millions of euros)

	1-NOTCH DOWNGRADE	2-NOTCH DOWNGRADE	3-NOTCH DOWNGRADE
Trading in derivatives / repos (CSA / GMRA / GMSLA agreements) (*)	0	2	2
Deposits taken with credit institutions (*)	0	0	674

(*) The balances presented are accumulated for each rating reduction.

Asset encumbrance – assets received and delivered under guarantee

Assets securing certain financing transactions and unencumbered assets are as follows:

ASSETS SECURING FINANCING OPERATIONS AND UNENCUMBERED ASSETS

(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	CARRYING AMOUNT OF COMMITTED ASSETS	CARRYING AMOUNT OF NON-COMMITTED ASSETS	CARRYING AMOUNT OF COMMITTED ASSETS	CARRYING AMOUNT OF NON-COMMITTED ASSETS	CARRYING AMOUNT OF COMMITTED ASSETS	CARRYING AMOUNT OF NON-COMMITTED ASSETS
Equity instruments		1,998		1,849		3,063
Debt securities *	37,644	45,744	8,040	35,377	5,248	28,887
Of which: covered bonds	*7*	*1*	*6*	*3*	*2*	*9*
Of which: asset-backed securities	*57*	*59*		*70*		*92*
Of which: issued by public administrations	*35,030*	*41,485*	*6,801*	*31,152*	*4,584*	*24,161*
Of which: issued by financial corporations	*2,128*	*1,582*	*910*	*1,451*	*417*	*1,396*
Of which: issued by non-financial corporations	*422*	*2,617*	*323*	*2,701*	*245*	*3,228*
Other assets **	125,793	396,082	90,339	249,081	54,217	236,942
Of which: loans and receivables	*125,793*	*327,427*	*84,841*	*207,968*	*49,146*	*191,368*
TOTAL	**163,437**	**443,824**	**98,379**	**286,307**	**59,465**	**268,892**

(*) Mainly corresponds to assets provided in repurchase agreements and ECB financing transactions.

(**) Mainly corresponds to assets pledged for securitisation bonds, mortgage covered bonds and public sector covered bonds. These issuances are chiefly used in operations of issuances to market and as a guarantee in ECB funding operations.

The following table presents the assets received under guarantee, segregating those unencumbered from those that are pledged guaranteeing funding operations:

ASSETS SECURING FINANCING OPERATIONS AND UNENCUMBERED ASSETS

(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	FV OF PLEDGED ASSETS	FV OF NON-PLEDGED ASSETS	FV OF PLEDGED ASSETS	FV OF NON-PLEDGED ASSETS	FV OF PLEDGED ASSETS	FV OF NON-PLEDGED ASSETS
Collateral received *	8,820	22,576	2,631	13,573	1,790	15,841
Equity instruments						
Debt securities	8,816	19,990	2,627	12,240	1,780	14,737
Other guarantees received	4	2,586	5	1,333	10	1,103
Own debt securities other than covered bonds or own asset-backed securities **		333		249		12
Own covered bonds and asset-backed securities issued and not pledged ***		18,075		25,815		53,787
TOTAL	**8,820**	**40,984**	**2,631**	**39,637**	**1,790**	**69,640**

(*) Mainly corresponds to assets provided in reverse repurchase agreements, securities lending transactions and guarantees received through derivatives.
(**) Senior debt treasury shares.
(***) Corresponds to treasury shares issued in the form of securitisations and covered bonds (mortgage / public sector).
FV: Fair value

The asset encumbrance ratio is as follows:

ASSET ENCUMBRANCE RATIO

(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Encumbered assets and collateral received (numerator)	**172,257**	**101,010**	**61,255**
Debt securities	46,459	10,667	7,027
Loans and receivables	125,793	84,846	49,156
Other assets	5	5,497	5,072
Total assets + Total assets received (denominator)	**638,656**	**400,891**	**345,988**
Equity instruments	1,998	1,849	3,063
Debt securities	112,193	58,285	50,652
Loan portfolio	453,220	292,814	240,524
Other assets	71,245	47,943	51,749
ASSET ENCUMBRANCE RATIO	**26.97%**	**25.20%**	**17.70%**

During 2021, the asset encumbrance ratio has increased by 1.8 percentage points with respect to the 2020 ratio, mainly due to a growth in weight in the repo encumbrance.

Secured liabilities and the assets securing them are as follows:

SECURED LIABILITIES

(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	LIABILITIES HEDGED, CONTINGENT LIABILITIES OR SECURITIES CEDED	ASSETS, GUARANTEES RECEIVED AND TREASUREY INSTRUMENTS ISSUED *	LIABILITIES HEDGED, CONTINGENT LIABILITIES OR SECURITIES CEDED	ASSETS, GUARANTEES RECEIVED AND TREASUREY INSTRUMENTS ISSUED *	LIABILITIES HEDGED, CONTINGENT LIABILITIES OR SECURITIES CEDED	ASSETS, GUARANTEES RECEIVED AND TREASUREY INSTRUMENTS ISSUED *
Financial liabilities	145,829	167,307	81,018	96,135	49,543	57,063
Derivatives	7,576	8,236	6,216	6,491	5,653	5,945
Deposits	113,567	131,141	58,621	70,457	26,281	30,322
Issuances	24,686	27,930	16,181	19,187	17,609	20,796
Other sources of charges	4,277	4,950	4,379	4,875	3,861	4,192
TOTAL	**150,106**	**172,257**	**85,397**	**101,010**	**53,404**	**61,255**

(*) Excluding encumbered covered bonds and asset-backed securities

Residual maturity periods

The breakdown by contractual term to maturity of the balances of certain items on the balance sheets, without taking into account, where applicable, the value adjustments or value corrections, in a scenario of normal market conditions, is as follows

RESIDUAL MATURITY PERIODS - 31-12-2021

(Millions of euros)

	DEMAND DEPOSITS	< 3 MONTHS	3-12 MONTHS	1-5 YEARS	> 5 YEARS	TOTAL
Interbank assets	0	117,193	3,185	2,088	532	122,998
Loans and advances - Customers	1,407	24,854	56,850	136,346	115,391	334,848
Debt securities	0	4,243	22,802	28,632	22,788	78,465
FA under the insurance business - Debt securities	827	437	1,411	11,071	46,728	60,474
TOTAL ASSETS	**1,407**	**146,290**	**82,837**	**167,066**	**138,711**	**536,311**
Interbank liabilities	1	18,813	60,512	31,301	383	111,010
FL - Customer deposits	23,485	58,617	90,700	106,851	108,758	388,411
FL - Debt securities issued	5	2,749	5,583	36,364	13,007	57,708
Liabilities under the insurance business	470	1,197	5,151	16,367	54,534	77,719
TOTAL LIABILITIES	**23,491**	**80,179**	**156,795**	**174,516**	**122,148**	**557,129**
Of which are wholesale issues net of treasury shares and multi-issuers	*0*	*1,619*	*3,095*	*27,700*	*21,687*	*54,100*
Of which are other financial liabilities for operating lease	*0*	*6*	*33*	*112*	*1,713*	*1,864*
Drawable by third parties	0	5,743	13,638	42,124	40,414	101,919

FA: Financial assets; FL: Financial liabilities

The transaction maturities are projected according to their contractual and residual maturity, irrespective of any assumption that the assets or liabilities will be renewed. In the case of demand accounts, with no defined contractual maturity, the Entity's internal behaviour models are applied. In order to assess the negative gap in the short term, the following aspects must be considered:

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

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

As regards issuances, the Group's policies take into account a balanced distribution of maturities, preventing concentrations and diversifying financing instruments. In addition, its reliance on wholesale markets is limited.

3.4.1. Credit risk

Overview

Credit risk corresponds to a decrease in the value of the Group's assets due to uncertainty about a customer's or counterparty's ability to meet its obligations to the Group. It is the Group's most significant risk financial activity, based on banking and insurance marketing, treasury operations and long-term equity instruments (shareholder portfolio).

The maximum credit risk exposure of the financial instruments included under the financial instruments headings on the asset side of the balance sheet, including counterparty risk, are set out below:

MAXIMUM EXPOSURE TO CREDIT RISK
(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	MAXIMUM EXPOSURE TO CREDIT RISK	PROVISIONS	MAXIMUM EXPOSURE TO CREDIT RISK	PROVISIONS	MAXIMUM EXPOSURE TO CREDIT RISK	PROVISIONS
Financial assets held for trading (Note 11)	**606**		**1,056**		**1,176**	
Equity instruments	187		255		457	
Debt securities	419		801		719	
Financial assets not designated for trading compulsorily measured at fair value through profit or loss (Note 12)	**237**		**317**		**427**	
Equity instruments	165		180		198	
Debt securities	5		52		63	
Loans and advances	67		85		166	
Financial assets at fair value with changes in other comprehensive income (Note 13)	**16,403**		**19,309**		**18,371**	
Equity instruments	1,646		1,414		2,407	
Debt securities	14,757		17,895		15,964	
Financial assets at amortised cost (Note 14)	**428,873**	**(8,274)**	**273,129**	**(5,620)**	**249,408**	**(4,706)**
Debt securities	68,220	(14)	24,681	(11)	17,395	(6)
Loans and advances	360,653	(8,260)	248,448	(5,609)	232,013	(4,700)
Central banks	63		4		6	
Credit institutions	7,814	(8)	5,847		5,155	(2)
Customers	352,776	(8,252)	242,597	(5,609)	226,852	(4,698)
Trading derivatives and hedge accounting	**4,466**		**4,120**		**3,854**	
Assets under the insurance business (Note 17)	**83,464**		**77,241**		**72,683**	
TOTAL ACTIVE EXPOSURE	**534,049**	**(8,274)**	**375,172**	**(5,620)**	**345,919**	**(4,706)**
TOTAL GUARANTEES GIVEN AND CONTINGENT	**144,417**	**(461)**	**105,066**	**(193)**	**98,340**	**(220)**
TOTAL	**678,466**	**(8,735)**	**480,238**	**(5,813)**	**444,259**	**(4,926)**

(*) CCF (Credit Conversion Factors) for guarantees given and credit commitments amount to EUR 96,458 million, 75,560 million and 71,818 million at 31 December 2021, 2020 and 2019, respectively

The maximum exposure to credit risk is the gross carrying amount, except in the case of derivatives, which is the exposure value according to the mark-to-market method, which is calculated as the sum of:

- Current exposure: the highest value between zero and the market value of an operation or of a portfolio of operations in a set of operations that can be offset with a counterparty that would be lost in the event of non-payment of the counterparty, assuming that none of the value of the operations will be recovered in the event of insolvency or settlement beyond the collateral received.
- Potential risk: variation of the credit exposure as a consequence of the future changes of the valuations of operations that can be offset with a counterparty during the residual term until maturity.

The Group gears its lending activity towards meeting the finance needs of households and businesses and providing value-added services to the large corporates segment, within the medium–low risk profile set as a target in the RAF.

The corporate credit risk management policy, approved by the Board of Directors, lays down the general framework and basic principles that serve as a benchmark and minimum standard for the identification, assessment, approval, monitoring and mitigation of credit risk, as well as the criteria for quantifying the provisions of expected losses from this risk, for both accounting and capital adequacy purposes.

The core principles and policies that underpin credit risk management in the Group are as follows:

- The credit risk management policy and strategy, as well as the frameworks and limits for controlling and mitigating this risk, should be integrated and consistent with the overall risk strategy and appetite.
- Clear definition and allocation of responsibilities to the different areas participating in the cycle of granting, managing, monitoring and controlling credit risk, in order to guarantee effective management of this risk.
- The business lines and units that generate credit risk will be primarily responsible for managing the credit risk generated by their activities throughout the credit life cycle. Such business lines and units will have adequate internal controls to ensure compliance with internal policies and applicable external requirements. The risk management function will be responsible for assessing the adequacy of these controls.
- Granting based on the borrower's repayment capability. In general, guarantees, whether personal or collateral, will not replace a lack of repayment capacity or an uncertain purpose of the transaction.
- Adequate assessment both of guarantees and of assets that are foreclosed or received in payment of debt.
- The pricing system will be adjusted to the risk assumed in the transactions, in such a way as to ensure the appropriate relationship of the risk/profitability duality and in which the guarantees act as a mitigation element, especially in long-term transactions.
- The development of internal models for rating exposures and borrowers, as well as to measure risk parameters for the purposes of consumption of regulatory capital or provisions, will ensure the establishment and standardisation of key aspects of these models according to a methodology adapted to suit the characteristics of each portfolio.
- There will be an independent system of internal validation and regular review of credit risk models used for both management and regulatory purposes, for which materiality criteria will be applied.
- There will be a monitoring framework that ensures that information on credit risk exposures, borrowers and collateral are relevant and kept up-to-date throughout the life cycle of credit exposures, and external reports are reliable, complete, up-to-date, and drawn up within the time limits.
- Criteria will be established for the accounting classification of transactions and for quantification of expected losses and capital requirements for credit risk that faithfully reflect the credit quality of assets.
- The recovery process will be governed by the principles of anticipation, objectivity, effectiveness, and customer orientation. The recovery circuit will be designed in such a way as to be articulated based on early detection of the possibility of default and appropriate measures will be provided for effectively claiming debts.

Credit risk cycle

The full credit risk management cycle covers the entire life of the transaction, from feasibility studies and the approval of risks as per established criteria, to monitoring solvency and returns and, ultimately, to recovering non-performing assets. Diligent management of each of these stages is essential to successful recovery.

Approval and granting

The process for admitting and granting new loans is based on the analysis of the solvency of the parties involved and characteristics of the transaction.

The power system assigns an approval level to certain employees holding a position of responsibility established as standard associated with their position. It is based on the study of four key parameters:

- **Amount**: financial amount applied for plus any risk already granted; this is the first key element and it involves calculating the accumulated risk for each of the title holders of the application and, where applicable, their economic group. The amount of the operation is defined through two alternative methods according to the sector to which the operations belong:
    - Product-weighted loss: based on the expected-loss calculation formula, it takes into account the risk appetite according to the nature of each product. This system is used for applications where the principal borrower is a legal person.
    - Nominal: it factors in the nominal amount and guarantees of risk operations. It applies to individuals.
- **Guarantee**: the group of assets and/or funds pledged to secure fulfilment of a repayment obligation.
- **General Risk Policies**: raft of criteria identifying and assessing the relevant variables of each type of transaction, and which involve specific processing. These include, among others, NPL alerts, scoring/rating diagnosis, debt ratio, ratings resulting from monitoring activity or the fact that the operation is for a reduced amount.
- **Term:** the duration of the operations requested, which must be coherent with the purpose of the loan. There are specific policies according to the type of operation and its term, which require a higher level of authority for their approval.

In order to facilitate agility in granting, there are Risk Approval Centres (RAC) according to the type of holder:

- individuals and self-employed workers in a centralised Individuals Approval Centre in Corporate Services, and
- legal entities in Approval Centres distributed throughout the country, which manage the applications within their power levels, and transfer them to specialised Corporate Service centres in the event the application exceeds their powers.

Except those that can be approved at branch level or by the Business Area Manager, the risk of operations can only be approved when countersigned by a business manager and risk manager. Credit pre-granting is also conducted for legal entities and individuals in the micro-enterprise and small enterprise segments for certain products and in accordance with defined risk limits and criteria.

In particular, the internal organisation of Business Risk Approvals at Central Services is based on the following specialised structure, according to the type of risk and customer segment:

- **Corporate Risk**: centralises business groups with an annual turnover above EUR 200 million in the Corporate centre and in the International Branches.
- **Business Risk**: legal entities or business groups with turnover up to EUR 200 million and those with turnover over EUR 200 million not managed by Corporate centres or the International Branches nor those that belong to specialised sectors (Property, Agro-food, Tourism or Project Finance).
- **Real Estate Risk**: covers developers in any segment, regardless of turnover, and real estate investment companies, including real estate project finance.
- **Tourism and Agri-food Risk**: covers all companies and business groups that operate in the tourism and food and agriculture sectors. It also includes self-employed professionals in the farming sector.
- ***Project Finance***: includes all operations presented through the project finance scheme, object finance, and asset finance operations.

- **Institutional Banking**: comprises public autonomous or central government institutions, town councils and local institutions, and members of economic groups or management groups whose representative/parent meets the aforementioned criteria. It also includes private institutions (foundations, universities, NGOs, religious orders, etc.) managed by the Institutions' Centres.
- **Sovereign, Country and Financial Institution risk**: responsible for granting and managing country risk and financial institution risk inherent in funding transactions for the various segments.

Lastly, the Permanent Credit Committee holds the power to approve individual operations up to EUR 100 million, provided the accumulated risk with the customer or its group is equal to or lower than EUR 150 million and, in general, it holds powers to approve operations that involve exceptions to the characteristics of those that can be approved in branches and in the RACs. In the event of exceeding the aforementioned amounts, the power of approval corresponds to the Executive Committee.

In order to ensure an adequate level of protection of the banking service customer, there are policies, methods and procedures for studying and granting loans, or responsible lending, as required in Act 2/2011 on Sustainable Economy and Order EHA/2899/2011 on transparency and protection of customers of banking services, or the more recent Property Credit Contract Regulatory Act 5/2019, of 15 March.

For pricing purposes, all the factors associated with the operation will be considered. In other words, costs involving structure, financing, customer historical profitability and expected loss of the operation. Furthermore, operations must provide a minimum contribution to economic capital requirements, which will be calculated net of tax.

Tools related to pricing and RAR (Risk-Adjusted Return) allow the highest standards to be reached in controlling the balance between risk and return, making it possible to identify the factors determining the returns of each customer more easily and, thus, to analyse customers and portfolios in accordance with their adjusted returns.

The Chief Business Officer is responsible for approving the prices of the operations. Following on from this, the determination of the prices is subject to a power system focused on obtaining minimum compensation and on establishing margins according to different businesses.

Mitigation of the risk

The Group's credit risk management profile is characterised by a prudent granting policy, at a price in keeping with the conditions of the borrower and suitable coverage/guarantees. In any case, long-term operations must have more robust guarantees due to the uncertainty deriving from the passing of time. These guarantees should never be used to substitute a lack of repayment capacity or an uncertain outcome for the operation.

For accounting purposes, effective guarantees or collateral are collateral and personal guarantees that can be demonstrated as valid as risk mitigators, according to: (i) the amount of time required for their enforcement; (ii) the ability to realise the guarantees; and (iii) the experience in realising the same. The different types of guarantees and collateral are as follows:

- Personal guarantees or those constituted due to the solvency of holders and guarantors: most of these relate to risk operations with companies in which the collateral provided by the shareholders, irrespective of whether they are individuals or legal entities, is considered relevant. For individuals, collateral is estimated on the basis of asset declarations. Where the backer is a legal entity, it is analysed as the borrower for the purposes of the approval process.
- Collateral, main types:
  - Pledged collateral: they notably include the pledge of operations of liabilities or the intermediated balances. To be admitted as collateral, financial instruments must, among other requirements: i) be free of liens and charges; ii) their contractual definition must not restrict their pledge; and iii) their credit quality or change in value must not be related to the borrower. The pledge remains in place until the loan matures, it is repaid early, or it is derecognised.
  - Mortgage guarantees on properties. A real right on immovable property given as security for an obligation, on which, according to internal policy, the following is established:
    - The procedure for approval of guarantees and the requirements for drawing up operations, e.g., the documentation that must be supplied by the holders and the mandatory legal certainty of this documentation.
    - The review processes for the appraisals registered, in order to ensure proper monitoring and control of the guarantees. Regular processes are also carried out to check and confirm the appraisal values, in order to detect any anomalies in the procedures used by the valuation companies supplying the Group.

- The outlay policy, mainly concerning property development and self-development operations.
- The loan-to-value (LTV) of the operation. The capital to be granted in mortgage operations is limited to percentages of the value of the guarantee, which is defined as the lowest of the appraisal value and the value shown on the official deed or the accredited value of the property. IT systems calculate the level of approval required for each type of transaction.

- Credit derivatives: guarantors and counterparty. The Group occasionally uses credit derivatives, contracted with entities with a high credit level and protected by collateral contracts, to hedge against credit risk.

A breakdown of the guarantees received in the approval of the Group's lending transactions is provided below, specifying the maximum amount of the collateral that can be considered for the purposes of calculating impairment: the estimated fair value of property according to the latest appraisal available or an update on the basis of the provisions of applicable regulations in force. In addition, the remaining collateral is included as the current value of the collateral that has been pledged to date, not including personal guarantees:

CATEGORISATION BY STAGE OF THE CREDIT INVESTMENT AND AFFECTED GUARANTEES*
(Millions of euros)

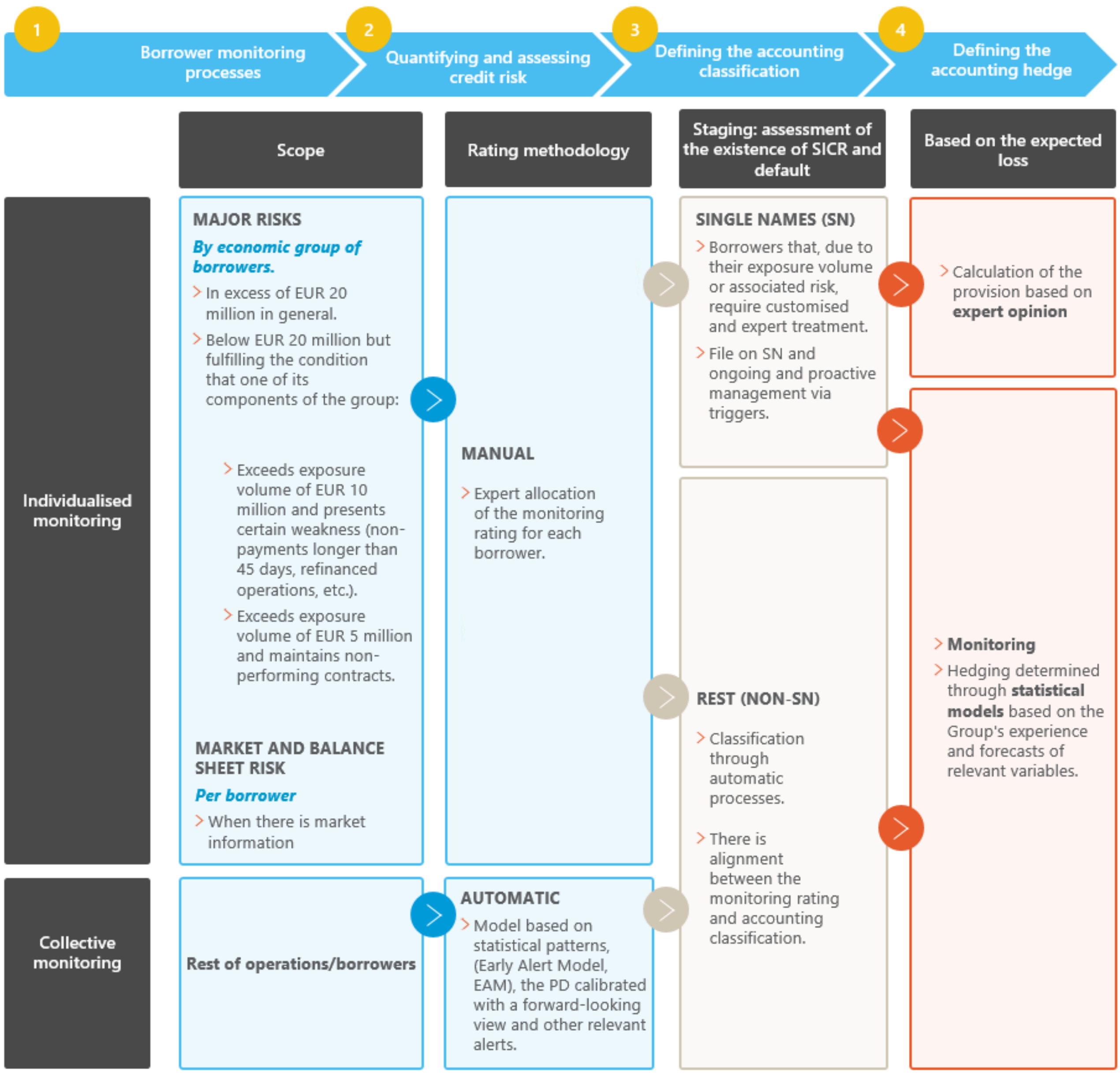
	31-12-2021			31-12-2020			31-12-2019		
	GROSS AMOUNT	ALLOWANCES FOR IMPAIRMENT	VALUE OF GUARANT. **	GROSS AMOUNT	ALLOWANCES FOR IMPAIRMENT	VALUE OF GUARANT. **	GROSS AMOUNT	ALLOWANCES FOR IMPAIRMENT	VALUE OF GUARANT. **
Stage 1:	**306,212**	**(966)**	**426,791**	**212,834**	**(920)**	**276,360**	**201,419**	**(574)**	**288,563**
Unsecured loans	139,850	(638)		102,733	(606)		85,640	(374)	
Real estate collateral	157,084	(298)	418,866	103,520	(280)	269,795	108,317	(116)	281,058
Other collateral	9,278	(30)	7,925	6,581	(34)	6,565	7,462	(84)	7,505
Stage 2 + POCI without impairment:	**31,440**	**(1,632)**	**37,094**	**20,066**	**(1,064)**	**25,846**	**15,541**	**(708)**	**21,552**
Unsecured loans	14,372	(716)		8,299	(606)		5,140	(379)	
Real estate collateral	16,323	(884)	36,399	11,183	(411)	25,004	9,833	(248)	21,109
Other collateral	745	(32)	695	584	(47)	842	568	(81)	443
Stage 3 + POCI with impairment:	**12,967**	**(5,653)**	**15,291**	**8,256**	**(3,625)**	**9,761**	**8,387**	**(3,416)**	**9,929**
Unsecured loans	4,158	(2,731)		2,334	(1,869)		2,251	(1,658)	
Real estate collateral	8,658	(2,839)	15,256	5,787	(1,698)	9,572	5,961	(1,656)	9,831
Other collateral	151	(83)	35	135	(58)	189	175	(102)	98
TOTAL	350,619	(8,251)	479,176	241,156	(5,609)	311,967	225,347	(4,698)	320,044

(*) Includes loans and advances to customers under the headings "Financial assets at amortised cost" (Note 14) and "Financial assets not designated for trading compulsorily measured at fair value through profit or loss" (Note 12)
(**) Reflects the maximum amount of the effective collateral that can be considered for the purposes of the impairment calculation, i.e. the estimated fair value of real estate properties based on their latest available valuation or an update of that valuation based on the applicable standard in force. In addition, the remaining collaterals are included as the current value of the collateral that has been pledged to date, not including personal guarantees.

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

Monitoring and measurement of credit risk

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



① *Borrower monitoring processes*

The aim is to determine the quality of the risk assumed with the borrower ("Monitoring Rating") and actions that need to be taken according to the result, including the estimation of impairment. The targets of risk monitoring are the borrowers that hold the debt instruments and off-balance sheet exposures that bear credit risk, and the profit or loss is a reference for the future granting policy.

The Credit Risk Monitoring Policy is prepared based on the type and specific nature of the exposure, segregated into differentiated areas, in accordance with the various credit risk measurement methods.

The *Monitoring Rating* is an assessment of each customer's situation and risks. All borrowers have a monitoring rating which classifies them into one of five categories[2] which are, from best to worse: insignificant risk, low risk, moderate risk, high risk or doubtful; and they can be generated manually (in the case of the scope of borrowers under individualised monitoring) or automatically (for the rest).

According to the scope of monitoring and rating relating to the borrowers, monitoring can be:

- **Individualised:** applied to exposures of a significant amount or that have specific characteristics. The monitoring of major risks leads to the issuance of group monitoring reports, concluding in a monitoring rating for the borrowers in the group.

The Group defines individually significant borrowers (Single Names) as those that meet the following thresholds or characteristics[3]:

  - Exposure of greater than EUR 30 million for two consecutive months or greater than EUR 36 million for one month.
  - Exposure of greater than EUR 10 million for two consecutive months or greater than EUR 12 million for one month, which meet at least one of the following criteria: expected loss of greater than EUR 200 thousand, with refinanced operations, with early non-performing loans (>45 days) or those that form part of the Entity's consolidated group through the equity consolidation method.
  - Exposure of greater than EUR 5 million with doubtful operations (objective or subjective) representing more than 5% of the total risk of the borrower.
  - Borrowers that form part of the Group (due to global integration), with the exception of BPI.

- **Collective:** The ratings are obtained by combining a statistical model, referred to as the Early Alert Model (EAM), the Probability of Default (PD) calibrated with a forward-looking view (consistent with the PD used to calculate the credit risk allowances) and other relevant alerts. Both the EAM and the PD are obtained at least on a monthly basis, and daily in the case of the alerts.

  Similarly, the EAM and PD models are subject to the credit risk model management policy.

② *Quantifying and assessing credit risk*

Credit risk quantifies losses that might derive from failure by borrowers to comply with their financial obligations, based on two concepts: expected loss and unexpected loss.

- **Expected Loss** (EL): This is the average or mathematical expectation of potential anticipated losses calculated by multiplying the three following factors: probability of default (PD), exposure at default (EAD) and loss given default (LGD).
- **Unexpected loss**: potential unforeseen loss caused by variability in losses with respect to the estimated expected loss. It can occur due to sudden changes in cycles or alterations in risk factors, and the dependence between the credit risk for the various debtors. Unexpected losses have a low probability and large amount, and should be absorbed by the Group's own funds. The calculation of unexpected loss is also mainly based on the operation's PD, EAD and LGD.

Credit risk parameters are estimated based on the historical default experience. To do so, the Bank has a set of tools and techniques for the specific needs of each type of risk, described below according to how they affect the three factors for calculating the expected loss:

[2] The different monitoring rating categories are:

- Insignificant risk: all customer transactions are performing correctly and there are no indications that call the repayment capacity into question.
- Low risk: the payment capacity is adequate, although the customer or one or more of their transactions shows some minor indication of weakness.
- Medium risk: there are indications of customer impairment, nonetheless, these weaknesses do not currently put at risk the debt repayment capacity.
- Medium-high risk: the customer's credit quality has been seriously weakened. If the customer impairment continues, the customer may not have the capacity to repay the debt.
- Doubtful: there is evidence of sustained impairment or non-performance as regards the customer capacity to meet their obligations.
- No rating: there is insufficient information to assign a monitoring rating.

[3] In addition to these borrowers, an individual assessment of the credit loss will be required for operations with a low credit risk, qualified as such as a result of having no appreciable risk, that are nevertheless in a doubtful situation. Applying materiality criteria, the individual estimate of expected losses will be performed whenever a borrower represents an exposure of more than EUR 1 million and more than 20% is considered doubtful.

- **EAD:** an estimate of the outstanding debt in the event of default by the customer. This measurement is significant for financial instruments with a repayment structure that varies according to customer drawdowns (in general, any revolving credit product).

  The estimate is based on observing internal default experience, relating the drawdown levels upon default to drawdown levels over the 12 preceding months. To build the model, several variables are considered, such as product type, term to maturity and customer characteristics.

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

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

  - Product-oriented tools are used mainly within the scope of authorisation of new retail banking operations (approval scorings) and take account of the debtor's characteristics, information deriving from the customer relationship, internal and external alerts, as well as the specific characteristics of the operation to determine its probability of default.
  - Customer-oriented tools assess the debtor's probability of default. They comprise behavioural 'scoring' models for monitoring the risk of individuals and ratings or companies.

    - Rating tools for **companies** are specific according to the segment to which they belong. The rating process for micro-enterprises and SMEs, in particular, is based on a modular algorithm, which rates three different sets of data: the financial statements, the information drawn from dealings with customers, internal and external alerts and certain qualitative factors.

    - As regards large corporates, the Group has models that require the expert judgement of analysts and seek to replicate and be coherent with the ratings of rating agencies. In view of the lack of sufficient frequency of internal default rates for drawing up purely statistical models, the models in this segment were built in line with the Standard & Poor's methodology, enabling the public global default rates to be used, making the methodology much more reliable.

  The customers are scored and rated on a monthly basis in order to keep the credit rating up-to-date, except for the rating of large corporations, which is updated at least annually or if significant events arise that can alter credit quality. For legal entities, the financial statements and qualitative information is updated periodically to achieve the maximum level of coverage of the internal rating.

- **LGD**: quantifies the unrecoverable debt in the event of customer default.

  The historic loss given default is calculated using internal information, taking into account the cash flows associated with contracts from the moment of default. The models allow different loss given defaults to be obtained based on the guarantee, the loan to value ratio (LTV), the product type, the borrower's credit quality and, for uses in which it is required by regulation, the recessional conditions of the economic cycle. An estimate is also made of the indirect expenses (office staff, infrastructure costs and similar) associated with the recovery process. In the case of large corporates, loss given default also includes elements of expert judgement, coherent with the rating model.

  It is worth noting that the Group considers, through severity, the income generated in the sale of defaulted contracts as one of the possible future flows generated to measure the expected impairment losses of the value of loans and advances. This income is calculated on the basis of the internal information of the sales carried out in the Group[4]. The sale of these assets is considered to be reasonably predictable as a method of recovery, thus, as part of its strategy for reducing doubtful balances, the Group considers portfolio sales as one of the recurring tools. In this regard, an active market for impaired debt exists, which ensures with a high probability the possibility to make future sales of debt[5].

In addition to regulatory use to determine the Group's minimum capital requirements and the calculation of allowances, the credit risk parameters (PD, LGD and EAD) are used in a number of management tools, such as in the risk-adjusted return calculation tool, the pricing tool, the customer pre-qualification tool, monitoring tools and alert systems.

[4]See Note 2.7, in reference to cases of sales with a significant increase in credit risk not compromising the business model of maintaining assets to receive contractual cash flows
[5] See Note 27.4, detailing the sales of the non-performing and defaulted loan portfolio.

③ *Defining the accounting classification*

The accounting classification of operations with credit risk[6] among the different Stages of IFRS 9 is defined in the event of a default and/or significant increase in credit risk (SICR) since the operation's initial recognition.

It will be considered that there has been an SICR from the first recognition, whereby these operations are classified as Stage 2, when there are weaknesses that may involve assuming significantly higher losses than expected at the time the loan is granted. To identify it, the Group has the monitoring and rating processes described in ②. Specifically, when the operations meet any of the following qualitative or quantitative criteria, unless they must be classified as Stage 3:

1) Refinanced exposures that do not classify as Stage 3.
2) Operations involving borrowers that are in administration which do not classify as Stage 3, because:
   - The borrower has paid at least 25% of the company's loans affected by the administration situation —after discounting the agreed write-off, where applicable.
   - Two years have passed since the deed of approval of the creditors' agreement was registered in the Companies Register, provided that this agreement is being faithfully complied with and the company's equity and financial situation eliminates any doubts over the amounts owed being fully reimbursed, unless interest charges that are clearly below market rates have been agreed.
3) Operations with amounts that are more than 30 days overdue (but less than 90, in which case they would be classified as Stage 3).
4) Operations which can be identified as having registered a SICR on the basis of market indicators/triggers.
5) Operations for which there has been an SICR since the date of initial recognition on the basis of any of the following two criteria[7]: a deterioration in its monitoring rating or a relative increase in PD (see in further detail below).

There have not been any changes since the prior year in the general criteria for identifying a significant increase in credit risk. Without prejudice to the above, in the context of COVID-19, in 2021, like in 2020, the Company has applied certain prudent adjustments that are covered in the "COVID-19 impact" section.

Unless they are identified as refinancing, refinanced or restructured operations, those that no longer meet the conditions to qualify for Stage 2 will be classified as Stage 1.

With respect to refinancing, refinanced or restructured operations that classify as Stage 2 due to failing to proceed to classify them as Stage 3 on the date of refinancing or restructuring or due to having been reclassified from the Stage 3 category, they will remain identified as Stage 2 for a probationary period until they meet all the following requirements:

i) More than 2 years have passed since the refinancing date, or from that operation's date of entry on the most recent special watch-list in the different refinancing/restructuring operations in which it is involved should this date be later than the refinancing date.
ii) There is no capital deferred to maturity in any of the operations involved in refinancing/restructuring.
iii) There is no non-payment in any of the operations involved in refinancing/restructuring.
iv) The borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing transaction, or that were derecognised as a result of it, or, when it is deemed more appropriate given the nature of the transactions, the borrower complies with other objective criteria that demonstrate their payment capacity.
v) There is a holder in the operations involved in the refinancing/restructuring that has no operations (refinancing or other) with amounts past due more than 30 days ago, or if the holder does have them, they do not exceed the threshold. The threshold is considered by applying as reference debt the total unpaid debt (past due + pending) of contracts that fulfil the condition and, as a divisor, the total debt of that holder (asset debt/asset drawn + company risk, excluding equity).
vi) The full instalment has been paid for 13 consecutive months.

[6] See Note 2.
[7] Unless, for exposures with individually significant borrowers, the individual analysis determines that there has not been any SICR.

vii) Theoretically, no non-payment cycles will be taken into account, solely to consider that the full instalment is started to be paid the first time.

viii) It will be deemed that an operation is not paying the full instalment (not being repaid, or the repayment is not all that it should be) if:

a. It is in the process of delivery, or a grace or waiting period.

b. The operation has capital deferred to the last maturity (bullets, atypical, etc.)

c. The operation appears to be refinanced in a moratorium after the date of the analysed refinancing/restructuring.

ix) An assessment is conducted as to whether all contracts in force within the same refinancing (refinancers and refinanced) fulfil the condition of payment of the 13 consecutive instalments.

x) The operation is not on a "special watch-list" in any other refinancing/restructuring other than the one in question.

xi) The operation is not on a "special watch-list" in the product, or if it is, it is not "through refinancing".

Furthermore, the borrower must have made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing operation, or that were derecognised as a result of it, or when it is deemed more appropriate, given the nature of the operations, that the borrower complies with other objective criteria that demonstrate their payment capacity. This implies that there are no contractual clauses that may delay repayments, such as grace periods for the principal.

It will be considered that there has been a default and, therefore, an operation will be classified at Stage 3 when —regardless of the borrower and the guarantee— there is an amount overdue (capital, interests or contractually agreed costs) by more than 90 days, as well as the operations of all other holders when operations with past due amounts of over 90 days account for more than 20% of the amounts pending collection.

Operations classified as Stage 3 due to the customer being non-performing will be reclassified to Stage 1 or Stage 2 when, as a result of charging part of the overdue amounts, the reasons that caused their classification as Stage 3 disappear and there remain no reasonable doubts regarding their full repayment by the holder for other reasons.

In addition, the following operations will be classified as Stage 3:

i) Operations with legally demanded balances.

ii) Operations in which the collateral execution process has been initiated.

iii) Operations of borrowers who have declared insolvency proceedings or are expected to declare insolvency proceedings where no liquidation petition has been made.

iv) Guarantees extended to borrowers that are undergoing insolvency proceedings where the liquidation phase has or will be declared, or that have undergone a significant and irrecoverable loss of solvency, even though the beneficiary of the guarantee has not demanded payment.

v) Refinancing, refinanced or restructured operations classifiable as non-performing including those that having been classified as non-performing before the trial period, are refinanced or restructured or that have amounts that are more than 30 days past-due.

vi) Operations that have a second-call mortgage guarantee or later when the first-call guarantee operation is classified as non-performing.

vii) Operations in which all of the holders have operations refinanced under a Code of Good Practice.

viii) Operations with borrowers who, after an individualised review, pose reasonable doubts regarding full repayment (principal and interest) in the contractually agreed terms.

Unless they are identified as refinancing, refinanced or restructured operations, those classified as Stage 3 for reasons other than the customer being non-performing can be reclassified to Stage 1 or Stage 2 if, as a result of an individualised study, the reasonable doubts regarding their full repayment by the holder on the contractually agreed terms disappear and there are no amounts overdue by more than ninety days on the date of reclassification to Stage 1 or Stage 2.

In the case of refinanced, restructured or refinancing operations, in order to consider the credit quality of the operation to have improved and, therefore, to proceed to reclassify it to Stage 2, all the following criteria must be verified in general:

i) More than 1 year has elapsed since the refinancing date.

ii) More than 1 year has elapsed since any refinancing contracts were unpaid for more than 30 days.

iii) There is no non-payment in any of the operations involved in refinancing/restructuring.

iv) The borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing transaction, or that were derecognised as a result of it, or, when it is deemed more appropriate given the nature of the transactions, the borrower complies with other objective criteria that demonstrate their payment capacity.

v) The full instalment has been paid for 13 consecutive months.

vi) Theoretically, no non-payment cycles will be taken into account, solely to consider that the full instalment is started to be paid the first time.

vii) Furthermore, it will be deemed that an operation is not paying the full instalment (not being repaid, or the repayment is not all that it should be) if:

   a. It is in the process of delivery, or a grace or waiting period.

   b. The operation has capital deferred to the last maturity (bullets, atypical, etc.)

   c. The operation appears to be refinanced in a moratorium after the date of the analysed refinancing/restructuring.

viii) An assessment is conducted as to whether all contracts in force within the same refinancing (refinancers and refinanced) fulfil the condition of payment of the 13 consecutive instalments.

ix) There is a holder in the operations involved in the refinancing/restructuring that has no operations (refinancing or other) with amounts past due more than 90 days ago, or if the holder does have them, they do not exceed the threshold. This threshold is considered by applying as reference debt the total unpaid debt (past due + pending) of contracts that fulfil the condition and, as a divisor, the total debt of that holder (asset debt/asset drawn + company risk, excluding equity).

x) The operation is not “non-performing” in any other refinancing/restructuring other than the one in question.

xi) The operation is not "non-performing" in the product, or if it is, it is not "through refinancing".

Risks of borrowers declared bankrupt without a liquidation request will be reclassified as special watch-list performing when they have fulfilled one of the following conditions:

- The borrower has paid at least 25% of the company's loans affected by the administration situation —after discounting the agreed write-off, where applicable.

- Two years have passed since the deed of approval of the creditors' agreement was registered in the Companies Register, provided that this agreement is being faithfully complied with and the company's equity and financial situation eliminates any doubts over the amounts owed being fully reimbursed, unless interest charges that are clearly below market rates have been agreed.

All risks incurred after the approval of the agreement will not be classified as non-performing provided that the borrower is complying with the agreement and there are no doubts surrounding collection, and they will remain classified as performing. The process for determining the borrower's accounting classification is specified below:

- **Single Name:** these borrowers are constantly assessed as regards the existence of evidence or indications of impairment, as well as a potential significant increase in credit risk (SICR) from the initial recognition, and losses associated with the assets of this portfolio are assessed**.**

  In order help with the proactive management of evidence and indications of impairment and a SICR, the Group has developed triggers, which are an indication of impairment of the asset affecting the customer or the operations, and are assessed by the analyst to determine classification to Stage 2 or Stage 3 of the customer's operations. They are based on internal and external available information, per borrower and per operation, grouped according to the sector, which conditions the type of information required to analyse the credit risk and the sensitivity to the changes of variables indicative of the impairment. We have:

- Global triggers:
  - Financial difficulties of the issuer or debtor: subjective doubtful triggers (i.e. unfavourable financial information on the debtor, measured via various ratios on their financial statements) and triggers of a minimum of Stage 2 (due to deterioration of the monitoring rating).
  - A breach of contract, such as a default or delinquency in interest or principal payments: Stage 3 triggers (i. e., non-payments exceeding 90 days) and triggers of a minimum of Stage 2 (non-payments exceeding 30 days).
  - In the event of financial difficulties, the borrowers are given concessions or advantages that would otherwise not be considered. Trigger of a minimum of Stage 2 (refinancing).
  - Probability of the borrower declaring bankruptcy or restructuring. Stage 3 trigger (declaration of insolvency).
  - Triggers referring to identifying financial difficulties of the debtor or issuer, either due to breaches of contractual clauses or to the disappearance of an active market for the financial security:
    - External or internal rating that indicates either default or near to default (level 6 rating as defined in the CRR).
    - Significant downgrading of the borrower's credit rating by the Group.
    - Automatic rating downgrading.
    - External rating below CCC+.
    - Relative change in the CDS compared to a reference index (iTraxx).
    - Significant downgrading in the external rating of the issuer with respect to when the operation was initially granted.
    - Non-payment event other than those mentioned in the ISDA definition of default.
    - Decrease in the price of the borrower's bond issues of > 30% or quoted price below 70%.
    - Suspension of the listing of the borrower's shares.
- Specific triggers: For sectors such as property developers, project finance and public administrations.

  In cases in which, in the opinion of the analyst, contracts are classified as Stage 2 or Stage 3, the expert calculation of the specific provision is used.

- **Other contracts (not Single Name):** as previously stated, when the borrower's monitoring rating has significantly deteriorated or when there is a relative increase of relevant PD with respect to the start of the operation, the Entity proceeds to classify the contract at accounting Stage 2. For these purposes, the classification is revised monthly, taking into account that the fulfilment of any of the two conditions below will determine that a SICR exists:
  - **A deterioration of the monitoring rating**: it will be considered that there has been an SICR if, on the date of classification for accounting purposes (each month-end close), the borrower has exacerbated their monitoring rating, to a moderate risk or worse, since the operation's initial recognition.
  - **A relative increase in PD**: It will be considered that there has been an SICR if the regulatory PD[8] of the operation on the accounting classification date exceeds a certain absolute threshold and there has been a relative increase in the regulatory PD (exceeding a certain threshold) of the operation in question since its initial recognition (in the case of exposures with individuals, a comparison is made with the first and oldest live risk PD of the operation). It must therefore be classified as Stage 2, if the following conditions are met:
    - Master scale[9] is greater than or equal to 4, i.e. PD greater than 0.4205%.

[8] Regulatory or through-the-cycle PD: probability of default estimated as the average PD expected through-the-cycle, in accordance with the CRR requirements for its use for the effect of calculating risk-weighted assets under the internal-ratings-based (IRB) approach.

[9] The Master Scale is a table of correlation between probability of default (PD) ranges and a scale between 0 and 9.5, 0 being the score associated with the best PDs and 9.5 being the score associated with the highest PDs of the performing portfolio. The use of this Master Scale is linked to the use in management of probabilities of default, since elements such as cut-off points or levels of power are expressed in terms of Master Scale score instead of PD.

  - The contract's current PD is more than 3.75 times its original PD.
  - The difference between the current Master Scale and the original Master Scale is equal to or greater than two degrees.

- The monitoring rating and PD classification are the most recent. Both are updated at least monthly in the same way as the other criteria for classification to Stage 2 or Stage 3.

In the context of COVID-19, there have been no changes in the criteria for determining the SICR. Without prejudice to the foregoing, the Group has applied certain prudent adjustments, strengthening the recurring criteria. 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 formulation and presentation of companies' annual account. It is a temporary overlay on SICR criteria, which has been reviewed with the evolution of the environment during the year, for example after the completion of the majority of general moratoria.

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.

④ *Defining the accounting coverage*

The aim of the IFRS 9 requirements as regards impairment is to ensure recognition of the expected credit losses of operations, assessed collectively or individually, considering all the reasonable and substantiated information available, including forward-looking information.

Principles for measuring expected credit losses for the purpose of defining the credit risk loss coverages

The calculated accounting coverage or provision is defined as the difference between the gross carrying amount of the operation and the estimated value of future expected cash flows, discounted at the original effective interest rate of the operation, considering the effective guarantees received.

The Group estimates the expected credit losses of an operation so that these losses reflect:

A. a weighted and non-biased amount, determined through the assessment of a series of possible results;
B. the time value of the money, and
C. the reasonable and substantial information that is available at the reference date, at no disproportionate cost or effort, on past events, current conditions and forecasts of future economic conditions.

In line with applicable rules, the coverage calculation method is set according to whether the borrower is individually significant and its accounting category.[10].

- If, in addition to being individually significant, the customer has operations that are non-performing (whether for reasons of delinquency or for other reasons) or in Stage 2[11], the allowances for the non-performing operations will be estimated through a detailed analysis of the status the borrower and their capacity to generate future flows.

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[10] The existence of the collateral, particularly for the individual analysis, is not used to assess the credit quality of borrowers, however, for activities that are closely related to the collateral, such as real estate developments, the reduced value of said collateral is analysed to assess the increase or reduction of the borrower's risk level.
As indicated in ③ the collective analysis, the automatic rating is generated using a combination of i) a risk-model rating and ii) an alert-based rating. Considering that the Entity's policy in relation to granting asset operations follows the customer's repayment capacity as a criterion, and not recovery via the allocation of guarantees, the collective analysis is focused on assessing the credit quality of borrowers and not the assessment of collateral provided. In this regard, the main guarantees (or collateral) of the Group are mortgage-related, with no significant value fluctuations that could be considered evidence of a significant risk of credit risk in mortgages.

[11] As indicated in ③ the Single Names portfolio analysis is carried out individually in its totality, determining the stage in an expert manner for each of the instruments analysed, on the basis of the knowledge of the borrowers and experience. When required, the coverage calculation also uses this individualised approach.
The credit loss of the instruments of the portfolio that are monitored individually, and which are classified individually in stage 1, is calculated collectively on the basis of the knowledge of the borrowers and experience. This way of estimating expected losses would not have led to material differences in their totality, compared with an estimate using individual estimates. This is due to the fact that, in general, the information to be considered in performing the collective calculation would have been equivalent to that used for individual estimates.

- In all other cases, coverage is estimated collectively using internal methodologies, subject to the credit risk model management policy in force, based on past experience of portfolio defaults and recoveries, and factoring in the updated and adjusted value of the effective guarantees. Additionally, future economic condition predictions will be considered under various scenarios.

  To determine coverage for credit losses of portfolios under collective analysis, models are used to estimate the PD; probability of correcting defaulting cycles (specifically its complementary measurement, PNC); loss given loss (LGL) in the event of no correction; recoverable value models for mortgage guarantees (haircuts); as well as adjustments to include lifetime or forward-looking effects, according to the agreement's accounting classification. We must emphasise that the set of models of haircuts, LGL and PNC are models of LGD or severity.

  The models used are re-estimated or re-trained every six months, and they are executed monthly in order to properly reflect the current economic environment at any given time. This makes it possible to reduce the differences between estimated loss and recent observations. The models will include an unbiased view of the potential forward-looking evolution to determine the expected loss, taking into account further relevant macroeconomic factors: i) GDP growth; ii) the unemployment rate; iii) 12-month Euribor; and iv) changes in property prices. Following on from this, the Group generates a baseline scenario, as well as a range of potential scenarios that make it possible to perform a weighted adjustment of the estimated expected loss, based on its probability. Without prejudice to the above, in the context of COVID-19, the Company has applied a prudential approach to constitute a collective provision fund that is covered in the "COVID-19 impact" section.

  The calculation process is structured in two steps:

  - Setting the basis for the calculation of allowances which, in turn, is divided into two steps:

    1. Calculation of the exposure amount, which is the sum of the gross carrying amount at the time of calculation and off-balance sheet amounts (available or exposure) expected to be disbursed when the borrower fulfils the conditions to be considered non-performing.

    2. Calculation of the recoverable value of the effective guarantees linked to the exposure. In order to establish the recoverable value of these guarantees, for real estate collateral the models estimate the amount of the future sale of the collateral, which is discounted from the total expenses incurred until the moment of the sale.

  - Establishing the coverage to be applied on the basis for the calculation of allowances:

    This calculation factors in the probability of the borrower defaulting on the operation obligations, the probability of the situation being remedied or resolved and the losses that would occur if this did not happen.

    For insignificant portfolios where it is considered that the internal model approach is not suitable due to the processes involved or a lack of past experience, the Group may use the default coverage rates established in the current national regulations.

  Transactions classified as not bearing appreciable risk and those that, due to their type of collateral, are classified as not bearing appreciable risk, could have 0% accounting coverage. In the case of the latter, this percentage will only be applied to the guaranteed part of the risk.

  The covers estimated individually or collectively must be consistent with the way in which the categories into which the operations can be classified are processed. In other words, the hedging level for an operation must be higher than the hedging level that would correspond to it, if it were classified in another category of a lower credit risk.

  The necessary improvements detected in the backtesting and benchmarking exercises are also incorporated into the review cycles. Similarly, the models developed are documented so they can be replicated by a third party. The documentation contains key definitions, information regarding the process of acquiring samples and data processing, methodological principles and results obtained, as well as the comparison of said results with those of previous years.

  CaixaBank has a total of 81 models, in order to obtain the parameters necessary to calculate the hedges using a collective analysis. For each of the risk parameters, different models can be used to adapt to each type of exposure. Specifically, the models include those indicated below:

  - 18 Scoring and Rating parameter models
  - 21 PD parameter models
  - 10 EAD parameter models
  - 19 PNC parameter models

- 9 LGL parameter models
- 3 Haircut parameter models
- 1 LT/FL (Life-time/Forward-looking) transformation parameter model

Other subsidiaries also have additional internal models. Banco BPI has a total of 70 and CaixaBank Payments & Consumer has a total of 42.

The amount of the operations of holders that have not been classified as Stage 3 despite there being amounts more than 90 days overdue with the same debtor

Operations by holders that have not been classified as Stage 3 despite there being amounts overdue by more than 90 days with the same debtor are not of a significant amount.

Inclusion of forward-looking information into the expected loss models

The accounting and prudential authorities have issued recommendations in relation to upholding an adequate provision level, considering the macroeconomic environment of heightened uncertainty generated due to COVID-19.

In this regard, as shown in the following section, the Group has taken into account different levels of severity of macroeconomic scenarios, consistent with internal planning processes. These stages have been contrasted and they are aligned with those issued by public bodies, following the recommendation of the European Central Bank in its letter of 1 April 2020.

The projected variables considered are as follows:

FORWARD-LOOKING MACROECONOMIC INDICATORS

(% Percentages)

	31-12-2021 *						31-12-2020**						31-12-2019					
	SPAIN			PORTUGAL			SPAIN			PORTUGAL			SPAIN			PORTUGAL		
	2022	2023	2024	2022	2023	2024	2021	2022	2023	2021	2022	2023	2020	2021	2022	2020	2021	2022
GDP growth																		
Baseline scenario	6.2	2.9	1.6	3.1	1.8	1.6	6.0	4.4	2.0	4.9	3.1	1.8	1.5	1.5	1.4	1.7	1.6	1.4
Upside range	7.8	4.3	1.9	3.5	1.9	2.2	7.7	5.0	1.9	6.9	3.5	2.0	2.3	2.6	1.9	2.8	2.4	1.9
Downside range	3.7	2.1	1.6	3.9	3.4	1.7	1.7	5.5	2.8	(0.3)	4.2	3.3	0.6	0.3	0.9	0.1	0.2	0.3
Unemployment rate																		
Baseline scenario	14.5	13.2	12.5	7.7	6.9	6.5	17.9	16.5	15.4	9.1	7.7	6.9	12.6	11.5	10.3	6.1	6.0	5.8
Upside range	14.2	12.2	11.2	7.6	6.3	6.0	16.9	14.9	14.1	8.3	7.0	6.3	12.1	10.0	8.4	5.4	4.6	4.5
Downside range	15.7	15.8	15.1	8.2	7.1	6.6	20.8	18.4	16.7	10.1	8.3	7.3	13.6	13.7	12.9	7.9	8.3	8.3
Interest rates																		
Baseline scenario	(0.40)	(0.23)	0.15	(0.40)	(0.23)	0.15	(0.47)	(0.40)	(0.21)	(0.47)	(0.40)	(0.21)	(0.30)	(0.10)	0.30	(0.30)	(0.10)	0.40
Upside range	(0.33)	(0.07)	0.54	(0.33)	(0.07)	0.54	(0.44)	(0.32)	(0.08)	(0.44)	(0.32)	(0.08)	(0.30)	0.10	0.50	(0.20)	0.20	0.70
Downside range	(0.58)	(0.47)	(0.28)	(0.58)	(0.47)	(0.28)	(0.55)	(0.50)	(0.42)	(0.55)	(0.50)	(0.42)	(0.40)	(0.40)	(0.30)	(0.30)	(0.30)	(0.10)
Evolution of property prices																		
Baseline scenario	1.6	2.5	2.8	0.6	2.0	2.3	(2.0)	0.8	1.8	(6.1)	(1.0)	1.6	3.2	3.0	2.9	6.1	3.8	2.7
Upside range	2.7	5.4	4.5	2.7	4.1	3.0	0.0	2.6	2.2	(3.3)	0.8	2.1	4.7	5.8	4.9	8.5	6.1	3.2
Downside range	(0.8)	(0.5)	1.5	(2.7)	1.7	2.3	(5.2)	(1.3)	1.3	(9.0)	(3.2)	1.5	1.2	(0.4)	0.9	1.3	0.3	1.3

(*) Source: CaixaBank Research. At the date preparation of these annual accounts, there are updates to the macro data for employees in the calculation of the provisions after the year-end (as presented in section 3.1) that have no material impact on the provisions constituted by the Group, see Sensitivity Analysis.
(**) For models for default frequency projection in Spain, the unemployment rates shown in this table have increased, including 10% of the workers included in Temporary Redundancy Plans

The downside range of variables used to calculate provisions includes deficiencies in structural reforms leading —together with other macroeconomic dynamics— to drops in productivity and thus in GDP. Thus, the estimated drop reflects the potential impact of an exacerbated climate risk which, through various mechanisms (e. g. increased production costs, increased commodity prices, etc.), would eventually affect long-term economic growth.

The weighting of the scenarios considered in each of the financial years for each sector is as follows:

WEIGHTING OF OCCURRENCE OF THE CONSIDERED SCENARIOS

(% percentages)

	31-12-2021			31-12-2020			31-12-2019		
	BASELINE SCENARIO	UPSIDE SCENARIO	DOWNSIDE SCENARIO	BASELINE SCENARIO	UPSIDE SCENARIO	DOWNSIDE SCENARIO	BASELINE SCENARIO	UPSIDE SCENARIO	DOWNSIDE SCENARIO
Spain	60	20	20	60	20	20	40	30	30
Portugal	60	20	20	60	20	20	40	30	30

Assumptions and adjustments to models

The backdrop of the pandemic required specific adaptation to the general accounting classification criteria which consisted of the inclusion of the following:

- specific criteria for reclassification from Stage 1 to Stage 2: of customers with mortgage moratoriums that were estimated to have greater difficulty in making payment; operations of self-employed persons and companies with an ICO guarantee and which did not have updated financial statements to correctly assess the potential significant increase in credit risk, especially in customers operating in sectors greatly impacted by COVID-19.
- other specific criteria: such as criteria that is more stringent than regulatory criteria for classification to Stage 3 in moratoriums with non-payment. At the end of 2021, however, once the moratoriums have matured and with sufficient knowledge of the customer's behaviour after this period, the accounting classification by stages for these positions is conducted again in the same way as with any other type of credit exposure.

Besides the implementation of the abovementioned specific criteria (overlays), a prudent approach has been applied resulting from the impacts of COVID-19 in terms of provisions, which has entailed the execution of a Post Model Adjustment (PMA) in order to constitute provisions for credit insolvencies. PMA provisions in the Group amount to EUR 1,395 million as at 31 December 2021. These provisions will be reviewed periodically in the future as new information becomes available.

In accordance with the principles of the applicable accounting standard, the coverage level factors in a forward-looking (12-month) or life-time vision, according to the accounting classification of the exposure (12 months for Stage 1 and life-time for Stages 2 and 3).

Sensitivity analysis

The relationship between the various variables that measure or quantify the economic situation, such as gross domestic product growth and the unemployment rate, is well known. These interrelationships make it difficult to establish clear causality relationships between a specific variable and an effect (e.g. expected credit losses), as well as making it difficult to interpret the sensitivities to calculations performed using expected credit loss models when these sensitivities are applied to various variables simultaneously.

Interest rates, which also form part of the group of forward-looking indicators, have only a minor impact on the calculation of expected credit losses and apply only to the portfolio of consumer loans, among the significant portfolios.

The table below shows the estimated sensitivity to a loss of 1% of gross domestic product, as well as a 10% drop in real estate prices in the expected losses due to credit risk at 2021 year-end, broken down by portfolio type for business in Spain:

SENSITIVITY ANALYSIS - SPAIN

(Millions of euros)

	INCREASE IN EXPECTED LOSS	
	1% DROP IN GDP	10% DROP IN REAL ESTATE PRICES
Credit institutions	**1**	
Public administrations		
Other financial institutions	**3**	
Non-financial corporations and individual entrepreneurs	**46**	**63**
Project finance	**10**	**19**
For financing real estate construction and development, including land	5	14
For financing civil engineering work	3	5
Other project finance	1	
Purposes other than project finance	**37**	**44**
Large corporates	9	4
SMEs	24	34
Individual entrepreneurs	4	7
Households (excluding individual entrepreneurs)	**76**	**257**
Home purchases	**54**	**216**
For the purchase of a main residence	49	203
For the purchase of a second residence	5	13
Consumer credit	**15**	**12**
Consumer credit	15	12
Other purposes	**7**	**29**
TOTAL	**126**	**320**

The table below shows the estimated sensitivity to a loss or gain of 1% of gross domestic product for business in Portugal:

SENSITIVITY ANALYSIS - PORTUGAL

(Millions of euros)

	INCREASE IN EXPECTED LOSS *	
	1% GDP GROWTH	1% FALL IN GDP
TOTAL	(17)	17

(*) GDP-focused sensitivity calculation which, by its nature, enables the effect of rest of the macroeconomic indicators to be gathered jointly, given their high level of interdependence.

The models and the estimates on macro-economic variations are periodically reviewed to detect possible impairment in the quality of the measurements. This continual risk assessment provides information on the distribution of risk exposure in the various portfolios with respect to creditworthiness, expressed as a probability of default.

NPL management

The recovery and NPL management function is aligned with the Group's risk management guidelines. The activity to monitor non-payment and recovery becomes especially relevant in the current unfavourable economic context as a result of the pandemic due to COVID-19, with the main goal being to minimise the impact on the volume of non-performing positions and provisions.

The underlying principles of NPL management are not only geared towards the management of non-payment, but also preventive and anticipatory actions on the basis of various impairment indicators available to the bank, preventing triggers that would result in positions being classified to Stage 2 and their consequent impact on the income statement.

Furthermore, proactive monitoring is conducted on the portfolio classified as Stage 3 for reasons other than default in order to reorganise it, designing specific management plans geared towards the reasons that caused its switch to that accounting classification

On one hand, the governance model and the operational framework of problematic asset management maintains the comprehensive approach to the overall life cycle and specialised management according to the moment of non-payment of the debt. Responsibility for the management is broken down into two different fields:

- Flow management: comprises early NPL management of customers with between 1 and 90 days of non-payment. From the business field, the Solutions & Collections area centrally coordinates the branch network and recovery agencies in managing the recovery prior to entering accounting arrears. In the current economic outlook, the capillarity of the branch network and its proximity to customers continues to be key to identifying the situation and needs of customers, especially situations of social vulnerability.
- Stock management: concentrates the management of customers who are in accounting arrears, with non-payments in excess of 90 days. This is the responsibility of the Risk Area, with management differentiated into the individual customer and business customer segments. The team specialists is geared towards seeking concluding solutions in more advanced situations of non-payment.

On the other hand, the overall management of recovery and NPLs has been adapted to the measures adopted by CaixaBank since 2020 to support the economy in order to combat the pandemic. In terms of non-performing assets, it has collaborated in identifying and providing support with sustainable solutions for customers whose debt is still structurally viable, ensuring that the financing needs of customers arising from a temporary reduction of their income are covered. Similarly, it is worth mentioning the Company's commitment to the original contracts of the ICO COVID facilities relating to the Code of Good Practice measures to continue supporting the business fabric that continues to be affected by the impacts of the pandemic.

All this management has been subject to the application of the policies and procedures in force which, in accordance with accounting and regulatory standards, lay down the guidelines for the suitable classification of borrowings and estimation of provisions.

A noteworthy key line of work is the accompaniment throughout the management cycle of the moratoria and ICO-backed loans granted, especially through active monitoring of the maturity of the measures granted.

Foreclosed assets

BuildingCenter is the Group's company responsible for the management of property assets in Spain, which basically originate from streamlining of the Group's credit activity through any of the following ways: i) acquisition at auctions held after assets have been foreclosed, mainly in relation to mortgage loans; ii) acquisition of mortgaged real estate assets of individuals, with the subsequent subrogation and cancellation of the debts; and iii) acquisition of real estate assets of companies, mainly real estate developers, to cancel their debts.

The acquisition process includes conducting full legal and technical reviews of the properties using the committees appointed for such purpose. In all cases, purchase prices are based on appraisals performed by appraisal firms approved by the Bank of Spain and in accordance with the parameters set forth in the approved internal rules.

The strategies undertaken for the sale of these assets are as follows:

- Individual sale: through a servicing contract with Servihabitat Servicios Inmobiliarios, S.A. and Haya Real Estate, S.A., which performs multi-channel marketing activities via its own branches, the external collaboration of the network of real-estate agents and has an active presence on the Internet. This marketing activity comes in addition to a key factor: support in prescribing properties generated by the branch network.
- Institutional sales: the Group takes into account institutional operations of sales of asset portfolios to other specialised companies.
- Completion of housing developments: a number of minor measures to improve some of these developments are made to ensure they can be sold. These measures are performed using the synergies of the Group.
- Rental: it is a means of benefiting from rising demand and generating recurring income, as well as creating added value on the property in the event of its future sale.

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

FORECLOSED REAL ESTATE ASSETS 31-12-2021 *

(Millions of euros)

	GROSS CARRYING AMOUNT	ALLOWANCES FOR IMPAIRMENT (**)	*OF WHICH: FROM FORECLOSURE*	NET CARRYING AMOUNT
Real estate acquired from loans to real estate constructors and developers	**1,306**	**(455)**	***(287)***	**851**
Buildings and other completed constructions	1,054	(338)	*(192)*	716
Homes	908	(279)	(155)	629
Other	146	(59)	(37)	87
Buildings and other constructions under construction	53	(24)	*(19)*	29
Homes	41	(19)	(14)	22
Other	12	(5)	(5)	7
Land	199	(93)	*(76)*	106
Consolidated urban land	101	(48)	(40)	53
Other land	98	(45)	(36)	53
Real estate acquired from mortgage loans to homebuyers	**3,340**	**(886)**	**(603)**	**2,454**
Other real estate assets or received in lieu of payment of debt	**1,095**	**(329)**	**(255)**	**766**
TOTAL	**5,741**	**(1,670)**	***(1,145)***	**4,071**

(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 1,616 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 176 million, net. Excludes foreclosed assets of Banco BPI, with a gross carrying amount of EUR 5 million, as this is not included in business in Spain.

(**) Cancelled debt associated with the foreclosed assets totalled EUR 7,946 million and total write-downs of this portfolio amounted to EUR 3,875 million, EUR 1,670 million of which are impairment allowances recognised in the balance sheet.

FORECLOSED REAL ESTATE ASSETS - 31-12-2020 *

(Millions of euros)

	GROSS CARRYING AMOUNT	ALLOWANCES FOR IMPAIRMENT **	*OF WHICH: FROM FORECLOSURE*	NET CARRYING AMOUNT
Real estate acquired from loans to real estate constructors and developers	**1,324**	**(431)**	**(218)**	**893**
Buildings and other completed constructions	1,188	(371)	(189)	817
Buildings and other constructions under construction	29	(16)	(9)	13
Land	107	(44)	(20)	63
Real estate acquired from mortgage loans to homebuyers	**2,218**	**(611)**	**(314)**	**1,607**
Other real estate assets or received in lieu of payment of debt	**417**	**(141)**	**(53)**	**276**
TOTAL	**3,959**	**(1,183)**	***(585)***	**2,776**

(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 1,748 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 98 million, net. Excludes foreclosed assets of Banco BPI, with a gross carrying amount of EUR 8 million, as this is not included in business in Spain.
(**) Cancelled debt associated with the foreclosed assets totalled EUR 4,792 million and total write-downs of this portfolio amounted to EUR 2,114 million, EUR 1,183 million of which are impairment allowances recognised in the balance sheet.

FORECLOSED REAL ESTATE ASSETS 31-12-2019 *

(Millions of euros)

	GROSS CARRYING AMOUNT	ALLOWANCES FOR IMPAIRMENT **	*OF WHICH: FROM FORECLOSURE*	NET CARRYING AMOUNT
Real estate acquired from loans to real estate constructors and developers	**1,534**	**(438)**	***(199)***	**1,096**
Buildings and other completed constructions	1,396	(376)	*(174)*	1,020
Buildings and other constructions under construction	29	(16)	*(8)*	13
Land	109	(46)	*(17)*	63
Real estate acquired from mortgage loans to homebuyers	**2,322**	**(542)**	**(237)**	**1,780**
Other real estate assets or received in lieu of payment of debt	**462**	**(143)**	**(46)**	**319**
TOTAL	**4,318**	**(1,123)**	***(482)***	**3,195**

(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 2,094 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 142 million, net. Excludes foreclosed assets of Banco BPI, with a gross carrying amount of EUR 4 million, as this is not included in business in Spain.
(**) Cancelled debt associated with the foreclosed assets totalled EUR 5,450 million and total write-downs of this portfolio amounted to EUR 2,257 million, EUR 1,124 million of which are impairment allowances recognised in the balance sheet.

Refinancing policies

The general principles published by the EBA for this type of operation are covered in the Corporate Credit Risk Management Policy, and the Policy on Refinancing and Recovering of Customer Debt.

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

These operations may derive from**:**

- A new operation (refinancing operation) granted that fully or partially cancels other operations (refinanced operations) previously extended by any Group company to the same borrower or other companies forming part of its economic group that become up-to-date on its payments for previously past-due loans.
- The amendment of the contract terms of an existing transaction (restructured operations) that changes its repayment schedule, reducing the payment amounts (grace periods, extension of loan maturities, reduction in interest rates, change in the repayment schedule, extension of all or part of the capital on maturity, etc.).
- The activation of contract clauses agreed at source that extend the debt repayment terms (flexible grace period).

- The partial cancellation of the debt without the contribution of funds by the customer (foreclosure, purchase or received in lieu of payment of the collateral, or forgiveness of capital, interest, fees and commissions or any other cost relating to the loan extended to the borrower).

The existence of previous defaults is an indication of financial difficulty. Unless otherwise demonstrated, a restructuring or refinancing operation is assumed to exist when the amendment to contractual term affects operations that have been past-due for more than 30 days at least once in the three months prior to the amendment. However, previous defaults are not a requirement for an operation to be classified as refinanced or restructured.

In contrast, debt renewals and renegotiations may be granted when the borrower does not have, or is not expected to have, financial difficulties; i.e. for business reasons, not to facilitate repayments.

For an operation to be classified as such, the borrower must have the capacity to obtain credit from the market, at the date in question, for a similar amount and on similar terms to those offered by the Entity. In turn, these terms must be adjusted to reflect the terms offered to borrowers with a similar risk profile.

The risk management procedures and policies applied allow for detailed monitoring of credit transactions. In this regard, any transaction uncovered whose terms may need to be changed due to evidence of impairment of the borrower's solvency is marked appropriately so the associated accounting classification and provision for impairment at the date of the change is made. Therefore, as these transactions are correctly classified and valued according to the Group's best judgement, no additional provisions emerge in relation to the impairment of refinanced loans.

Refinancing operations

The breakdown of refinancing by economic sector is as follows:

REFINANCING OPERATIONS 31-12-2021
(Millions of euros)

	WITHOUT COLLATERAL		WITH COLLATERAL				
					MAXIMUM AMOUNT OF THE COLLATERAL		IMPAIRMENT DUE TO CREDIT RISK (*)
	NO. OF OPS.	GROSS CARRYING AMOUNT	NO. OF OPS.	GROSS CARRYING AMOUNT	MORTGAGE COLLATERAL	OTHER COLLATERAL	
Public administrations	53	150	2,148	36	30	0	(6)
Other financial corporations and individual entrepreneurs (financial business)	39	30	29	90	89	0	(24)
Non-financial corporations and individual entrepreneurs (non-financial business)	25,528	3,665	15,047	2,543	1,875	25	(1,410)
Of which: Financing for real estate construction and development (including land)	219	15	2,036	419	308	0	(101)
Other households	69,452	533	133,045	5,614	4,586	6	(1,262)
TOTAL	**95,072**	**4,378**	**150,269**	**8,283**	**6,580**	**31**	**(2,702)**
Of which: in Stage 3							
Public administrations	18	3	833	11	7	0	(4)
Other financial corporations and individual entrepreneurs (financial business)	22	22	22	2	1	0	(22)
Non-financial corporations and individual entrepreneurs (non-financial business)	12,907	1,499	10,887	1,442	1,099	12	(1,265)
Of which: Financing for real estate construction and development (including land)	157	14	1,262	212	154	0	(69)
Other households	38,217	288	101,617	3,949	3,112	3	(1,150)
TOTAL STAGE 3	**51,164**	**1,812**	**113,359**	**5,404**	**4,219**	**15**	**(2,441)**

Memorandum items: financing classified as non-current assets held for sale (*)
(*) Corresponds to "Non-current assets and disposal groups classified as held for sale".

REFINANCING OPERATIONS - 31-12-2020
(Millions of euros)

	WITHOUT COLLATERAL		WITH COLLATERAL				
					MAXIMUM AMOUNT OF THE COLLATERAL		IMPAIRMENT DUE TO CREDIT RISK (*)
	NO. OF OPS.	GROSS CARRYING AMOUNT	NO. OF OPS.	GROSS CARRYING AMOUNT	MORTGAGE COLLATERAL	OTHER COLLATERAL	
Public administrations	43	161	192	47	43		
Other financial corporations and individual entrepreneurs (financial business)	39	3	22	1	1		(1)
Non-financial corporations and individual entrepreneurs (non-financial business)	9,914	1,418	12,787	1,302	962	19	(816)
Of which: Financing for real estate construction and development (including land)	158	30	2,040	454	355		(99)
Other households	54,074	325	124,579	3,617	2,947	6	(831)
TOTAL	**64,070**	**1,907**	**137,580**	**4,967**	**3,953**	**25**	**(1,648)**
Of which: in stage 3	*41,237*	*1,020*	*110,251*	*3,776*	*2,919*	*17*	*(1,564)*

Memorandum items: financing classified as non-current assets held for sale (*)
(*) Corresponds to "Non-current assets and disposal groups classified as held for sale".

REFNANCING OPERATIONS - 31-12-2019
(Millions of euros)

	WITHOUT COLLATERAL		WITH COLLATERAL				
					MAXIMUM AMOUNT OF THE COLLATERAL		IMPAIRMENT DUE TO CREDIT RISK (*)
	NO. OF OPS.	GROSS CARRYING AMOUNT	NO. OF OPS.	GROSS CARRYING AMOUNT	MORTGAGE COLLATERAL	OTHER COLLATERAL	
Public administrations	44	179	244	68	47		(5)
Other financial corporations and individual entrepreneurs (financial business)	43	3	31	1	1		(1)
Non-financial corporations and individual entrepreneurs (non-financial business)	8,954	1,741	16,974	1,660	1,269	36	(1,007)
Of which: Financing for real estate construction and development (including land)	261	69	2,661	587	438		(153)
Other households	55,681	350	161,384	4,521	3,816	8	(847)
TOTAL	**64,722**	**2,273**	**178,633**	**6,250**	**5,133**	**44**	**(1,860)**
Of which: in Stage 3	*34,814*	*1,133*	*107,749*	*3,754*	*2,904*	*17*	*(1,693)*

Memorandum items: financing classified as non-current assets held for sale (*)
(*) Corresponds to "Non-current assets and disposal groups classified as held for sale".

Concentration risk

In the Corporate Risk Catalogue, concentration risk is included within credit risk, since it is the main risk source, although it covers all types of assets, as recommended by sector supervisors and they carry out best practices.

The Group has developed policies that lay down guidelines for concentration risk or frameworks that develop calculation methodologies and set specific limits within management. Additionally, mechanisms have been developed to systematically identify the aggregated exposure and, wherever it is considered necessary, limits on relative exposures have been defined, under the RAF.

Concentration in customers or in "major risks"

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

Geographical and counterparty concentration

The Group monitors a full perspective of accounting positions, segregated by product and issuer/counterparty, classified under loans and advances, debt securities, equity instruments, derivatives and guarantees given, that complement the other positions of the Group and of the secured investment and pension funds.

Risk by geographic area is as follows:

CONCENTRATION BY GEOGRAPHICAL LOCATION
(Millions of euros)

	TOTAL	SPAIN	PORTUGAL	REST OF THE EUROPEAN UNION	AMERICA	REST OF THE WORLD
Central banks and credit institutions	126,345	100,538	6,983	7,962	1,908	8,954
Public administrations	156,391	136,133	5,154	13,163	758	1,183
Central government	129,655	114,001	991	13,043	510	1,110
Other public administrations	26,736	22,132	4,163	120	248	73
Other financial corporations and individual entrepreneurs (financial business)	25,739	11,898	598	9,450	2,677	1,116
Non-financial corporations and individual entrepreneurs (non-financial business)	179,016	132,477	13,081	18,261	7,744	7,453
Real estate construction and development (including land)	5,970	5,869	99	1		1
Civil engineering	8,181	6,234	949	111	746	141
Other	164,865	120,374	12,033	18,149	6,998	7,311
Large corporates	105,418	70,380	5,578	16,984	6,215	6,261
SMEs and individual entrepreneurs	59,447	49,994	6,455	1,165	783	1,050
Other households	175,920	158,919	14,567	739	247	1,448
Homes	145,029	129,783	12,954	695	226	1,371
Consumer lending	19,936	18,249	1,599	34	10	44
Other purposes	10,955	10,887	14	10	11	33
TOTAL 31-12-2021	**663,411**	**539,965**	**40,383**	**49,575**	**13,334**	**20,154**
TOTAL 31-12-2020	**430,193**	**336,825**	**36,307**	**34,994**	**10,277**	**11,790**
TOTAL 31-12-2019	**367,845**	**282,852**	**30,650**	**41,021**	**9,119**	**4,203**

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

CONCENTRATION BY AUTONOMOUS COMMUNITY

(Millions of euros)

	TOTAL	ANDALUSIA	BALEARIC ISLANDS	CANARY ISLANDS	CASTILE-LA MANCHA	CASTILE-LEON	CATALONIA	MADRID	NAVARRE	VALENCIAN COMMUNITY	BASQUE COUNTRY	REST*
Central banks and credit institutions	100,538	340					848	96,733		503	1,264	850
Public administrations	136,133	1,725	1,315	1,935	908	1,508	1,906	6,076	289	2,276	666	3,528
Central government	114,001											
Other public administrations	22,132	1,725	1,315	1,935	908	1,508	1,906	6,076	289	2,276	666	3,528
Other financial corporations and individual entrepreneurs (financial business)	11,898	166	46	8	3	40	1,698	8,618	179	167	907	66
Non-financial corporations and individual entrepreneurs (non-financial business)	132,477	9,440	5,171	3,606	2,151	2,650	17,587	64,539	1,644	10,459	3,965	11,265
Real estate construction and development (including land)	5,869	535	212	214	88	119	1,534	2,222	99	369	217	260
Civil engineering	6,234	481	162	155	93	147	689	3,095	91	405	245	671
Other	120,374	8,424	4,797	3,237	1,970	2,384	15,364	59,222	1,454	9,685	3,503	10,334
Large corporates	70,380	1,676	2,794	1,297	413	514	4,597	49,116	514	3,789	1,755	3,915
SMEs and individual entrepreneurs	49,994	6,748	2,003	1,940	1,557	1,870	10,767	10,106	940	5,896	1,748	6,419
Other households	158,919	23,794	7,242	8,047	4,493	4,715	35,823	34,429	2,931	17,830	3,709	15,906
Homes	129,783	18,801	6,154	6,569	3,763	3,874	27,672	29,592	2,399	14,709	3,101	13,149
Consumer lending	18,249	3,047	735	1,114	492	516	4,834	2,914	328	2,003	400	1,866
Other purposes	10,887	1,946	353	364	238	325	3,317	1,923	204	1,118	208	891
TOTAL 31-12-2021	**539,965**	**35,465**	**13,774**	**13,596**	**7,555**	**8,913**	**57,862**	**210,395**	**5,043**	**31,235**	**10,511**	**31,615**
TOTAL 31-12-2020	**336,825**	**25,583**	**8,050**	**9,696**	**4,771**	**5,679**	**52,481**	**105,013**	**5,029**	**15,851**	**9,304**	**19,859**
TOTAL 31-12-2019	**282,852**	**24,366**	**6,849**	**8,569**	**4,063**	**5,574**	**52,526**	**68,108**	**4,809**	**15,040**	**9,204**	**17,257**

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

Concentration by economic sector

Risk concentration by economic sector is subject to RAF limits, differentiating between private business economic activities and public sector financing, and the channels of the internal report. Particularly, for the private business sector, a maximum concentration limit in any economic sector is established by aggregating the accounting positions recognised, excluding treasury repo/depo operations and those of the trading portfolio.

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

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

(Millions of euros)

				SECURED LOANS. CARRYING AMOUNT BASED ON LATEST AVAILABLE APPRAISAL (LOAN TO VALUE)				
	TOTAL	*OF WHICH: MORTGAGE COLLATERAL*	*OF WHICH: OTHER COLLATERAL*	≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	20,043	*463*	*845*	722	291	114	109	72
Other financial corporations and individual entrepreneurs (financial business)	3,992	*560*	*987*	1,272	117	41	51	66
Non-financial corporations and individual entrepreneurs (non-financial business)	143,088	*26,823*	*7,271*	15,157	8,640	4,787	2,846	2,664
Real estate construction and development (including land)	5,377	*4,799*	*24*	1,487	1,595	964	463	314
Civil engineering	7,068	*633*	*277*	458	208	83	36	125
Other	130,643	*21,391*	*6,970*	13,212	6,837	3,740	2,347	2,225
Large corporates	74,867	*6,380*	*4,991*	6,132	1,860	1,493	829	1,057
SMEs and individual entrepreneurs	55,776	*15,011*	*1,979*	7,080	4,977	2,247	1,518	1,168
Other households	175,245	*150,197*	*927*	47,649	51,313	36,550	8,468	7,144
Homes	144,965	*142,307*	*292*	43,609	49,021	35,367	7,961	6,641
Consumer lending	19,906	*2,721*	*392*	1,596	793	400	189	135
Other purposes	10,374	*5,169*	*243*	2,444	1,499	783	318	368
TOTAL	**342,368**	***178,043***	***10,030***	**64,800**	**60,361**	**41,492**	**11,474**	**9,946**
Memorandum items: Refinancing, refinanced and restructured operations	9,959	6,845	258	1,480	1,687	1,849	991	1,096

CONCENTRATION BY ACTIVITY OF LOANS TO CUSTOMERS 31-12-2020
(Millions of euros)

	TOTAL	*OF WHICH: MORTGAGE COLLATERAL*	*OF WHICH: OTHER COLLATERAL*	SECURED LOANS. CARRYING AMOUNT BASED ON LATEST AVAILABLE APPRAISAL (LOAN TO VALUE) ≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	16,169	*401*	*565*	372	200	158	156	80
Other financial corporations and individual entrepreneurs (financial business)	2,392	*479*	*236*	495	169	49	1	1
Non-financial corporations and individual entrepreneurs (non-financial business)	103,534	*21,622*	*5,488*	11,023	7,750	3,830	2,312	2,195
Other households	113,452	*95,600*	*872*	31,478	34,769	23,095	4,580	2,550
TOTAL	***235,547***	***118,102***	***7,161***	**43,368**	**42,888**	**27,132**	**7,049**	**4,826**
Memorandum items: Refinancing, refinanced and restructured operations	5,226	4,065	80	695	1,084	1,654	396	316

CONCENTRATION BY ACTIVITY OF LOANS TO CUSTOMERS - 31-12-2019
(Millions of euros)

	TOTAL	*OF WHICH: MORTGAGE COLLATERAL*	*OF WHICH: OTHER COLLATERAL*	SECURED LOANS. CARRYING AMOUNT BASED ON LATEST AVAILABLE APPRAISAL (LOAN TO VALUE) ≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	11,066	*415*	*498*	275	184	212	167	75
Other financial corporations and individual entrepreneurs (financial business)	2,504	*437*	*844*	1,022	162	64	4	29
Non-financial corporations and individual entrepreneurs (non-financial business)	88,801	*21,425*	*5,582*	10,662	7,876	3,848	2,517	2,104
Other households	118,278	*99,814*	*1,014*	30,709	36,351	25,758	5,201	2,809
TOTAL	**220,649**	***122,091***	***7,938***	**42,668**	**44,573**	**29,882**	**7,889**	**5,017**
Memorandum items: Refinancing, refinanced and restructured operations	6,663	5,275	123	1,003	1,288	1,971	640	496

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY TYPE
(Millions of euros)

	31-12-2021			31-12-2020			31-12-2019		
	STAGE 1	STAGE 2 + POCI WITHOUT IMPAIRMENT	STAGE 3 + POCI WITH IMPAIRMENT	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3
Loan type and status									
Public administrations	19,612	392	59	15,784	371	22	10,625	413	40
Other financial corporations	3,852	172	28	2,279	120	3	2,447	62	3
Loans and advances to companies and individual entrepreneurs	124,335	17,172	5,387	93,160	9,943	3,035	82,074	6,010	2,971
Real estate construction and development (including land)	10,348	1,935	738	8,878	1,472	565	8,711	1,020	680
Other companies and individual entrepreneurs	113,987	15,237	4,649	84,282	8,471	2,470	73,363	4,990	2,291
Other households	158,413	13,704	7,493	101,611	9,632	5,196	106,273	9,056	5,373
Homes	131,553	10,349	5,437	80,177	6,743	3,347	83,794	6,148	3,434
Other	26,860	3,355	2,056	21,434	2,889	1,849	22,479	2,908	1,939
TOTAL	**306,212**	**31,440**	**12,967**	**212,834**	**20,066**	**8,256**	**201,419**	**15,541**	**8,387**

BREAKDOWN OF PROVISIONS OF LOANS AND ADVANCES TO CUSTOMERS BY TYPE
(Millions of euros)

	31-12-2021			31-12-2020			31-12-2019		
	STAGE 1	STAGE 2 + POCI WITHOUT IMPAIRMENT	STAGE 3 + POCI WITH IMPAIRMENT	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3
Public administrations	(1)	(3)	(16)	(2)		(6)	(6)		(6)
Other financial corporations	(10)	(7)	(43)	(4)	(4)	(2)	(5)	(1)	(2)
Loans and advances to companies and individual entrepreneurs	(438)	(710)	(2,658)	(566)	(495)	(1,543)	(257)	(328)	(1,669)
Real estate construction and development (including land)	(57)	(143)	(376)	(47)	(91)	(253)	(34)	(65)	(264)
Other companies and individual entrepreneurs	(381)	(567)	(2,282)	(519)	(404)	(1,290)	(223)	(263)	(1,405)
Other households	(517)	(912)	(2,936)	(348)	(565)	(2,074)	(306)	(379)	(1,739)
Homes	(132)	(491)	(1,751)	(67)	(250)	(1,221)	(152)	(152)	(1,000)
Other	(385)	(421)	(1,185)	(281)	(315)	(853)	(154)	(227)	(739)
TOTAL	**(966)**	**(1,632)**	**(5,653)**	**(920)**	**(1,064)**	**(3,625)**	**(574)**	**(708)**	**(3,416)**
Of which: identified individually		(170)	(1,196)		(109)	(913)		(92)	(1,165)
Of which: identified collectively	(966)	(1,462)	(4,457)	(920)	(955)	(2,712)	(574)	(616)	(2,251)

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS ACCORDING TO ARREARS STATUS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
By arrears status			
Of which: default on payment of less than 30 days or up to date on payments	342,302	235,855	219,934
Of which: default on payment between 30 and 60 days	953	470	789
Of which: default on payment between 60 and 90 days	641	383	267
Of which: default on payment between 90 days and 6 months	983	468	614
Of which: default on payment between 6 months and 1 year	1,308	786	800
Of which: default on payment of more than 1 year	4,432	3,194	2,943
By interest rate type			
Fixed	129,735	87,427	65,265
Floating	220,884	153,729	160,082

Concentration by economic activity

The breakdown of loans and advances to non-financial companies by economic activity is set out below:

CONCENTRATION BY ECONOMIC ACTIVITY OF NON-FINANCIAL COMPANIES - 31-12-2021

(Millions of euros)

	GROSS CARRYING AMOUNT	*OF WHICH: STAGE 3*	PROVISION
Agriculture, livestock, forestry and fishing	2,885	121	(69)
Mining and quarrying	927	11	(11)
Manufacturing industry	21,384	660	(490)
Electricity, gas, steam and air conditioning supply	10,841	119	(131)
Water supply	1,586	32	(17)
Buildings	12,202	600	(380)
Wholesale and retail trade	20,553	730	(497)
Transport and storage	12,245	388	(267)
Accommodation and food service activities	9,457	530	(232)
Information and communication	3,676	95	(62)
Financial and insurance activities	12,797	78	(63)
Real estate	13,296	335	(186)
Professional, scientific and technical activities	6,385	362	(233)
Administrative and support service activities	4,061	102	(75)
Public administration and defence; compulsory social security	1,395		
Education	715	56	(43)
Human health services and social work activities	1,895	34	(27)
Arts, entertainment and recreation	1,359	214	(84)
Other services	3,547	185	(678)
TOTAL	**141,206**	**4,652**	**(3,545)**

Concentration according to credit quality

The methodology applied to assign credit ratings to fixed income issuances is based on:

- Fixed-income instruments: the regulatory banking criteria defined in the CRD IV regulation and the CRR on capital requirements, and therefore, the second best rating of all those available is used, if more than two ratings are available. In this context, for example, on 31 December 2021, the rating of Spanish sovereign debt is A-. In 2020 and 2019 it was A.
- Loan portfolio: certification of the internal classifications to the Standard & Poor's methodology.

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

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

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

CONCENTRATION ACCORDING TO CREDIT QUALITY 31-12-2020
(Millions of euros)

	GROUP (EXC. INSURANCE GROUP)										INSURANCE GROUP ***		
	FA AT AMORTISED COST												
	LOANS AND ADVANCES TO CUSTOMERS			DEBT SEC. *	FA HELD FOR TRADING *	FA NOT HELD FOR TRADING **	FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME *	FINANCIAL GUARANTEES, LOAN COMMITMENTS AND OTHER COMMITMENTS GIVEN			FA HELD FOR TRADING *	AVAILABLE-FOR-SALE FA *	LOANS AND RECEIVABLES
	STAGE 1	STAGE 2	STAGE 3					STAGE 1	STAGE 2	STAGE 3			
AAA/AA+/AA/AA-	29,541	86		394	10		61	14,684	24			1,083	
A+/A/A-	26,560	757		16,272	458		13,788	9,629	116		463	53,921	15
BBB+/BBB/BBB-	29,818	1,125		5,641	256	1	3,876	22,818	251		82	6,393	61
INVESTMENT GRADE	**85,919**	**1,968**		**22,307**	**724**	**1**	**17,725**	**47,131**	**391**		**545**	**61,397**	**76**
Allowances for impairment	(292)	(73)					(1)	(7)	(3)				
BB+/BB/BB-						46	124					211	
B+/B/B-	40,931	5,047	1					18,975	1,407				
CCC+/CCC/CCC-	11,935	6,235	19	47				4,708	1,186	5			
No rating	75,490	6,816	8,236	2,327	77	5	47	29,974	635	654		35	113
NON-INVESTMENT GRADE	**128,356**	**18,098**	**8,256**	**2,374**	**77**	**51**	**171**	**53,657**	**3,228**	**659**		**246**	**113**
Allowances for impairment	(628)	(991)	(3,625)	(11)				(50)	(27)	(106)			
TOTAL	**213,355**	**19,002**	**4,631**	**24,670**	**801**	**52**	**17,895**	**100,788**	**3,619**	**659**	**545**	**61,643**	**189**

(*) DEBT SEC.: Debt securities; FA: Financial assets
(**) Compulsorily measured at fair value through profit or loss
(***) Financial assets allocated at fair value with a change to the income statement are not included, as they primarily cover investments related to life insurance product operations, when the investment risk is taken on by the holder (Unit-links).

CONCENTRATION ACCORDING TO CREDIT QUALITY - 31-12-2019
(Millions of euros)

	GROUP (EXC. INSURANCE GROUP)										INSURANCE GROUP ***		
	FA AT AMORTISED COST						FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME *	FINANCIAL GUARANTEES, LOAN COMMITMENTS AND OTHER COMMITMENTS GIVEN					
	LOANS AND ADVANCES TO CUSTOMERS			DEBT SEC. *	FA HELD FOR TRADING *	FA NOT HELD FOR TRADING **					FA HELD FOR TRADING *	AVAILABLE-FOR-SALE FA *	LOANS AND RECEIVABLES
	STAGE 1	STAGE 2	STAGE 3					STAGE 1	STAGE 2	STAGE 3			
AAA/AA+/AA/AA-	29,717	26			7		932	14,108	10		8	1,026	
A+/A/A-	26,237	108		10,209	369		9,774	10,105	23		927	52,118	15
BBB+/BBB/BBB-	28,108	261		4,139	246	1	4,919	19,726	286		131	5,413	161
INVESTMENT GRADE	**84,062**	**395**		**14,348**	**622**	**1**	**15,625**	**43,939**	**319**		**1,066**	**58,557**	**176**
Allowances for impairment	(257)	(3)					(2)	(13)					
BB+/BB/BB-	39,130	2,565	1	300	7	56	29	16,965	597			133	
B+/B/B-	12,439	6,279	10					6,002	1,190	1			
CCC+/CCC/CCC-	527	2,281	70	5				310	326	56			
No rating	66,766	4,021	8,306	2,742	90	6	312	27,637	447	551		73	174
NON-INVESTMENT GRADE	**118,862**	**15,146**	**8,387**	**3,047**	**97**	**62**	**341**	**50,914**	**2,560**	**608**		**206**	**174**
Allowances for impairment	(317)	(705)	(3,416)	(6)				(33)	(16)	(158)			
TOTAL	**202,350**	**14,833**	**4,971**	**17,389**	**719**	**63**	**15,964**	**94,853**	**2,879**	**608**	**1,066**	**58,763**	**350**

(*) DEBT SEC.: Debt securities; FA: Financial assets
(**) Compulsorily measured at fair value through profit or loss
(***) Financial assets designated at fair value through profit or loss are not included, since they mainly include investments linked to life insurance products where the investment risk is borne by the policyholder (Unit-links).

Concentration according to sovereign risk

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

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

The risk associated with exposures to sovereign risk, whether direct exposure or assets with sovereign backing, is continuously monitored in view of publicly available information, which includes the ratings of public agencies. At the close of 2021, all these exposures are backed by sovereign states whose credit rating is BBB or higher, and no coverage requirement is deemed to be required for these exposures.

Furthermore, as specified in the table "Maximum exposure to credit risk" in Note 3.4.1, there are no material impairments of debt securities.

The carrying amounts of the main items related to sovereign risk exposure for the Group are set out below:

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

		GROUP (EXC. INSURANCE GROUP)					INSURANCE GROUP **	
COUNTRY	RESIDUAL MATURITY	FA AT AMORTISED COST	FA HELD FOR TRADING	FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME	FA NOT HELD FOR TRADING*	FL HELD FOR TRADING - SHORT POSITIONS	AVAILABLE-FOR-SALE FA	FA HELD FOR TRADING
Spain	Less than 3 months	2,723		1,307			1,144	41
	Between 3 months and 1 year	6,242	4	3,585			831	69
	Between 1 and 2 years	23,636	12	3,492	65	(10)	876	
	Between 2 and 3 years	1,654	4	2,110		(6)	4,060	
	Between 3 and 5 years	13,213	11	195		(10)	4,373	
	Between 5 and 10 years	16,353	58	1,128		(59)	10,965	
	Over 10 years	11,152	39			(35)	30,694	
	TOTAL	**74,973**	**128**	**11,817**	**65**	**(120)**	**52,943**	**110**
Italy	Between 3 months and 1 year						32	
	Between 1 and 2 years		7			(7)	734	
	Between 2 and 3 years		51	276		(49)	288	
	Between 3 and 5 years	677	40			(39)	360	
	Between 5 and 10 years	1,953	13	598		(18)	1,198	
	Over 10 years	553	7	65		(6)	4,006	
	TOTAL	**3,183**	**118**	**939**		**(119)**	**6,618**	
Portugal	Less than 3 months	11						
	Between 3 months and 1 year	343		128			20	
	Between 1 and 2 years	578					25	
	Between 2 and 3 years	22						
	Between 3 and 5 years	706		310			83	1
	Between 5 and 10 years	1,237					249	
	Over 10 years	653						
	TOTAL	**3,550**		**438**			**377**	**1**
Other	Less than 3 months	273		1				
	Between 3 months and 1 year	69					1	
	Between 1 and 2 years	230					2	
	Between 2 and 3 years	132						
	Between 3 and 5 years	404					3	
	Between 5 and 10 years	2					24	
	Over 10 years	106					24	
	TOTAL	**1,216**					**54**	
TOTAL COUNTRIES		**82,922**	**246**	**13,194**	**65**	**(239)**	**59,992**	**111**
Of which: Debt securities		63,106	246	13,194	65		59,992	111

FA: Financial assets; FL: Financial liabilities; FV: Fair value
(*) Compulsorily measured at fair value through profit or loss
(**) Financial assets designated at fair value through profit or loss are not included, since they mainly include investments linked to life insurance products where the investment risk is borne by the policyholder (Unit-links).

SOVEREIGN RISK EXPOSURE - 31-12-2020
(Millions of euros)

COUNTRY	GROUP (EXC. INSURANCE) FA AT AMORTISED COST	FA HELD FOR TRADING	FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME	FA NOT DESIGNATED FOR TRADING*	FL HELD FOR TRADING - SHORT POSITIONS	INSURANCE GROUP ** AVAILABLE-FOR-SALE FA	FA HELD FOR TRADING
Spain	32,183	442	13,966	84	(224)	51,613	345
Italy	1,088	22	1,552		(20)	6,273	
Portugal	3,311	152	654		(5)	374	179
Other	583					61	
TOTAL COUNTRIES	**37,165**	**616**	**16,172**	**84**	**(249)**	**58,321**	**524**
Of which: Debt securities	21,165	616	16,172	84		58,321	524

FA: Financial assets; FL: Financial liabilities; FV: Fair value
(*) Compulsorily measured at fair value through profit or loss
(**) Financial assets designated at fair value through profit or loss are not included, since they mainly include investments linked to life insurance products where the investment risk is borne by the policyholder (Unit-links).

SOVEREIGN RISK EXPOSURE - 31-12-2019
(Millions of euros)

COUNTRY	GROUP (EXC. INSURANCE GROUP) FA AT AMORTISED COST	FA HELD FOR TRADING	FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE INCOME	FA NOT DESIGNATED FOR TRADING *	FL HELD FOR TRADING - SHORT POSITIONS	INSURANCE GROUP ** AVAILABLE-FOR-SALE FA	FA HELD FOR TRADING
Spain	22,255	365	10,173	112	(348)	49,977	487
Italy	501	108	2,509		(53)	5,501	
Portugal	1,871	6	590			166	506
US			923				
Other	472		1			65	
TOTAL COUNTRIES	**25,099**	**479**	**14,196**	**112**	**(401)**	**55,709**	**993**
Of which: debt securities	17,389	479	14,196	63		55,709	993

FA: Financial assets; FL: Financial liabilities; FV: Fair value
(*) Compulsorily measured at fair value through profit or loss
(**) Financial assets designated at fair value through profit or loss are not included, since they mainly include investments linked to life insurance products where the investment risk is borne by the policyholder (Unit-links).

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

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

Financing for real estate construction and development

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

FINANCING ALLOCATED TO CONSTRUCTION AND REAL ESTATE DEVELOPMENT

(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	AMOUNT TOTAL	*OF WHICH: NON-PERFORMING*	AMOUNT TOTAL	*OF WHICH: NON-PERFORMING*	AMOUNT TOTAL	*OF WHICH: NON-PERFORMING*
Gross amount	5,708	364	5,467	380	5,766	*442*
Allowances for impairment	(280)	(162)	(234)	(142)	(208)	*(135)*
CARRYING AMOUNT	**5,428**	**202**	**5,233**	**238**	**5,558**	***307***
Excess gross exposure over the maximum recoverable value of effective collateral	922	123	858	125	848	*148*
Memorandum items: Asset write-offs	*1,999*		*1,969*		*2,387*	
Memorandum items: Loans to customers excluding public administrations (business in Spain) (carrying amount)	*293,289*		*193,667*		*186,645*	

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

FINANCING FOR REAL ESTATE DEVELOPERS AND DEVELOPMENTS BY COLLATERAL

(Millions of euros)

	GROSS AMOUNT		
	31-12-2021	31-12-2020	31-12-2019
Without mortgage collateral	**621**	**548**	**562**
With mortgage collateral	**5,087**	**4,919**	**5,204**
Buildings and other completed constructions	3,429	3,294	3,370
Homes	2,313	2,250	2,277
Other	1,116	1,044	1,093
Buildings and other constructions under construction	1,240	1,251	1,370
Homes	1,101	1,158	1,306
Other	140	93	64
Land	418	374	464
Consolidated urban land	156	193	351
Other land	262	181	113
TOTAL	**5,708**	**5,467**	**5,766**

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

FINANCIAL GUARANTEES
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Financial guarantees given related to real estate construction and development	**446**	**105**	**107**
Amount recognised under liabilities			0

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

GUARANTEES RECEIVED FOR REAL ESTATE DEVELOPMENT TRANSACTIONS *
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Value of collateral *	**13,574**	**12,454**	**13,362**
Of which: guarantees non-performing risks	*758*	*738*	*810*

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

Financing for home purchases

The breakdown of home-purchase loans (business in Spain), as well as the annual financing granted to purchase homes from credit streamlining at the end of these financial years, is as follows:

LOANS GRANTED TO BUYERS OF FORECLOSED HOMES
(Millions of euros)

	2021	2020	2019
Financing granted in the year	210	166	190
Average percentage financed	92%	94%	92%

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

HOME PURCHASE LOANS BY LTV *
(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	GROSS AMOUNT	*OF WHICH: NON-PERFORMING*	GROSS AMOUNT	*OF WHICH: NON-PERFORMING*	GROSS AMOUNT	*OF WHICH: NON-PERFORMING*
Not real estate mortgage secured	**1,125**	***12***	**639**	***8***	**662**	***11***
Real estate mortgage secured, by LTV ranges **	**125,824**	***4,777***	**73,220**	***2,775***	**76,658**	***2,719***
LTV ≤ 40%	36,757	*405*	21,989	*221*	21,717	*207*
40% < LTV ≤ 60%	42,911	*653*	26,826	*386*	28,491	*367*
60% < LTV ≤ 80%	30,582	*863*	17,441	*560*	18,964	*543*
80% < LTV ≤ 100%	6,964	*833*	3,747	*520*	4,002	*519*
LTV > 100%	8,610	*2,023*	3,217	*1,088*	3,484	*1,083*
TOTAL	**126,949**	***4,789***	**73,859**	***2,783***	**77,320**	***2,730***

(*) Includes financing for home purchases granted by subsidies Unión de Créditos para la Financiación Inmobiliaria, EFC, SAU (Credifimo) and Corporación Hipotecaria Mutual.
(**) LTV calculated according to the latest available appraisals. The ranges for non-performing transactions are updated in accordance with prevailing regulations.

Counterparty risk generated by transactions with derivatives, repos, securities lending and deferred settlement transactions

Monitoring and measurement of counterparty risk

Counterparty risk is credit risk generated by transactions with derivatives, repos and securities lending and deferred settlement transactions in financial market activity. It quantifies the losses derived from the counterparty's potential default before the cash flows are definitively settled.

The approval of new transactions involving assuming counterparty risk in the Group is subject to an internal framework that has been approved by the Global Risk Committee and that enables rapid decision making, for both financial and other counterparties.

In the case of operations with financial institutions, the Group has a specific internal framework that reflects the methodology used for the granting of facilities. The maximum authorised credit risk exposure with an entity is primarily determined on the basis of the entities' ratings and the analysis of their financial statements. The abovementioned framework also includes the model for determining limits and calculating consumer risk for central counterparties (CCPs).

In transactions with other counterparties, including retail customers, derivative transactions relating to asset applications (loan interest rate risk hedging) are approved jointly with the asset transaction. All other transactions subject to counterparty risk will not require explicit approval, provided that the consumption does not exceed the allocated risk limit. Otherwise, an individual study will be requested. Approval of transactions corresponds to the risk areas responsible for credit risk analysis and approval.

The definition of limits for counterparty risk is complemented by internal concentration limits, mainly for country and large exposure risks.

Counterparty risk relating to **derivative transactions** is quantitatively associated with the related market risk. The amount owed by the counterparty must be calculated by reference to the market value of the contracts and their related potential value (possible changes in their future value under extreme market price conditions, based on the historical pattern). The equivalent credit exposure for derivatives is understood as the maximum potential loss over the life of an operation that the bank might incur should the counterparty default at any time in the future. This is calculated using Monte Carlo simulation with portfolio effect and offsetting of positions, as applicable, at a 95% confidence interval, based on stochastic models incorporating the volatility of the underlying asset and all of the characteristics of the operations.

Counterparty risk exposure for **repos and securities lending** is calculated in the Group as the difference between the market value of the securities/cash granted to the counterparty and the market value of the securities/cash received from the counterparty as collateral, considering the applicable volatility adjustments in each case.

When calculating the exposure of derivatives, repos and securities lending, the mitigating effect of collateral received under framework collateral agreements is also considered.

In general, the methodology for calculating counterparty risk exposure described above is applied during the acceptance of new operations and in recurrent calculations on subsequent days.

Counterparty risk in the Group for **financial counterparties** is controlled through an integrated system that provides real-time data on the available exposure limit for any counterparty, product and maturity. For the **remaining counterparties**, counterparty risk is controlled through corporate applications, which contain both the limits of the lines of derivatives risk (if any) and credit exposure of derivatives and repos.

Mitigating counterparty risk

The main risk mitigation policies and techniques employed for counterparty risk with financial institutions involve:

- ISDA/CMOF contracts. Standardised contracts for global derivative operations with a counterparty. These explicitly provide for the possibility of offsetting the flows of outstanding collections and payments between the parties for all derivatives trading hedged by the contracts.
- CSA Appendix (ISDA) / Appendix III (CMOF). Agreements whereby each of the parties undertake to provide collateral (usually a cash deposit) as security for the net counterparty risk position arising from the derivatives traded between them. The calculation of the collateral to be exchanged takes into account the compensation clauses included in the ISDA or CMOF contracts.

- GMRA/ CME/ GMSLA contracts (repo agreements and securities lending). Agreements whereby the parties undertake to deliver collateral to each other for the net counterparty risk exposure arising from differences between the value of the sum accrued by simultaneous buying and selling of securities and the market value of the securities.
- Break-up clauses. Such clauses provide for early termination of the agreement by one of the parties of its own free will, at a certain point in a contract. This mitigates counterparty risk by reducing the effective duration of the operations subject to the clause, or reducing the counterparty's counterparty risk exposure.
- Delivery-versus-payment in securities settlement systems. Systems that eliminate settlement risk with a counterparty, since clearing and settlement occur simultaneously and in an inseparable fashion. One major system is the CLS system for delivery against payment in the case of simultaneous collection and payment flows in different currencies.
- Central Counterparties (CCP). The use of CCPs in derivatives and repo transactions can mitigate the associated counterparty risk, as these entities act as intermediaries on their own account between the two parties to the transaction, thus absorbing the counterparty risk. The EMIR regulations set forth an obligation to clear certain OTC derivative contracts through these Central Counterparties, as well as to give notification of all transactions conducted.

For non-financial counterparties, the mitigation techniques for counterparty risk involve: ISDA/CMOF contracts, CSA/CMOF Appendix III and break-up clauses, pledges of financial guarantees and guarantees issued by counterparties with higher credit quality than the original counterparty in the operation.

The Group has signed collateral agreements, mainly with financial institutions. Risk is quantified daily, in most cases, by marking to market all outstanding transactions, subject to the collateral framework agreement, and comparing this amount to the current guarantee received/delivered. This entails modification, where applicable, of the collateral delivered by the debtor. Meanwhile, in a hypothetical downgrade to the Group's rating, the impact on collateral would not be significant as most of the collateral agreements do not include franchises related to the Group's external credit rating.

Risk associated with the investee portfolio

The risk associated with equity investments (or "investees") is included under credit risk for investments that are not classified in the held-for-trading portfolio. More specifically, the Corporate Risk Catalogue includes it as a specific credit risk item, reflecting the possible loss or reduction in the Group's solvency through equity instruments caused by adverse movements in market prices, potential sales or investee insolvency with a medium to long-term horizon. The way in which each share is methodologically processed for capital consumption will depend on: i) the **accounting classification** of the share, for investments classified in the portfolio at fair value with changes in other comprehensive income, the calculation is carried out using the internal VaR model; and ii) the **longevity strategy**, for investments intended to be held on a long-term basis or there is a long-term link in their management, the most significant risk is credit risk, and, therefore, the PD/LGD approached is used whenever possible.

If the requirements for applying the aforementioned methods are not met or there is not sufficient information, the simple risk-weight approach is applied in accordance with current regulations. Without prejudice to the foregoing, for certain cases laid down in the regulation corresponding to significant financial holdings, the capital consumption will be subjected to deductions from own funds or a fixed weighting of 250%.

As regards management, a financial analysis and control is conducted on the main investees by specialists exclusively responsible for monitoring changes in economic and financial data and for understanding and issuing alerts in the event of changes in regulations and fluctuations in competition in the countries and sectors in which the investees operate. These analysts also interact with the Investor Relations departments of the listed investees and compile the information needed, including third-party reports (e. g. investment banks, rating agencies) needed for an overall outlook of possible risks to the value of the shareholdings.

In general, with the most significant shareholdings, both the estimates of and actual data on investees' contributions to income and equity (where applicable) are updated regularly by these analysts. In these processes, the outlook for securities markets and analysts' views (e.g. recommendations, target prices, ratings, etc.) are shared with Senior Management for regular comparison with the market.

It is worth noting that on 5 November 2021, CaixaBank transferred all of its 9.92% stake in Erste Group Bank AG (Erste) (see Note 16).

COVID-19 impact

In the specific context of COVID-19 (see Note 3.1), the Group is responding to the public sector's funding needs, arising from an exceptional context, while continuing to monitor the Group's level of exposure and risk appetite in this segment.

Furthermore, in relation to the private sector in Spain, CaixaBank has added to the legislative moratoria through other chiefly sector-based agreements. The Group has also made efforts to ensure the deployment of ICO (Spanish Official Credit Institute) guarantee facilities under Royal Decree-Law 8/2020 and 25/2020, which CaixaBank has also extended using working capital facilities and special funding facilities, among others[12].

Other extraordinary provisions implemented by the Group are those arising from Royal Decree-Law 25/2020 and Royal Decree-Law 26/2020 on adopting urgent measures to support economic and employment reactivation, with the former having a special focus on the tourism and automobile sector, and the latter concentrating on transport and housing. They provide economic measures covering a line of guarantees for companies and self-employed workers aimed at specific moratoria and investments (financing of property pertaining to tourist activity, of vehicles used for public transportation of bus passengers and public transportation of goods, and others). Furthermore, Royal Decree-Law 26/2020 extended the application period for mortgage and non-mortgage moratoria (Royal Decree-Law 8/2020 and Royal Decree-Law 11/2020) up to 29 September 2020, provided that the debtor is in an unexpected situation of vulnerability.

Originally, the period established for granting these guarantees ended on 31 December 2020, in accordance with the initial provisions of EU regulations on State Aid. However, in the fourth amendment to the Temporary Framework of State Aid, the European Union extended the availability period of guarantees released under the scheme until 30 June 2021, having aligned the Spanish regulation to this new term through RDL 34/2020, which established the same date of 30 June 2021 as the deadline for granting public guarantees to meet the liquidity needs of self-employed workers and businesses, thus amending the provisions of RDL 8/2020, of 17 March, and RDL 25/2020, of 3 July. Furthermore, RDL 34/2020 foresaw the extension, for debtors that meet certain requirements, of up to 3 additional years on the maximum maturity term of the loans with public guarantees granted under RDL 8/2020, which were accompanied by an extension for the same term of the public guarantee (provided that the guaranteed operation total did not exceed 8 years from the operation's initial formalisation date). The new loans granted subsequently under this scheme will also have an extended maximum term of up to 8 years. With respect to the loans with guarantees released under RDL 8/2020 and RDL 25/2020, it also extended the grace period on the payment of the guaranteed loan's principal for a maximum of 12 months, thus establishing a total grace period of 24 months.

In 2021, the Group has been implementing measures resulting from the approval of the new RDL:

- With the adoption of RDL 3/2021, of 2 February, measures are taken to reduce the gender gap and other subjects in the fields of social and economic security, and the deadline is extended to 30 March 2021 to request moratoria on the following: Mortgage-backed debts (RDL 8/2020), non-mortgage-backed loans (RDL 11/2020) and moratoriums granted to the tourism sector and the road passenger transport sector (RDL 25/2020 and RDL 26/2020). Similarly, persons benefiting from any moratoriums are allowed to benefit from them for a maximum cumulative duration of nine months.
- With the approval of RDL 5/2021 of 12 March, on extraordinary measures to support corporate solvency, in response to the pandemic arising from COVID-19, a set of measures is coordinated to mobilise public investment of up to EUR 11 billion around four lines of action: three additional funds to finance direct aid, balance sheet restructuring and corporate recapitalisation, and the extension of fiscal and bankruptcy moratoriums.

  These measures regulate both the extension of the application period for guarantees and the adaptation of certain conditions of the COVID-19 ICO guarantees, the Code of Good Practice (CBP), to which the Group voluntarily adhered to continue to support the business fabric affected by the pandemic, and the collection regime for operations with COVID 19 ICO guarantees.

  The Code of Good Practice regulates 3 measures that the debtor may request for each secured financial transaction: i) extension of the maturity of the secured transaction; ii) The possibility of converting financing transactions supported by Spain's Ministry of Economic Affairs and Digital Transformation (MAEyTD) into participatory loans that cannot be converted into capital; and iii) the deadline for the application of these measures is set at 15 October 2021.

  The possible reduction in the principal of transactions financed by the allocation of EUR 3,000 million of direct aid, of which EUR 2,750 million will be used for transactions guaranteed by Spain's MAEyTD and the rest of the transactions with guarantees managed by CERSA or CESCE. The application deadline for this measure is 1 December 2022.

[12] The existence of collateral, backers or other guarantees is not grounds to avoid the classification of the operation as Stage 2, if it is deemed that it has been impaired applying the absolute and relative thresholds that the Group has established for identifying SICRs. However, these collateral, backers or other guarantees will be considered when estimating the expected losses, based on the nature and amount of the collateral or the credit quality of the backers.

The adoption of these measures comes with the need for customers to meet the regulated eligibility criteria and, in the case of financial institutions, the obligation to maintain working-capital facilities for customers under the CGP until 31 December 2022 and for all customers until 31 December 2021.

It also postpones until 31 December 2021 the obligation to request bankruptcy proceedings for insolvent debtors.

- Spain's Royal Decree-Law 27/2021, of 23 November, lays down a series of provisions whose validity extends beyond December 2021 to provide a legal security framework that grants economic stability and supports companies in this recovery stage. This will be mainly achieved through:
  - Extending the deadline for liquidity and solvency aid: the date of 30 June 2022 is established as the deadline for granting public guarantees to meet the liquidity needs of self-employed workers and businesses, thus amending the provisions of article 29 of Royal-Decree Law 8/2020, of 17 March, and article 1 of Royal-Decree Law 25/2020, of 3 July.
  - Excluding 2020 and 2021 losses for the purpose of the business dissolution process: the extension of the exceptional measure provided for in article 13 of Law 3/2020, of 18 September, is provided for exclusively during 2021. For the purposes of the legal grounds for dissolution due to losses, the losses for 2020 and 2021 will not be taken into account, and any losses that reduce equity to half of the share capital will not take effect until the result of the financial year 2022.
  - Extending the moratorium on the obligation to declare bankruptcy in the case of equity imbalances, pending the approval of the new bankruptcy regime: the moratoriums provided for in article 6 of Law 3/2020, of September 18, are extended to 30 June 2022 to prevent the automatic triggering of bankruptcy proceedings, to provide additional time for companies that are experiencing greater difficulties as a result of the economic situation arising from the COVID-19 crisis, to be able to restore their equity balance, avoiding unnecessary bankruptcy.
- The Council of Ministers of 30 November 2021 agreed to a 6-month extension of the deadlines for self-employed persons and companies to apply for the Guarantee Facilities and to benefit from the measures to strengthen solvency contained in the Code of Good Practice (CGP) signed with financial institutions. Thus, it extends the possibility for self-employed persons and companies to apply for the Guarantee Facilities until 1 June 2022, and amends the CGP for to request term extensions or conversion into participative loans until 15 April 2021, relaxing the eligibility requirements for those affected by the La Palma volcano to enable them to be eligible for the moratorium approved by the state of emergency established in RDL 20/2021. The deadline for requesting the reduction of principal through the transfer measure is extended to 1 June 2023.

  The adoption of these measures comes with the obligation for financial institutions to maintain working-capital facilities for customers under the CGP until 30 June 2023 and for all customers until 30 June 2022.

  It also postpones until 31 December 2021 the obligation to request bankruptcy proceedings for insolvent debtors.

In the case of Portugal, BPI has also applied its own extraordinary measures to handle the impact of COVID-19, approved under the scope of Decree-Law 10-J/2020, issued by the Portuguese government. These measures cover actions of a similar nature to the foregoing in the Spanish context.

The government-backed financing has been subject to a similar accounting treatment as any other financing covered by a financial guarantee; this guarantee has been considered solely for purposes of calculating the operation's expected loss. The financial guarantee has been considered an incremental cost directly attributable to the operations, which involves the accrual of a lower effective interest rate in the operation. No grant or public aid or any tax effects have been recognised under IAS 12.

The breakdown of government-backed financing operations and current moratorium applications is provided below:

MORATORIUM BREAKDOWN - 31-12-2021*

(Millions of euros)

	MORATORIUMS OUTSTANDING (A)			MATURITY		MORATORIUMS MATURED (B)	CLASSIFICATION BY STAGES (A+B)		
	TOTAL	*OF WHICH: SPAIN*	*OF WHICH: PORTUGAL*	<6 MONTHS	6-12 MONTHS	TOTAL	STAGE 1	STAGE 2	STAGE 3
Public administrations						**38**	**35**	**3**	
Non-financial corporations and individual entrepreneurs (non-financial business)	**45**	***44***	***1***	**45**		**4,122**	**2,733**	**1,108**	**326**
Real estate construction and development (including land)	16	***16***		16		199	162	31	22
Civil engineering						91	74	11	6
Other	29	*28*	*1*	29		3,832	2,497	1,066	298
Large corporates						671	441	184	46
SMEs and individual entrepreneurs	*29*	*28*	*1*	29		3,161	2,056	882	252
Other households	**120**	***119***	***1***	**120**		**16,361**	**11,040**	**3,862**	**1,579**
Homes	97	*96*	*1*	97		13,385	9,344	3,040	1,098
Consumer lending	14	*14*	*0*	14		1,390	815	372	217
Other purposes	9	*9*		9		1,586	881	450	264
TOTAL MORATORIUMS GRANTED	**165**	***163***	***2***	**165**		**20,521**	**13,808**	**4,973**	**1,905**
TOTAL MORATORIUMS	**165**	**163**	***2***	**165**					

(*) Of which EUR 5,734 million come from the business combination with Bankia, S.A. (Note 7)

MORATORIUM BREAKDOWN - 31-12-2020

(Millions of euros)

	AMOUNT OF MORATORIUMS OUTSTANDING (A)			MATURITY		MORATORIUMS MATURED (B)	CLASSIFICATION BY STAGES (A+B)		
	TOTAL	*OF WHICH: SPAIN*	*OF WHICH: PORTUGAL*	<6 MONTHS	6-12 MONTHS	TOTAL	STAGE 1	STAGE 2	STAGE 3
Public administrations	**32**		***32***		**32**		**32**		
Non-financial corporations and individual entrepreneurs (non-financial business)	**3,667**	***904***	***2,763***	**422**	**3,245**	**430**	**3,061**	**896**	**140**
Real estate construction and development (including land)	212	*54*	*158*	16	196		174	32	6
Civil engineering	106	*1*	*105*	1	105	3	85	23	1
Other	3,349	*849*	*2,500*	405	2,944	427	2,802	841	133
Large corporates	*559*	*156*	*403*	*1*	*558*	*49*	*442*	*166*	
SMEs and individual entrepreneurs	*2,790*	*693*	*2,097*	*404*	*2,386*	*378*	*2,360*	*675*	*133*
Other households	**10,658**	***7,834***	***2,824***	**8,867**	**1,791**	**2,039**	**7,604**	**4,292**	**801**
Homes	8,968	*6,473*	*2,495*	7,226	1,742	846	6,185	3,145	484
Consumer lending	409	*80*	*329*	408	1	1,083	799	561	132
Other purposes	1,281	*1,281*		1,233	48	110	620	586	185
TOTAL MORATORIUMS GRANTED	**14,357**	***8,738***	***5,619***	**9,289**	**5,068**	**2,469**	**10,697**	**5,188**	**941**
MORATORIUMS UNDER ANALYSIS	**1**	***1***							
TOTAL MORATORIUMS	**14,358**	***8,739***	***5,619***	**9,289**	**5,068**				

BREAKDOWN OF GOVERNMENT-BACKED FINANCING

(Millions of euros)

	31-12-2021			31-12-2020		
	SPAIN (ICO)	PORTUGAL	TOTAL	SPAIN (ICO)	PORTUGAL	TOTAL
Public administrations	**9**	**0**	**9**	**6**		**6**
Non-financial corporations and individual entrepreneurs (non-financial business)	**20,644**	**1,109**	**21,753**	**12,634**	**551**	**13,185**
Real estate construction and development (including land)	94	2	96	41	1	42
Civil engineering	1,692	82	1,774	974	36	1,010
Other	18,858	1,025	19,883	11,619	514	12,133
Large corporates	4,612	44	4,656	2,686	26	2,712
SMEs and individual entrepreneurs	14,246	981	15,227	8,933	488	9,421
TOTAL	**20,653**	**1,109**	**21,762**	**12,640**	**551**	**13,191**
Of which: from the business combination with Bankia, S.A. (Note 7)	8,700					

In this context, as regards the principles for measuring expected credit losses for the purpose of defining the credit risk loss provisions, the following considerations are noteworthy:

- Processing the significant increase in credit risk (SICR):

  The recurring criteria for determining the significant increase in credit risk have been strengthened, taking into account additional criteria besides those of the recurring 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 formulation and presentation of companies' annual account. It is a temporary overlay on SICR criteria, which will be reviewed with the evolution of the environment during the year, for example after the completion of the majority of general moratoria.

  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.

- Processing of the planned moratoriums:

  The abovementioned regulatory moratoria required financial institutions to suspend the loan payment (repayment of capital and payment of interest) for a specific period.

  The government authorities defined requirements which, in the event that they were met by the beneficiary, involved the granting of moratoria by the Group on the payment of capital or interest on the various credit operations that customers may have contracted. The specific characteristics of these programmes varied between Spain and Portugal:

  - In Spain a series of objective criteria was set to grant moratoriums between 3 and 6 months, depending on the operation, on the payment of capital and interest on loans with mortgage collateral and non-mortgage credit (including credit cards). Customers that requested the application of the measure and met and demonstrated said criteria, were provided an automatic deferral without accruing interest on the payments due during the period of suspension. Following the aforementioned period, the contract's obligations again become effective. In the case of loans with mortgage collateral the maturity date agreed upon in the contract has been extended for the same time as the suspension, and in the case of non-mortgage credit (including credit cards), the amount of the monthly payments that were suspended will be payable once the suspension period ends.

    For accounting purposes, the application of the government measures has been considered by the Group as a relevant qualitative change that has given rise to a contractual modification. In accordance with the IFRS 9 framework, if the entity reviews its collection estimates (excluding changes in expected losses), the financial asset's carrying amount must be adjusted to reflect the reviewed contractual cash flows discounted at the financial instrument's original effective interest rate. The adjustment's impact is recognised as gains or losses in the profit/(loss) for the period. Therefore, the Group has calculated this impact (generally known as modification gain and loss and including the best estimate of the operation's economic loss) and immediately recognised it in the income statement, which in 2021 is immaterial (EUR 48 million in

2020). This adjustment in the carrying amount of the affected financial assets is reversed throughout the 3-month or 6-month moratorium in the net interest income.

- In Portugal, it also involved granting moratoriums on the capital and interest, or solely on capital, at the customer's request, to individuals (loans for home purchases) and businesses, but with two main differences with respect to Spain. Firstly, the moratoriums were extended over a maximum period of 12 months, until 31 March 2021. Once this period ended, the new payment schedule was reviewed with the customers, extending the term of the operations by the number of months granted as moratorium. Secondly, the measures adopted in Portugal have did not involve an economic loss for the Group, as interest on the deferred payments (capital and/or interest) was accrued; therefore, for accounting purposes, the contractual modification did not entail the adjustment of the financial assets' carrying amount or the recognition of any modification gain and loss.

The majority of the moratoria matured during 2021.

- Post model adjustment:

  The accounting and prudential authorities have issued recommendations in relation to upholding an adequate provision level, considering the macroeconomic environment of heightened uncertainty generated due to COVID-19.

  Due to this uncertain environment, an accounting adjustment (Post Model Adjustment) in the Group of EUR 1,395 million has been upheld at 31 December 2021 (EUR 1,252 million at 31 December 2020) in the form of a fund not specifically allocated to specific transactions. This estimate methodology is intended to be temporary (associated with the uncertainty and effects of the pandemic), it is covered under the guidelines issued by the supervisors and regulators in the environment of the pandemic, and it is backed by duly documented processes and subject to strict governance. In that regard, this collective fund will be reviewed in the future with newly available information and reduced uncertainties regarding the real impact of the health crisis.

3.4.2. Actuarial risk

Overview

The European regulatory framework of reference for insurance companies, known as Solvency II, is transposed into to the Spanish legal system through Act 20/2015 and Royal Decree 1060/2015, which are known, respectively, as LOSSEAR and ROSSEAR. This framework is supplemented by the technical standards approved by the European Commission (ITS), which are directly applicable, and guidelines published by EIOPA (European Insurance and Occupational Pensions Authority), which have been adopted by the Directorate General for Insurance and Pension Funds (DGSFP) as their own.

In line with the European Solvency II Directive, actuarial risk is defined in the Corporate Risk Catalogue 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.

Actuarial risk is inherent to the activity relating to the subscription of insurance products which, within CaixaBank Group, is centralised in the subgroup of companies headed by VidaCaixa. Through VidaCaixa, the Group is exposed to actuarial risk due to unfavourable movements of the risk factors of mortality, longevity, disability and morbidity, catastrophe, falls and expenses.

Besides the subscription activity, actuarial risk also derives from the defined benefit pension commitments of Group companies with their employees. At CaixaBank, the risks inherent to these agreements are transferred for management by the VidaCaixa Group through the formalising of insurance contracts, whereas in the defined benefit commitments for Banco BPI employees they are implemented through a Pension Fund managed by BPI Vida e Pensões, a VidaCaixa Group company.

This risk management seeks to uphold the payment capacity of commitments to borrowers, optimise the technical margin and preserve the economic value of the balance sheet, within the limits laid down in the RAF.

At the close of December 2021, the Group has incorporated 100% of Bankia Vida following the agreements reached with Mapfre for the repurchase of 51% of its share capital. In the context of the Group's reorganisation, as a result of the business combination with Bankia, the sale of this company to VidaCaixa was made in the first quarter of 2022.

Actuarial risk cycle

Actuarial risk monitoring and measurement

Actuarial risk assumed as a result of the life insurance contract subscription activity are managed in conjunction with the inherent risks arising from the financial assets acquired for hedging.

In order to ensure an adequate risk management, the Group has a Corporate Financial-Actuarial Risk Management Policy in place, which sets out the general principles, governance framework, control framework and information reporting framework applicable to all the Group companies exposed to these risks. Furthermore, the VidaCaixa Group companies have management policies and frameworks for proprietary financial-actuarial risks that serve to implement that Corporate Policy.

Actuarial risk management established in these policies seeks the long-term stability of the actuarial factors that affect the technical evolution of subscribed insurance products. The actuarial risk factors notably feature mortality and longevity risk in the field of life insurance, where VidaCaixa includes in its management a partial internal model, according to methodology laid down in the Solvency II Directive, which provides a more adapted vision of the risk profile of the insured group.

On this note, and for each line of business, the VidaCaixa policy of underwriting and provision of reserves identifies various parameters for risk approval, measurement, rate-setting and, lastly, to calculate and set aside reserves covering underwritten policies. General operating procedures are also in place for underwriting and the provision of reserves.

Systems for measuring actuarial risk, from which the sufficiency of the technical provisions are quantified and assessed policy-by-policy, are integrated into the management of the insurance business. In this sense, production operations, irrespective of the channel, are recorded in the systems using the various contracting, benefits management and provision calculation applications (e.g. TAV for individual and ACO or Avanti for group insurance). Investment management software is used to manage and control the investments backing the company's insurance activity. All of the applications are accounted for automatically in the accounting support software.

There is a series of applications that perform management support tasks within these integrated and automated systems. It is worth noting applications for data processing that are used for the preparation of reporting information and risk management. In addition, there is a solvency and risk datamart, which serves as a support tool for compliance with all the requirements of the Solvency II Directive.

In relation to interest rate risk, the Group —through its insurance company VidaCaixa— limits its exposure using financial immunisation techniques envisaged in the provisions of the DGSFP.

For credit and liquidity risk incurred in the insurance business, the Group has risk management frameworks that establish minimum credit quality and diversification levels (see the risk structure of the insurance business in these fields, presented in a segmented way in Note 3.4.1).

In response to the COVID-19 pandemic, VidaCaixa has monitoring mechanisms in place, which enable the ongoing monitoring of actuarial risk in order to preserve the objective risk profile.

Mitigation of actuarial risk

One of the Group's elements used to mitigate the assumed actuarial risk consists of transferring part of the risk to other companies, through reinsurance contracts. To do so, the Group —and specifically its insurance company— has a Reinsurance Policy which is updated at least annually, which identifies the extent to which risk is passed on, taking into account the risk profile of direct insurance contracts, and the type, suitability and effectiveness of the various reinsurance agreements.

By doing so, an insurance company can reduce risk, stabilise solvency levels, use available capital more efficiently and expand its underwriting capacity. However, regardless of the reinsurance taken out, the insurance company is contractually liable for the settlement of all claims with policyholders.

Through VidaCaixa Group, CaixaBank Group establishes the following via this Reinsurance Policy:

- The general strategy and principles that must govern reinsurance management.
- The governance, management, control and information frameworks of reinsurance.

In that regard, the VidaCaixa Group establishes tolerance limits on the basis of the criteria that must govern the selection of reinsurers and the maximum retained risk.

3.4.3. Market risk

Overview

The Group identifies market risk as the loss of value, impacting on performance or solvency, of a portfolio (set of assets and liabilities), due to unfavourable movements in prices or market rates. Market risk quantifies possible loss in the trading portfolio that may be due to fluctuations in interest rates, exchange rates, credit spread, external factors or prices on the markets where trading is conducted.

Market risk encompasses almost all the Group's trading portfolio, as well as the deposits and repos arranged by trading desks for management.

Risk factors are managed according to the return-risk ratio determined by market conditions and expectations, the limits structure and the authorised operating framework.

Market risk cycle

Monitoring and measurement of market risk

On a daily basis, the Group monitors the operations traded, calculating how market changes will affect the profit and loss of positions held, quantifying the market risk undertaken, and monitoring compliance with limits. With the results obtained from these activities, a daily report is produced on positions, risk quantification and the utilisation of risk thresholds, which is distributed to Senior Management, the officers in charge of managing them, to Model Validation and Risk and to the Internal Audit division.

As a general rule, there are two types of measurements which constitute a common denominator and market standard for the measurement of market risk:

Sensitivity

Sensitivity represents risk as the impact a slight change in risk factors has on the value of positions, without providing any assumptions about the probability of such a change.

Value-at-risk (VaR)

The benchmark market risk measurement is VaR at 99% with a one-day time horizon for which the RAF defines a limit for trading activities of EUR 20 million (excluding the economic hedging CDS for the CVA, recognised for accounting purposes in the held-for-trading portfolio). Daily VaR is defined as the highest of the following three calculations:

- Parametric VaR with a covariance matrix deriving from a 75-day window of history, giving more weight to recent observations. The parametric VaR technique is based on volatilities and matching fluctuations in the prices and interest and exchange rates of the assets comprising the portfolio.
- Parametric VaR with a covariance matrix arising from historical performance over one year and equal weightings.
- The historical VaR technique: which calculates the impact on the value of the current portfolio of historical changes in risk factors. Daily changes observed over the last year are taken into account, with a confidence interval of 99%. Historical VaR is an extremely useful system for completing the estimates obtained by the parametric VaR technique, since it does not include any assumptions on the statistical behaviour of risk factors. The parametric VaR technique assumes fluctuations or returns that can be modelled using normal statistical distribution. Historical VaR is also an especially suitable technique since it includes non-linear relationships between the risk factors.

Moreover, since a downgrade in the credit rating of asset issuers can also give rise to adverse changes in market prices, quantification of risk is completed with an estimate of the losses arising from changes in the volatility of the credit spread on private fixed-income and credit derivative positions (spread VaR), which constitutes an estimate of the specific risk attributable to the security issuers. This calculation is made using a historical method while taking into account the potentially lower liquidity of these assets, with a confidence interval of 99%, and assuming absolute weekly variations in the simulation of credit spreads.

Total VaR results from the aggregation of VaR arising from fluctuations in interest rates, exchange rates (and the volatility of both) and from the Spread VaR, which are aggregated on a conservative basis, assuming zero correlation between the two groups of risk factors, and the addition of VaR of the equities portfolio, inflation and VaR of the commodities portfolio (currently with no position), assuming in both cases a correlation of one with the other risk factor groups.

Additional measures to VaR

As an analysis measurement, the Group completes the VaR measurements with the following risk metrics, updated weekly:

- **Stressed VaR** indicates the maximum loss on adverse movements in market prices based on a stressed historical period of one year, with a 99% confidence level and a daily time horizon (subsequently extrapolated to the regulatory horizon of 10 market days, multiplying by the root of 10). The stressed VaR calculation is leveraged by the same methodology and infrastructure as the historical VaR, with the only significant difference being the historical window selected.

- The **incremental default and migration risk** reflects the risk related to changes in credit ratings or breach of positions in fixed-income instruments and credit derivatives in the trading portfolio, with a confidence level of 99.9%, one-year time horizon, and a quarterly liquidity horizon, which is justified by the high liquidity of portfolio issuances. The estimate is made using Monte Carlo simulation of possible future states of external rating of the issuer and the issuance, based on transition matrices published by the main ratings agencies, where dependence between credit quality variations between the different issuers is modelled using Student's t-distribution.

The maximum, minimum and average values of these measurements in this year, as well as their value at the close of the period of reference, are shown in the following table.

SUMMARY OF RISK MEASUREMENTS
(Millions of euros)

	MAXIMUM	MINIMUM	AVERAGE	LAST
1-day VaR	3.7	1.0	2.0	1.2
1-day Stressed VaR	11.7	2.1	3.8	11.7
Incremental risk	24.1	7.3	16.6	7.3

Backtest

To confirm the suitability of the estimates of the internal model, daily results are compared against the losses estimated under the VaR technique, which is what is referred to as backtesting. The risk estimate model is checked in two ways:

- Through net or hypothetical backtesting, which relates the portion of the daily marked-to-market result of open positions at the close of the previous session to estimated VaR over a one-day time horizon, calculated on the basis of the open positions at the close of the previous session. This backtesting is the most appropriate means of performing a self-assessment of the methodology.
- Gross (or actual) backtesting, which compares the total result obtained during the day (including intraday transactions) to VaR for a time horizon of one day, calculated on the basis of the open positions at the close of the previous session. This provides an assessment of the importance of intraday transactions in generating profit and estimating the risk.

The daily result used in both backtesting exercises does not include mark-ups, reserves, fees or commissions.

No significant incidents have been detected in the year.

Stress test

Two stress testing techniques are used on the value of the trading positions to calculate the possible losses on the portfolio in situations of extreme stress:

Systematic stress: this technique calculates the change in value of the portfolio in the event of a specific series of extreme changes in the main risk factors. It considers parallel interest rate shifts (rising and falling); changes at various points of the slope of the interest rate curve (steepening and flattening); variation of the spread between the instruments subject to credit risk and government debt securities (bond-swap spread); shifts in the EUR/USD curve differential; higher and lower volatility of interest rates; variation of the euro with respect to the USD, JPY and GBP; and variation in exchange rate volatility, share prices; and higher and lower volatility of shares and commodities.

Historical scenarios: this technique addresses the potential impact of actual past situations on the value of the positions held.

Reverse stress test: a technique that assumes a high-vulnerability scenario given the portfolio's composition and determines what variations in the risk factors lead to this situation.

Based on the set of measures described above, the management of market risk on trading positions in markets is in accordance with the methodological and monitoring guidelines.

Mitigation of market risk

As part of the required monitoring and control of the market risks taken, there is a structure of overall VaR limits complemented by the definition sublimits, stressed VaR and incremental default and migration risk, Stress Test and Stop Loss results and sensitivities for the various management units that could assume market risk.

The risk factors are managed using economic hedges on the basis of the return/risk ratio determined by market conditions and expectations, always within the assigned limits.

Beyond the trading portfolio, fair-value hedge accounting is used, which eliminates potential accounting mismatches between the balance sheet and statement of profit or loss caused by the different treatment of hedged instruments and their hedges at market values. In the area of market risk, limits for each hedge are established and monitored, in this case expressed as ratios between total risk and the risk of the hedged items.

3.4.4. Risks in the banking book

Interest rate risk in the banking book

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

The management of this risk by the Group seeks to i) optimise the net interest margin and ii) maintain the economic value of the balance sheet, while at all times taking into account the metrics and thresholds of the RAF in terms of volatility of the financial margin and value sensitivity.

This risk is analysed considering a broad set of market-type scenarios, including the potential impact of all possible sources of interest rate risk in the banking book, i.e. gap risk (with its components: repricing risk, curve risk, basis risk and optionality risk. Optionality risk considers automatic optionality related to the behaviour of interest rates and the optionality of customer behaviour, which is not only dependent on interest rates.

The Group applies best practices in the market and the recommendations of regulators in measuring interest rate risk, using various measurement techniques that make it possible to analyse the Group's positioning and its risk situation. These include:

- Static gap: it shows the contractual distribution of maturities and interest rate reviews for applicable balance sheet or off-balance aggregates at a particular date. GAP analysis is based on comparing the values of the assets and liabilities reviewed or that mature in a particular period.
- Sensitivity of net interest income: it shows the impact on the net income caused by changes in the interest rate curve as a result of the review of balance sheet transactions. This sensitivity is determined by comparing a net interest income simulation in the event of various interest rate scenarios (immediate parallel and progressive movements of different intensities, as well as changes in slope). The most likely scenario, which is obtained using the implicit market rates, including the business trend and hedge management forecasts, is compared with other scenarios of rising or falling interest rates and parallel and non-parallel movements in the slope of the curve. The difference between these stressed net interest income figures compared to the baseline scenario give us a measure of the sensitivity, or volatility, of net interest income.
- Balance sheet economic value: it is calculated as the sum of i) the fair value of net interest-rate sensitive assets and liabilities on the balance sheet; ii) the fair value of off-balance sheet products (derivatives); and iii) the net carrying amounts of non-interest-rate sensitive asset and liability items.

- Economic value sensitivity: the economic value of sensitive balances on and off the balance sheet is reassessed under the various stress scenarios considered by the Group. The difference between this value and the economic value calculated at current market rates gives us a numeric representation of the sensitivity of economic value to the various scenarios employed.
- Balance sheet VaR: defined as the maximum economic value that could be lost from the balance sheet in a certain period of time, applying market prices and volatilities as well as correlation effects using a specific confidence level and time horizon.

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

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

MATRIX OF MATURITIES AND REVALUATIONS OF THE BALANCE SHEET SENSITIVE TO INTEREST RATES

(Millions of euros)

	<1 YEAR	1–2 YEARS	2–3 YEARS	3–4 YEARS	4–5 YEARS	>5 YEARS	TOTAL
ASSETS							
Interbank and Central Banks	120,378	1,116	143	508	320	532	122,997
Loans and advances to customers	244,966	30,060	13,209	10,143	7,177	29,292	334,847
Fixed income portfolio	31,668	6,796	4,097	6,575	7,210	22,120	78,466
TOTAL ASSETS	397,012	37,972	17,449	17,226	14,707	51,944	536,310
LIABILITIES							
Interbank and Central Banks	109,210	1,306	159	88	37	211	111,011
Customer deposits	172,804	44,888	27,696	19,140	15,122	108,755	388,405
Issuances	11,280	7,875	7,497	12,198	6,194	12,664	57,708
TOTAL LIABILITIES	293,294	54,069	35,352	31,426	21,353	121,630	557,124
ASSETS LESS LIABILITIES	**103,718**	**(16,097)**	**(17,903)**	**(14,200)**	**(6,646)**	**(69,686)**	**(20,814)**
HEDGES	(33,399)	7,251	3,465	10,909	2,980	8,764	(30)
TOTAL DIFFERENCE	**70,319**	**(8,846)**	**(14,438)**	**(3,291)**	**(3,666)**	**(60,922)**	**(20,844)**

Below is the sensitivity of the net interest income and economic value to sensitive balance sheet assets and liabilities for a scenario of rising and falling interest rates of 100 basis points:

INTEREST RATE SENSITIVITY

(incremental % with respect to the market baseline scenario / implicit rates)

	+100 BP	-100 BP
Net interest income (1)	12.78%	(4.28%)
Economic value of equity for sensitive balance sheet aggregates (2)	4.44%	(10.58%)

(1) Sensitivity of the 1-year NII of sensitive balance sheet aggregates.
(2) Sensitivity of economic value for sensitive balance sheet aggregates on Tier 1.

With regard to measurement tools and systems, relevant information is obtained at the transaction level of the sensitive balance sheet transactions from each computer application used to manage the various products. This information is used to produce databases with a certain amount of aggregation in order to speed up the calculations without impairing the quality or reliability of the information or results.

The assets and liabilities management application is parameterised in order to include the financial specifics of the products on the balance sheet, using behavioural customer models based on historical information (pre-payment models). The sensitivity to interest rates —conditioned by the speed with which market rates are transposed and the expected terms to maturity— have been analysed for items without a contractual maturity date (demand accounts) on the basis of past experience of customer behaviour, including the possibility that the customer may withdraw the funds invested in this type of product. For other products, in order to define the assumptions for early termination, internal models are used which include behavioural variables of customers, products, seasonality and interest rate fluctuations.

The projection tool is also fed with growth data budgeted in the financial plan (volumes, products and margins) and information on the various market scenarios (interest and exchange rate curves), in order to perform a reasonable estimate of the risks associated with the net interest income and economic value of sensitive balance sheet aggregates.

To mitigate the interest rate risk in the banking book, the Group actively manages risk by arranging additional hedging transactions on financial markets to supplement the natural hedges generated on its own balance sheet as a result of the complementarity between the sensitivity to fluctuations in interest rates on deposits and on lending transactions arranged with customers or other counterparties.

The interest rate risk in the banking book assumed by the Group is substantially below levels considered significant under current regulations.

No events with a material impact on interest rate in the banking book risk occurred during 2021.

Exchange rate risk in the banking book

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

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

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

FOREIGN CURRENCY POSITIONS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Cash and cash balances at central banks and other demand deposits	542	538	419
Financial assets held for trading	4,806	391	2,314
Financial assets with changes in other comprehensive income	353	393	1,352
Financial assets measured at amortised cost	18,351	13,494	11,206
Equity Investments	124	87	108
Other assets	1,103	115	1,060
TOTAL FOREIGN CURRENCY ASSETS	**25,279**	**15,018**	**16,459**
Financial liabilities at amortised cost	10,716	8,729	8,878
Deposits	8,885	7,773	7,857
Central banks	918	652	1,385
Credit institutions	1,894	1,807	1,469
Customers	6,073	5,314	5,003
Debt securities issued	1,718	867	945
Other financial liabilities	113	89	76
Other liabilities	4,976	(244)	2,489
TOTAL FOREIGN CURRENCY LIABILITIES	**15,692**	**8,485**	**11,367**

The Group hedges its foreign currency risk by arranging cash transactions of financial derivatives, which mitigate the risk of asset and liability positions on the balance sheet. However, the nominal amount of these instruments is not reflected directly on the balance sheet but rather as memorandum items for financial derivatives. This risk is managed by seeking to minimise the level of exchange rate risk assumed in commercial activity, which explains why the Group's exposure to this market risk is low.

The remaining minor foreign currency positions in the banking book and of the treasury activity are chiefly held with credit institutions in major currencies. The methods for quantifying these positions, which are the same, are applied alongside the risk measurements used for the treasury activity as a whole.

The breakdown by currency of the main headings of the balance sheet are set out below:

BREAKDOWN OF THE MAIN BALANCE SHEET ITEMS BY CURRENCY - 31-12-2021
(Millions of euros)

	CASH *	FA HELD FOR TRADING	FA WITH CHANGES IN OCI	FA AT AMORTISED COST	FL AT AMORTISED COST	OTHER LIABILITIES
USD	287	3,531	27	12,886	8,672	3,736
JPY	57	5	-	272	138	4
GBP	51	1,175	4	2,288	1,218	1,187
PLN (Polish Zloty)	40	3	-	1,086	84	4
CHF	21	14	-	186	254	3
CAD	10	147	-	882	62	100
Other	76	(69)	322	751	288	(58)
TOTAL	**542**	**4,806**	**353**	**18,351**	**10,716**	**4,976**

FA: Financial assets; FL: Financial liabilities
(*) Cash and cash balances at central banks and other demand deposits

Given the reduced exposure to exchange rate risk and considering the existing hedges, the sensitivity of the balance sheet's economic value is not significant.

IBOR reform

Global financial regulators have driven the gradual abandonment of IBORs and their replacement with new risk-free rates in recent years. This has led to the need for a transition from the old LIBORs to the new rates recommended by the task forces established in the various jurisdictions.

This transition has been expedited with the announcement of the cessation of some LIBOR indices at the beginning of 2022. For this reason, market participants need to start using new risk-free rates and remedy those contracts that were affected by the cessation of publication of the rate (see Note 1.2).

Since the regulators' first announcements, the Group has taken an active position both externally—participating in the working group on Risk Free Rates (RFR) for the eurozone— and internally, where it has laid down an index transition project with a robust governance structure to meet the regulatory, financial, commercial and technical needs of index transition.

The index transition project featured an internal task force to manage the various risks to which the Group is exposed as a result of this transition:

- risk of litigation on contracts, services and contracts indexed to rates that will disappear,
- operational risks arising from the need for technological changes, operational processes and controls,
- legal risks when remedying existing contracts or other documentation,
- financial and accounting risks from the use and change to new rates in accounting and assessment methodologies and instruments,
- reputational risks of conduct in the transfer of the reform and its impacts on stakeholders and in particular on customers.

The Group has a high exposure to the Euribor index that is not affected by the transition, while this index, following a reform of its methodology —conducted during phase-in in the second half of 2019— has received the backing of supervisors and regulators and fully complies with the index regulation.[13]. The Group uses Euribor for mortgages, loans, deposits and debt issuances, as well as in a broad range of derivative instruments. However, the eurozone working group and the European authorities recommend that all contracts indexed to Euribor include replacement clauses in the event of a possible future termination of the Euribor based on the new RFR indices for the euro, i.e. in temporary structures of €STR. Thus, the group is adding such fallbacks in all the contracts indexed Euribor.

With regard to EONIA, the Group has basically used it in current account contracts, transferred into €STR since April 2020, and in derivatives settled through Central Clearing Houses (CCH) that have migrated to €STR in October 2021. The other contracts indexed to EONIA are those that refer to collateral remuneration in the various framework contracts of financial transactions that have been indexed to €STR at the end of 2021. It is worth noting the regulation of an EONIA Statutory fallback by the European Commission outlining €STR +8.5bp as a replacement. Similarly, the ISDA protocol on remuneration of the framework agreements for derivatives which fixes €STR +8.5bp as a replacement for EONIA.

Lastly, with regard to the LIBOR indices, the Group's exposure can be considered non-material given the low volume of assets and liabilities indexed to in these indices, the LIBOR USD being the most representative in terms of exposure. On 31 December 2021 the LIBOR, GBP, CHF, JPY and EUR indices ceased publication. The 1-week and 2-month periods for the USD also ceased on that date. For the remaining LIBOR USD terms, the planned termination date is June 2023. Currently, the new production indexed in GBP, JPY and CHF is already conducted in connection with the various structures of the respective risk-free-rates of each currency (SONIA, TONA and SARON).

The carrying amount of financial instruments referenced to the indices subject to the IBOR Reform is shown below:

[13] On 2 July 2019, the European Money Markets Institute received an authorisation from the Belgian Financial Services and Markets Authority (FSMA) under Article 34 of the EU Reference Regulation for the administration of Euribor.

BREAKDOWN OF FINANCIAL INSTRUMENTS INDEXED TO INDICES SUBJECT TO THE IBOR REFORM - 31-12-2021
(Millions of euros)

	LOANS AND ADVANCES	DEBT SECURITIES	DEPOSITS	DEBT SECURITIES ISSUED	DERIVATIVES - ASSETS	DERIVATIVES - LIABILITIES
Indexed to LIBOR	**10,229**			**853**	**759**	**686**
USD	8,242	5		853	754	684
GBP	1,606				5	2
JPY	91					
Other	290					
TOTAL	**10,229**	**5**	**0**	**853**	**759**	**686**

The nominal amount of the hedging instruments referenced to indices subject to the IBOR Reform is shown below:

BREAKDOWN OF HEDGING INSTRUMENTS INDEXED TO INDICES SUBJECT TO THE IBOR REFORM - 31-12-2021
(Millions of euros)

	LIBOR USD	LIBOR GBP	LIBOR JPY	OTHER
Fair value hedges	1,007			
Cash flow hedges	1,810			
TOTAL	**2,817**	**0**	**0**	**0**

3.5. Reputation and Operational risks

3.5.1. Operational risk

Overview

Operational risk is defined as the possibility of incurring losses due to the failure or unsuitability of processes, people, internal systems and external events. Given the heterogeneity of the nature of operational events, CaixaBank does not record operational risk as a single element in the Corporate Risk Catalogue, but rather it has included the following risks of an operational nature: legal/regulatory, conduct and compliance, technology, reliability of information, model and other operational risks. For each of these risks in the Catalogue, the Group upholds the corresponding specific management frameworks, without prejudice to the additional existence of an operational corporate risk management policy.

CaixaBank integrates operational risk into its management processes in order to deal with the financial sector's complex regulatory and legal environment. The overall objective of managing this risk is to improve the quality of business management, supplying relevant information to allow decisions to be made that ensure the organisation's long-term continuity, optimisation of its processes and the quality of both internal and external customer service. This objective comprises a number of specific objectives that form the basis for the organisation and working methodology for managing operational risk. These objectives are:

- To identify and anticipate existing or emerging operational risks.
- To adopt measures to sustainably mitigate and reduce operational losses.
- To promote the establishment of systems for the ongoing improvement of the operating process and of the control structure.
- To exploit operational risk management synergies.
- To promote an operational risk management culture.
- To comply with the current regulatory framework and requirements for the applicability of the management and calculation models chosen.

Operational risk management cycle

Although the standardised method is used to calculate regulatory capital, the Group's operational risk measurement and management is based on policies, processes, tools and methodologies that are risk-sensitive, in line with market best practices.

Operational risks are structured into four categories or hierarchical tiers, from the most generic to the most specific and detailed:

- Tiers 1 and 2 of the regulations: Tier 1 comprises 7 subcategories (Internal Fraud; External fraud; Employment practices and security in workplace; Customers; products and business practices; Damages to physical assets; Business interruptions and system faults, Execution and Delivery and process management) and Tier 2 comprises 20 subcategories.
- Tier 3 Group internal: represents the combined individual risk of all the business areas and Group companies.
- Tier 4 individual risks: represents the materialisation of particular Tier 3 risks in a process or activity.

The technological environment of the operational risk system provides all the functionality required and is fully integrated into the bank’s transactional and information systems.

Operational risk is measured with the following aspects:

- Qualitative measurement

  Operational risks are subjected to self-assessments on an annual basis, which make it possible to: i) obtain greater knowledge of the operational risk profile and the new critical risk; and ii) maintain a standardised update process for the taxonomy of operational risks, which is the foundation upon which this risk's management is defined.

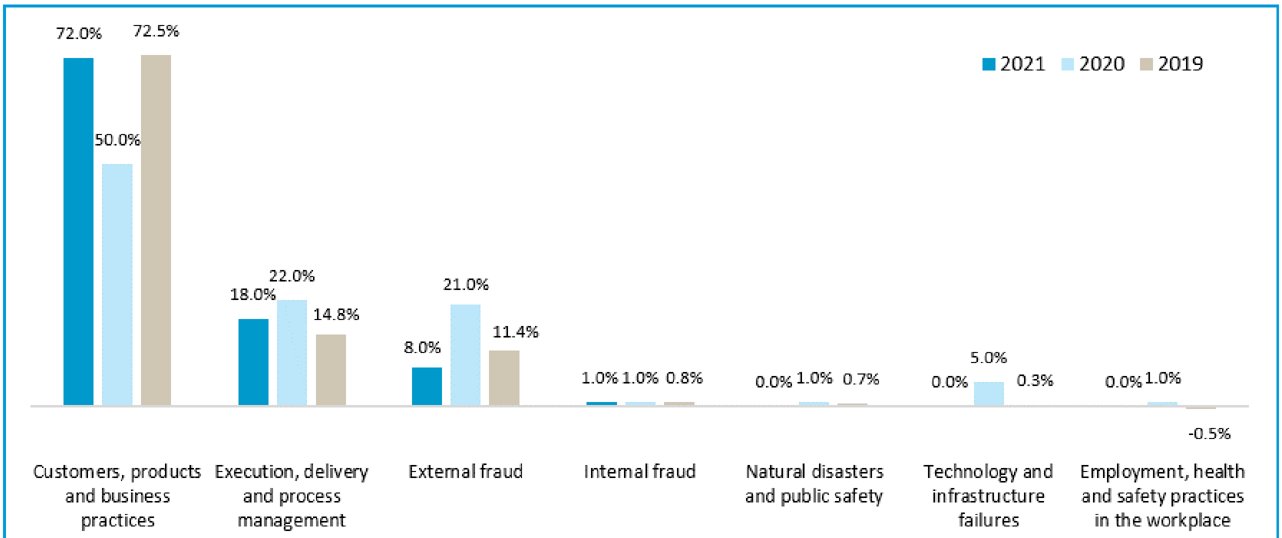
  Expert annual workshops and meetings are also held to generate hypothetical extreme operational loss scenarios. The purpose is for these scenarios to be used to detect areas of improvement in the management and to supplement the available external and internal historical data on operational losses.

- Quantitative measurement

  The internal operational loss database is one of the foundations for managing operational risk (and the future calculation of capital for operational risk).

  An **operational event** is the implementation of an identified operational risk, an event that causes an operational loss. It is the concept around which the entire data model revolves in the Internal Database. Loss events are defined as each individual economic impact related to an operational loss or recovery.

  Gross losses by regulatory category (Tier 1) risk are broken down as follows:



Distribution of gross losses by Operational Risk category (Percentage)

- Additionally, measurement using **Operational Risk Indicators** (KRIs) is a quantitative/qualitative methodology that: i) enables us to anticipate the development of operational risks, taking a forward-looking approach to their management and ii) provide information on development of the operational risk profile and the reasons for this. A KRI is a metric that detects and anticipates changes in said risk, and its monitoring and management is integrated in the operational risk corporate management tool. KRIs are not by nature a direct result of risk exposure. They are metrics that can be used to identify and actively manage operational risk.

Mitigation of operational risk

With the aim of mitigating the operational risk, the following have been defined: action plans that entail appointing a centre to be in charge, setting out the actions to be undertaken to mitigate the risk covered by the plan, the percentage or degree of progress, which is updated regularly, and the final commitment date. This allows mitigation by i) decreasing the frequency at which the events occur, as well as their impact; ii) holding a solid structure of sustained control in policies, methodologies, processes and systems and iii) integrating —into the everyday management of the Group— the information provided by operational risk management levers.

In addition, the corporate insurance programme for dealing with operational risk is designed to cover certain risks, and it is updated annually. Risk transfer depends on risk exposure, tolerance and appetite at any given time.

Lastly, an operational loss budgeting exercise is carried out annually that covers the entire scope of management, and enables monthly monitoring to analyse and correct, where applicable, any deviations.

Risk of an operational nature

The Corporate Risk Catalogue risks that are identified in the regulatory framework as operational risk, are described below.

Conduct and compliance risk

Insofar as operational risk is concerned, according to the regulatory definition, conduct and compliance 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 acts or omissions that are not compliant with the legal or regulatory framework, or with internal codes and rules, or with codes of conduct and ethical and good practice standards. The objective of the Group is: i) to minimise the probability of this risk occurring and ii) if it does, to detect, report and address the weaknesses promptly.

The management of compliance and conduct risk is not limited to any specific area, but rather the entire Group. All employees must ensure compliance with prevailing regulations, applying procedures that capture regulations in their activity.

In order to manage conduct and compliance risk, CaixaBank Group drives the awareness-raising and promotion of the values and principles set out in the Code of Business Conduct and Ethics, and its employees and other members of its governing bodies must ensure that they are compliant as a core criterion guiding their day-to-day activities. Therefore, as the first line of defence, the areas whose business is subject to conduct and compliance risk implement and manage first-level indicators or controls to detect potential sources of risk and act effectively to mitigate them.

Legal and regulatory risk

Legal and regulatory risk is defined as the potential loss or decrease in the profitability of the Group as a result of changes in the legislation, of the incorrect implementation of this legislation in the Group's processes, of the inappropriate interpretation of the same in various operations, of the incorrect management of court or administrative injunctions, or of the claims or complaints received.

It is managed according to certain operational principles, with a view to ensure that the appetite and risk tolerance limits defined in the Group's RAF are respected.

In this regard, the Group conducts actions for the appropriate implementation of standards, and constantly monitors and tracks regulatory changes, in pursuit of better legal security and legitimate interests, chiefly those described in Note 3.1 in relation to the regulatory environment. As regards the latter, the activities are coordinated in the Regulation Committee, the body responsible for defining the Group's strategic stance in financial-regulation-related matters, driving the representation of the Entity's interests and coordinating the regular assessment of the regulatory initiatives and proposals that may affect the Group.

Along the same lines, the Group coordinates a set of committees (Transparency Committee, Privacy Committee), the purpose of which is the monitoring —in each of the bank's initiatives— of its adaptation to consumer protection and privacy standards.

In order to ensure the correct interpretation of the standards, in addition to work on the study of jurisprudence, and decisions of the statutory authorities, in order to adjust the bank's activity to such criteria, it also enquires as to when it is necessary for the relevant administrative authorities.

In relation to the claims filed with the Customer Service Office, as well as the sustained flow of existing litigiousness, the Group has policies, criteria, analysis and monitoring procedures for these judicial claims and processes. These enable the Group to gain better knowledge of the activities that it develops, to identify and establish ongoing improvement in contracts and processes, to implement measures to raise awareness on regulations and early restoration of customers' rights in the event of any incidents, through agreements and establishing the appropriate accounting provisions, in the form of provisions, in order to cover hypothetical financial damages whenever they are deemed to be likely to occur.

Technology risk

Also within the framework of regulatory operational risk, technology risk in the Corporate Risk Catalogue is defined as the risk of losses due to the inadequacy or failures of the hardware or software of technological infrastructure, due to cyber attacks or other circumstances that may compromise the availability, integrity, accessibility and security of infrastructure and data. The risk is broken down into 5 categories that affect ICT (Information and Communications Technology): i) availability; ii) information security; iii) change operation and management; iv) data integrity; and v) governance and strategy.

Its current measurement is incorporated into a RAF recurring follow-up indicator, calculated on the basis of individual indicators and controls linked to the different areas comprising technology risk. Regular reviews are carried out by sampling, which make it possible to check the quality of the information and the methodology used in creating the indicators reviewed.

The internal governance frameworks associated with different fields of technology risk have been designed according to renowned international standards and/or they are aligned with the guidelines published by different supervisors:

- IT governance, designed and developed under the ISO 38500 standard.
- Information security, designed and developed under the ISO 27002 standard, and certification of the Information Security Management System based on the ISO 27001 standard.
- Information Technology contingency, designed and developed under the ISO 27031 standard.
- Information governance and data quality, designed and developed under the standard BCBS 239.

With the different frameworks of governance and management systems, CaixaBank seeks to guarantee:

- Compliance with recommendations issued by regulators: Bank of Spain, European Central Bank, etc.
- Maximum security in its operations, both in regular processes and in one-off situations.

And it also demonstrates to its customers, investors, and other stakeholders:

- Its commitment to the governance of information technologies, and business security and continuity.
- The implementation of management systems according to most renowned international standards.
- The existence of different cyclical processes based on ongoing improvement.

Similarly, CaixaBank has been designated a critical infrastructure operator by virtue of the provisions of Act 8/2011 and is under the supervision of the National Centre for the Protection of Critical Infrastructures dependent on the State Secretary of Home Office Security.

Furthermore, CaixaBank holds a general emergency plan and various internal regulations on security measures, which include priority aspects such as: i) cybersecurity strategy; ii) the fight against customer fraud and internal fraud; iii) data protection; iv) security governance and disclosure; and v) supplier security.

CaixaBank's second line of defence has developed a control framework for this risk, based on international standards, which assesses the effectiveness of the control environment and measures the level of residual risk, establishing mitigation plans where necessary.

Information Reliability Risk

Information Reliability Risk is defined in the Corporate Risk Catalogue as the risk stemming from possible deficiencies in the accuracy, integrity and approach to compiling the data and information needed to evaluate the financial position and assets of CaixaBank Group, as well as information provided to stakeholders and published to market that offers a holistic view of the stance in terms of environment sustainability and that is directly related to environmental, social and governance (ESG principles) aspects.

The Group has Corporate Policies approved by the CaixaBank Board of Directors that establish the risk management and control framework, notably including:

- The Corporate Risk Management Policy on the reliability of financial information, the purpose of which is to establish and define:
  - As regards financial information reliability risk:
    - a benchmark framework that enables the Group to manage this risk in respect of the disclosure of information, both individual and consolidated, generated by CaixaBank, unifying the criteria on control and verification activities;
    - the scope of the financial reporting to be covered;
    - the governance framework to be followed both for information to disclose and for verification of documentation, and;
    - the criteria related to the control and verification of information to be disclosed in order to guarantee the existence, design, implementation and correct operation of an Internal Control System on Financial Reporting (SCIIF), which mitigates this risk.
  - In relation to non-financial information reliability risk:
    - governance and the review process established as regards the Statement of Non-financial Information included in the Management Report,
- Corporate Policy on Information Governance and Data Quality, which regulates data governance and filing of reports.

This risk is mainly managed by assessing whether the group's information complies with the following principles:

- **Existence and occurrence**: the transaction, circumstances, or other event described in the financial information actually exist and were reported at the right time.
- **Integrity**: the information includes all transactions, circumstances and other events in which the Group is the affected party.
- **Measurement**: the transactions, circumstances or other events have been reported and measured in accordance with applicable rules and regulations.
- **Presentation, breakdown, and comparability**: transactions, facts and other events have been classified, presented and disclosed in the financial and non-financial information in accordance with applicable standards.
- **Rights and obligations**: financial information fails to show, at the corresponding date, the Entity's rights and obligations under the corresponding assets and liabilities, in accordance with applicable standards.

Model risk

In the Corporate Risk Catalogue, model risk is defined as the possible adverse consequences for the Group that may arise from decisions founded chiefly on the results of internal models, due to errors in their construction, application or use.

In particular, the subrisks identified under model risk that are subject to management and control are as follows:

- Quality risk: the potential detrimental impact due to unpredictable models, either due to defects under construction or for not having being updated over time.
- Governance risk: the potential detrimental impact due to the inadequate governance of Model Risk (e.g. models not formalised by committees, relevant models with no opinion on second line of defence, incorrectly inventoried models).
- Control environment risk: the potential detrimental impact due to weaknesses in the control environment of models, (e.g. models with expired recommendations, and breached mitigation plans).

The general model risk strategy is based on the following pillars:

- Identification of the model risk, using the Corporate Inventory of Models as a key element to set the scope of the models. In order to be able to manage model risk, it is necessary to identify the existing models, their quality and how they are used in the Group. It is necessary to have a single model registry, which unifies the model concept and defines a homogenous taxonomy that features —among other attributes— their relevance and assessment.
- Model governance, addressing key aspects including, but not limited to:
    - Identifying the most relevant phases within a model's life cycle, defining the minimum functions and standards to carry out these activities.
    - The concept of tiering-based management, in other words, the way in which the control framework of models can be modulated according to the relevance of the model, generally speaking. This attribute will condition the model's control environment, such as the type and frequency of validation, the type and frequency of monitoring, the body that must approve its use, as well as the level of internal supervision and the level of involvement of senior management.
    - Governing and processing changes to models from a transversal perspective, offering the various owners of models the necessary flexibility and agility to change the affected models, in line with the most suitable governance in each case.
    - Laying down Internal Validation standards that guarantee the suitable application of controls for an independent unit to assess a model.
- Monitoring, using a control framework with a preemptive approach to Model Risk, which makes it possible to keep the risk within parameters laid down in the Group's RAF, by regularly calculating appetite metrics and other indicators specific to model risk.

Major milestones include the framework for model risk management and control developed in 2021, with the involvement of related areas (developers and validation units). Similarly, the reporting framework has been implemented, which enables the most relevant models to be made known, as well as the significant aspects of risk management. Lastly, the progressive deployment of the function in major subsidiaries has continued.

In 2022, there are plans to further consolidate the development of the function, emphasising the effective implementation of the governance framework for non-regulatory models, the evolution of the model risk monitoring framework, the development of architectures for efficient risk management and the advancement of corporate deployment of the function.

Other operational risks

In the Corporate Risk Catalogue, this means losses or damages caused by errors or faults in processes, due to external events, or actions of third parties outside the Group, whether accidentally or intentionally. It includes, among others, risk factors related to outsourcing, operational continuity or external fraud.

All of the Group's areas and companies are responsible for the set of other operational risks that arise within their respective remits. This means identifying, assessing, managing, controlling and reporting the operational risks of their activity and helping CaixaBank's Non-Financial Risk Control Division to implement the management model throughout the Group.

CaixaBank's second line of defence has developed control frameworks for outsourcing and external fraud risks, similar to those used in technology risk, to assess the effectiveness of the control environment and measure the level of residual risk, establishing mitigation plans where necessary. These reports are presented to management and governing bodies, as required.

3.5.2. Reputational risk

Reputational risk is defined as the possibility that the Entity's competitive edge could be blunted by loss of trust by some of its stakeholders, based on their assessment of actions or omissions, real or purported, by the Entity, its Senior Management or Governance Bodies, or because of related unconsolidated entities becoming bankrupt (step-in risk).

Some areas of risk identified by the Group in which such trust could be impaired are, among others, the inadequate design and marketing of products, inefficient information security systems, and the need to promote ESG aspects (Environmental, Social and Corporate Governance) in the business, including climate change, talent development, the work–life balance, diversity and occupational health.

The risk is monitored using internal and external selected reputational indicators from various sources of stakeholder expectations and perception analysis. The measurement indicators are weighted according to their strategic importance and are grouped in a balanced reputation scorecard that enables a Global Reputation Index (GRI) to be obtained. This metric enables the positioning to be monitored quarterly by sector and time, and the tolerated ranges and metrics to be set in the RAF.

Since this year, the Group has had a specific policy for reputational risk management based on the Company's three lines of defence model, which outlines and extends on the principles governing the management and control of this risk in the Group. It covers the regulatory framework, general principles and strategy governing reputational risk management, governance framework, control framework and functions, as well as the reporting framework for this risk. Its scope covers all Group companies.

Specifically, the Group's reputational risk management and control strategy includes:

- The regular identification and assessment of reputational risks, for which there is a specific taxonomy (risk catalogue) and regular assessment and analysis processes (half-yearly risk assessment, regular analysis of perceptions, identification of crisis milestones, studies and market benchmarks).
- Management and prevention policies and procedures including, besides the creation of the abovementioned policy, the development of the reputational risk culture in all Group companies and internal procedures for reputational crisis management with detection protocols, severity scales, and actions to curtail or eliminate potential negative effects.
- Risk prevention and fostering of reputation by managing communication channels and dialogue with stakeholders, analysing business operations from this perspective, and developing communication initiatives that strengthen the visibility and recognition of corporate values among stakeholders.
- Risk monitoring and control through both internal and external indicators, such as RAF reputation metrics, control framework review, regulatory compliance, and the development of regular reputation control and measurement systems.
- Lastly, regular reporting to the governing bodies, to the Company's senior management, as well as to the supervisors, for informed decision-making in this field.

4. Capital adequacy management

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

ELIGIBLE OWN FUNDS
(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	AMOUNT	AS %	AMOUNT	AS %	AMOUNT	AS %
Net equity	**35,425**		**25,278**		**25,151**	
Shareholders' equity	37,013		27,118		26,247	
Capital	8,061		5,981		5,981	
Profit/(loss)	5,226		1,381		1,705	
Reserves and other	23,726		19,756		18,561	
Minority interests and OCI	(1,588)		(1,840)		(1,096)	
Other CET1 instruments	**(601)**		**268**		**(1,037)**	
Adjustments applied to the eligibility of minority interests and OCI	63		(107)		6	
Other adjustments (1)	(664)		375		(1,043)	
CET1 Instruments	**34,824**		**25,546**		**24,114**	
Deductions from CET1	**(6,487)**		**(5,892)**		**(6,327)**	
Intangible assets	(3,856)		(3,873)		(4,232)	
Deferred tax assets	(2,074)		(1,789)		(1,875)	
Other deductions from CET1	(557)		(230)		(220)	
Common Equity Tier 1 (CET1)	28,337	13.1%	19,654	13.6%	17,787	12.0%
AT1 instruments	4,984		2,984		2,236	
AT1 Deductions						
TIER 1	33,322	15.5%	22,638	15.7%	20,023	13.5%
T2 instruments	5,192		3,407		3,224	
T2 Deductions						
TIER 2	5,192	2.4%	3,407	2.4%	3,224	2.2%
TOTAL CAPITAL	**38,514**	**17.9%**	**26,045**	**18.1%**	**23,247**	**15.7%**
Other eligible subordinated instruments. MREL	10,628		6,664		5,680	
SUBORDINATED MREL	**49,142**	**22.8%**	**32,709**	**22.7%**	**28,927**	**19.6%**
Other computable instruments. MREL	7,382		5,111		3,362	
MREL (2)	**56,524**	**26.2%**	**37,820**	**26.3%**	**32,289**	**21.8%**
RISK WEIGHTED ASSETS (RWA)	**215,500**		**144,073**		**147,880**	
Individual CaixaBank ratios:						
Common Equity Tier 1 (CET1)		13.9%		15.1%		13.8%
TIER 1		16.4%		17.4%		15.4%
Total capital		19.0%		20.0%		17.8%
RWAs	200,604		132,806		135,725	

(1) Mainly includes the forecast for dividends, and IFRS 9 transitional adjustment.
(2) December 2021 includes the issuance of EUR 1,000 million in senior preferred debt in 2022. Without considering this issuance, the ratio would be 25.8%. In relation to the MREL requirement, the new recovery and resolution directive (BRRD2) provides that as from 1 January 2024, at the consolidated level, CaixaBank must comply with a total MREL requirement of 22.95% of RWAs (16.26% with subordinated instruments) and 6.09% of leverage ratio exposure (LRE). In December 2021, the total MREL ratio reached 9% of LRE.

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

MINIMUM REQUIREMENTS
(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	AMOUNT	AS %	AMOUNT	AS %	AMOUNT	AS %
BIS III minimum requirements						
CET1 (*)	17,639	8.19%	11,670	8.10%	12,983	8.78%
Tier 1	21,538	9.99%	14,236	9.88%	15,201	10.28%
Total capital	26,737	12.41%	17,658	12.26%	18,159	12.28%

(*) For 2022, the requirements are increased to 8.31% for CET 1, 10.12 % for Tier 1 and 12.53 % for Total Capital. The countercyclical buffer is updated quarterly.

The following chart provides a breakdown of the leverage ratio:

LEVERAGE RATIO
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Exposure	631,351	403,659	341,681
Leverage ratio (Tier 1/Exposure)	5.3%	5.6%	5.9%

The changes in eligible own funds are as follows:

CHANGES IN ELIGIBLE OWN FUNDS
(Millions of euros)

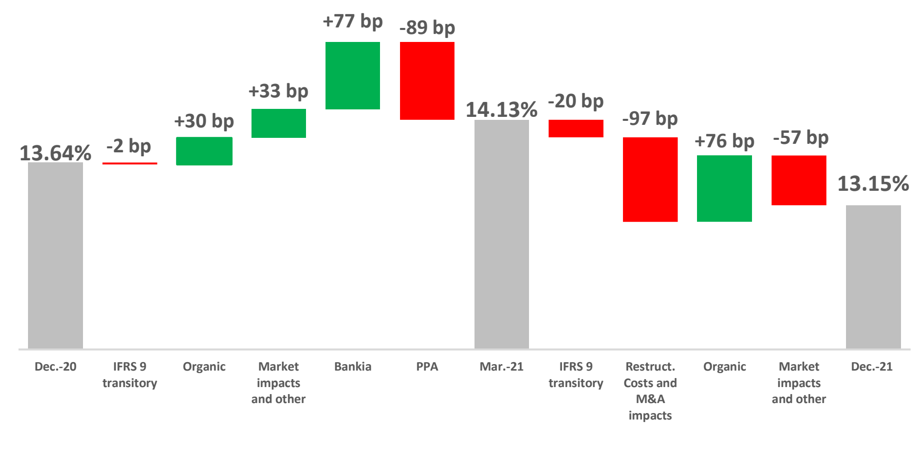
	31-12-2021		31-12-2020	
	AMOUNT	AS %	AMOUNT	AS %
CET1 AT THE START OF THE YEAR	19,654	13.6%	17,787	12.0%
Changes in CET1 instruments	**9,279**		1,432	
Capital	2,079			
Benefit	5,226		1,381	
Expected dividends	(1,179)		(216)	
Reserves	2,807		386	
Valuation adjustments and other (1)	346		(119)	
Changes in deductions from CET1	**(596)**		**435**	
Intangible assets	17		359	
Deferred tax assets	(285)		85	
Other deductions from CET1	(328)		(9)	
CET1 AT THE END OF THE YEAR	**28,337**	**13.1%**	**19,654**	**13.6%**
ADDITIONAL TIER 1 AT THE START OF THE YEAR	2,984	2.1%	2,236	1.5%
Changes in AT1 instruments (2)	**2,000**		**748**	
ADDITIONAL TIER 1 AT THE END OF THE YEAR	**4,984**	**2.3%**	**2,984**	**2.1%**
TIER 2 AT THE START OF THE YEAR	3,407	2.4%	3,224	2.2%
Changes in Tier 2 instruments	**1,785**		**183**	
Subordinate issuances (3)	2,675		0	
Redemption of issuances	(1,175)		0	
Other	285		(71)	
Changes in Tier 2 deductions	**0**			
TIER 2 AT THE END OF THE YEAR	**5,192**	**2.4%**	**3,407**	**2.4%**

(1) Includes IFRS 9 transitional adjustment

(2) In 2021, issuances from Bankia of EUR 1,250 million are included, and a new issuance of EUR 750 million of additional Tier 1 instruments has been made.

(3) In 2021, issuances from Bankia of a nominal amount of EUR 1,675 million are included, and a new issuance of EUR 1,000 million of Tier 2 instruments has been made.

The causative details of the main aspects of the financial year that have influenced the CET1 ratio are set out below:



Change in CET1

The year includes the one one-off impacts of Bankia's integration (+77 basis points from the integration; -89 basis points for the effect of the PPA and -97 basis points for restructuring costs, the impact of the sale of the Bankia card businesses and the repurchase of Bankia Vida).

The organic change in the year was +106 basis points and -24 basis points caused by the performance of the markets and other (includes regulatory impacts recognised in the second quarter and the sale of the stake in Erste in the fourth quarter). The impact of IFRS 9 phasing was of -22 basis points.

Information on capital requirements by risk calculation method is presented below:

BREAKDOWN OF RISK-WEIGHTED ASSETS BY METHOD

(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Credit risk *	172,645	80.1%	111,827	77.6%	113,947	77.1%
Standardised approach	83,556	38.8%	63,832	44.3%	62,069	42.0%
IRB approach	89,089	41.3%	47,995	33.3%	51,878	35.1%
Shareholder risk	22,729	10.5%	16,729	11.6%	18,309	12.4%
PD/LGD method	4,837	2.2%	4,056	2.8%	5,915	4.0%
Simple method	17,892	8.3%	12,673	8.8%	12,394	8.4%
Market risk	1,755	0.8%	2,267	1.6%	2,224	1.5%
Standardised approach	568	0.3%	1,158	0.8%	1,232	0.8%
Internal models (IMM)	1,187	0.6%	1,109	0.8%	992	0.7%
Operational risk	18,371	8.5%	13,250	9.2%	13,400	9.1%
Standardised approach	18,371	8.5%	13,250	9.2%	13,400	9,1%
TOTAL	**215,500**	**100.0%**	**144,073**	**100.0%**	**147,880**	**100.0%**

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

5. Appropriation of profit

The appropriation of profits of CaixaBank, SA from the 2021 financial year, which the Board of Directors agrees to propose to the Annual General Meeting for approval, based on the information available to elaborate these financial statements, is presented below:

APPROPRIATION OF PROFITS OF CAIXABANK, SA
(Millions of euros)

	2021
Basis of appropriation	
Profit/(loss) for the year	4,215
Appropriation:	
To dividends (1)	1,179
To reserves (2)	3,036
To legal reserve (3)	0
To voluntary reserve (2) (4)	3,036
NET PROFIT FOR THE YEAR	**4,215**

(1) Estimated amount corresponding to payment of the dividend of EUR 0.1463 per share, to be paid in cash. This amount is equivalent to 50% of consolidated net profit, adjusted to include the extraordinary impacts to have arisen from the merger with Bankia S.A., in line with the dividend policy currently in force. The amount of EUR 1,179 million is reduced in accordance with the number of treasury shares held by CaixaBank at the date of payment of the divided as, in accordance with the Spanish Corporate Enterprises Act, treasury shares are not eligible to receive dividends.
(2) Estimated amount to be appropriated to voluntary reserves. This amount will be increased by the same quantity as the reduction in the amount earmarked for payment of the dividend (see note (1) above).
(3) It is not necessary to transfer part of the 2021 profit to the legal reserve, as this reserve has reached 20% of the share capital at this time (article 274 of the Corporate Enterprises Act).
(4) Remuneration of AT1 capital instruments corresponding to 2021, totalling EUR 244 million, will be deemed to have been paid, with this amount charged to voluntary reserves.

6. Shareholder remuneration and earnings per share

6.1. Shareholder remuneration

Following the European Central Bank's announcement on 23 July 2021 of not extending its recommendation on dividend distributions beyond September 2021, the Board of Directors approved on 29 July 2021 the Dividend Policy for 2021, establishing the distribution of a cash dividend of 50% of the consolidated net profit adjusted by the extraordinary impacts from the merger with Bankia in a single payout in 2022.

On 27 January 2022, the Board of Directors has agreed to submit the distribution of a EUR 0.1463 gross cash dividend per share against the 2021 Fiscal Year profits for approval at the next Annual General Meeting, which is expected to be paid during the second quarter of 2022. The payment of this dividend will entail that shareholder remuneration for the 2021 Fiscal Year is EUR 1,179 million, which is equivalent to 50% of the consolidated net profit adjusted by the extraordinary impacts from the merger with Bankia.

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

It also stated CaixaBank's intention to launch a share buy-back programme during the 2022 Fiscal Year, subject to the appropriate regulatory clearance, with the aim of bringing the CET1 capital ratio closer to the internal target.

The following dividends were distributed in recent years:

DIVIDENDS PAID
(Millions of euros)

	EUROS PER SHARE	AMOUNT PAID IN CASH	ANNOUNCEMENT DATE	PAYMENT DATE
2021				
Dividend for 2020	0.0268	216	29-01-2021	24-05-2021
2020				
Dividend for 2019	0.07	418	26-03-2020	15-04-2020
2019				
Final dividend for 2018	0.10	598	31-01-2019	15-04-2019

6.2. Earnings per share

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

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

	2021	2020	2019
Numerator	4,982	1,238	1,572
Profit attributable to the Parent	5,226	1,381	1,705
Less: Preference share coupon amount (AT1)	(244)	(143)	(133)
Denominator (thousands of shares)	7,575	5,977	5,978
Average number of shares outstanding (1)	7,575	5,977	5,978
Adjusted number of shares (basic earnings per share)	7,575	5,977	5,978
Basic earnings per share (in euros) (2)	0.66	0.21	0.26
Diluted earnings per share (euro) (3)	0.66	0.21	0.26

(1) Number of shares outstanding at the beginning of the year, excluding average number of treasury shares held during the period. Includes the retrospective adjustments set out in IAS 33.
(2) If the profit/loss of CaixaBank (non-consolidated basis) in 2021, 2020 and 2019 had been considered, the basic profit would be EUR 0.53, 0.09 and 0.32 per share, respectively.
(3) Preference shares did not have any impact on the calculation of diluted earnings per share, since their capacity to be convertible was unlikely. Additionally, equity instruments associated with remuneration components were not significant.

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

Business combinations – 2021

Merger with Bankia, S.A.

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

The joint merger plan was deposited in the Commercial Register of Valencia and approved at the General Shareholders' Meetings of CaixaBank and Bankia, which were held in early December 2020, including the following issues:

- The takeover merger of Bankia (absorbed company) by CaixaBank (absorbing company), entailing the extinction of the former, via dissolution without liquidation, and the transfer of the entirety of its assets to CaixaBank, which acquires the rights and obligations of Bankia through universal succession.
- The Merger exchange ratio is set at 0.6845 shares of CaixaBank, with a nominal value of one euro each, for each share of Bankia, with a nominal value of one euro each (hereinafter, the "Exchange Ratio").
- CaixaBank will cover the Exchange Ratio by means of newly issued shares.

Effective control was set for 23 March 2021, once all conditions precedent were met.

Capital increase

Considering Bankia's share capital on the date of the merger transaction, comprising 3,069,522,105 shares (3,037,558,805 shares net of treasury stock), and the exchange ratio, these shares were exchanged for 2,079,209,002 CaixaBank shares.

Taking the CaixaBank share price at the close of the abovementioned date[14], the total value of the capital increase, and consequently the acquisition cost of the business combination, has amounted to EUR 5,314 million, of which EUR 2,079 million correspond to the nominal value of CaixaBank's new issued shares, each of (1) euro nominal value, and an issue premium increase of EUR 3,235 million relating to the difference between the actual amount of the capital increase (business combination cost) and the nominal value of the new shares issued (see Note 24).

Provisional accounting of the business combination

These financial statements include the provisional recognition of this business combination. The acquisition date for accounting purposes was 31 March 2021. The impact on equity and profit or loss of the difference between the acquisition date and the date control was effectively obtained is not significant.

The book and fair value of the assets and liabilities of the Bankia Group at 31 March 2021 is as follows:

[14] EUR 2.556 per share.

VALUE ADJUSTMENTS TO THE ASSETS AND LIABILITIES OF THE ACQUIRED ENTITY
(Millions of euros)

	CARRYING AMOUNT	FAIR VALUE ADJUSTM.	OTHER ADJUSTMENTS*	FAIR VALUE
ASSETS				
Cash and cash balances at central banks and other demand deposits	12,091			12,091
Financial assets held for trading	5,992	(23)		5,969
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	11		3	14
Financial assets at fair value with changes in other comprehensive income	8,479	283	1,040	9,802
Financial assets measured at amortised cost	160,779	(353)	(966)	159,460
Debt securities	37,357	614	(966)	37,005
Loans and advances	123,422	(967)		122,455
Derivatives - Hedge accounting	2,142	2	(1,192)	952
Investments in joint ventures and associates	446	193	9	648
Assets under the insurance business				
Tangible assets	2,436	(201)		2,235
Intangible assets	516	38		554
Tax assets	10,516	(1,030)		9,486
Current tax assets	106			106
Deferred tax assets	10,410	(1,030)		9,380
Other assets	1,054			1,054
Insurance contracts linked to pensions	624			624
Non-current assets and disposal groups classified as held for sale	1,733	(66)	(98)	1,569
TOTAL ASSETS	**206,195**	**(1,157)**	**(1,204)**	**203,834**
LIABILITIES				
Financial liabilities held for trading	5,986		(380)	5,606
Financial liabilities at amortised cost	184,686	1,178	(727)	185,137
Derivatives - Hedge accounting	147			147
Provisions	1,253	531	63	1,847
Pensions and other post-employment defined benefit obligations	626			626
Other long-term employee benefits		23	82	105
Pending legal issues and tax litigation	190	258	63	511
Commitments and guarantees given	278	65		343
Other provisions	159	185	(82)	262
Tax liabilities	423	661		1,084
Other liabilities	612	(53)	(160)	399
TOTAL LIABILITIES	**193,107**	**2,317**	**(1,204)**	**194,220**
TOTAL EQUITY	**13,088**	**(3,474)**		**9,614**
Consideration paid				**5,314**
Negative consolidation difference				**4,300**

(*) Mainly includes the adaptation of portfolios to the CaixaBank Group business model and the netting of hedging derivatives with chambers (IFRS 3.15).

The following contingent assets and liabilities of the acquiree were measured during the Purchase Price Allocation (PPA) process:

- The value of the loan portfolio classified as "Financial assets at amortized cost" has been adjusted to include the fair value of the portfolio on the basis of IFRS 3 - Business combinations, Both in relation to the collective monitoring and individual monitoring loan portfolios, compared with the provisions constituted by Bankia at 31 March 2021, registered on the basis of International Financial Reporting Standard 9 - Financial instruments. This adjustment includes the effect of adjusting the lifetime expected loss. In accordance with paragraph B64 of IFRS 3, the gross contractual amounts receivable from loans and advances to customers and the provisional adjustments made under the scope of the purchase price allocation process are as follows:

CONTRACTUAL AMOUNTS AND PROVISIONS ADJUSTMENTS TO LOANS AND ADVANCES
(Millions of euros)

	31-03-2021				ADJUSTMENTS MADE DURING PURCHASE PRICE ALLOCATION	FAIR VALUE
	GROSS AMOUNT	VALUATION ADJUSTMENTS	PROVISIONS	NET BALANCE		
Loans and advances	**125,683**	**170**	**(2,431)**	**123,422**	**(967)**	**122,455**
Central banks	1			1		1
Credit institutions	3,744	1	(2)	3,743		3,743
Customers	121,938	169	(2,429)	119,678	(967)	118,711

- The fair value of the portfolio of real estate assets has been obtained considering appraisals available and other parameters.
- The fair values of the portfolio of non-listed holdings were estimated using a variety of generally accepted valuation techniques, primarily discounted cash flows and dividends.
- For fixed income instruments, either market prices or discounted cash flows applying market inputs were used, based on the type of asset.
- In order to estimate the value of intangible assets that meet the criteria of separability or contractual legality, as set out in IAS 38, the fair value has been determined comprising discounted margin flows contributed over the estimated useful life of the business/contractual relationship. On this basis, intangible assets have been recognised, the nature of which corresponds mainly to the contractual relationships of asset management customers. Similarly, intangible assets from goodwill originating in previous business combinations have been derecognised, as well as those to which no market value has been assigned.
- Wholesale debt issuances, including any treasury shares, were estimated at their fair values.
- Liabilities and contingent liabilities were measured at the best estimate of the outflow of resources that could be required of uncertain timing. These adjustments include the recognition of the estimated amount to be paid to settle legal and tax risks, as well as compensation costs arising from breach of agreements, among others.
- Within the framework of the business combination and merger with Bankia, and considering the alignment of criteria and judgment of the administrators and the negative impact of the current economic situation, as well as the ESMA statement of 2019[15] we have deemed it appropriate not to recognise tax loss carryforwards for an amount of EUR 2,023 million (see Note 25).
- For all fair value adjustments identified in the PPA that have resulted in temporary differences between accounting cost and tax cost, the corresponding deferred tax asset or liability has been recorded

The Group has recorded a positive amount equivalent to the negative difference arising on consolidation of EUR 4,300 million under "Negative goodwill recognised in profit or loss" in the accompanying condensed interim consolidated statement of profit or loss (before and after tax).

With regard to the recognition of negative goodwill, and prior to recording it, taking into account the ECB's "Guide on the supervisory approach to consolidation in the banking sector" of 12 January 2021, the Group has recovered —with the collaboration of an independent expert— the integrity of the values and the reasonableness of the methodologies and parameters adopted in determining the fair value of Bankia's assets and liabilities.

The net profit attributed to the Group and the gross margin from this business at 31 December 2021, if the business combination had been carried out on 1 January 2021, would be increased by EUR 54 million and EUR 711 million, respectively. The costs directly associated with the transaction are not relevant, and have been recorded in the statement of profit or loss for the period in which they materialise.

The accounting standard allows the acquirer to report provisional amounts for the assets acquired and liabilities assumed for no more than one year. Provided that new information is obtained on existing events and circumstances at the date of control, they may be modified.

[15] "Considerations on recognition of deferred tax assets arising from the carry-forward of unused tax losses" of July 2019

Acquisition of 51% of Bankia Life

On 29 December 2021, after obtaining the relevant regulatory authorisations, CaixaBank formalised the purchase from Grupo Mapfre of 51% of the share capital of Bankia Vida, SA de Seguros y Reaseguros. Thus, the Group has acquired the entire share capital, acquiring full control over that company.

The price for this transaction, made in cash, amounted to EUR 324 million and includes the costs of the split foreseen under the agreements with Mapfre (10% of the value determined by the independent expert, equivalent to EUR 29 million).

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

Mapfre and CaixaBank have agreed to refer to arbitration in order to determine whether the latter is obliged, under the aforementioned bancassurance agreements, to pay the former an additional amount of EUR 29 million, corresponding to 10% of the value of the life business as determined by the independent expert.

Within the reorganisation of the Group's insurance business, in the first quarter of 2022, CaixaBank will sell 100% of the stake of BV to VidaCaixa for the amount to be determined by the independent expert, which will be paid in cash.

Provisional accounting of the business combination

The business combination is provisionally recognised in these financial statements. The acquisition date for accounting purposes was 31 December 2021. The impact on equity and profit or loss of the difference between the acquisition date and the date control was effectively obtained is not significant.

No adjustment has been made in the provisional registration of the business combination for the fair value of the assets and liabilities acquired. This acquisition resulted in a difference arising on consolidation of EUR 404 million which, on a preliminary basis[16] for the close of 2021, has been assigned to "Intangible assets - Goodwill".

The Group is in the process of allocating the purchase price (PPA), mainly linked to the estimation of the value of customer portfolios that meet the identifiability and separability criteria laid down in IAS 38 based on the established Market Consistent Embedded Value (MCEV) methodology. A reallocation of the preliminary goodwill to "Intangible assets - Other intangible assets" is envisaged for this year, which will be recognised, where appropriate, retroactively to the date of the business combination and will be depreciable on the basis of useful life deemed applicable.

The net profit attributed to the Group and the gross margin from this business at 31 December 2021, if the business combination had been carried out on 1 January 2021, would be increased by EUR 87 million and EUR 213 million, respectively. The costs directly associated with the transaction are not relevant, and have been recorded in the statement of profit or loss for the period in which they materialise.

[16] The accounting standard allows the acquirer to report provisional amounts for the assets acquired and liabilities assumed for no more than one year. Provided that new information is obtained on existing events and circumstances at the date of control, they may be modified.

8. Segment information

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

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

As a result, the Group is made up of the following business segments:

Banking and insurance: shows earnings from the Group's banking, insurance and asset management activity mainly in Spain, the real estate business, ALCO's activity in liquidity management and income from financing the other businesses. It also includes the insurance, asset management and cards business acquired by CaixaBank from BPI during 2018.

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

Likewise, as it includes the Group-wide corporate centre, the extraordinary income related to the merger has been recognised in this activity, including the negative consolidation difference.

The insurance and banking business is presented in a unified way consistent with the joint business and risk management, since it is a comprehensive business model within a regulatory framework that shares similar monitoring and accounting objectives. The Group markets insurance products, in addition to the other financial products, through its business network with the same client base, because the majority of the insurance products offer savings alternatives (life-savings and pensions) to the banking products (savings and investment funds).

Equity investments: this line of business shows earnings, net of funding expenses, from the stakes held in Erste Group Bank (up to its sale in November 2021), Telefónica, BFA, BCI and Coral Homes. Similarly, it includes the significant impacts on income of other relevant stakes recently acquired by the Group in Spain as part of its diversification across sectors.

As of 31 March 2021, the stake held in Gramina Homes from Bankia is added, the results of which are consolidated as of the second quarter of 2021, and the results of Erste Group Bank are no longer attributed since the fourth quarter due to the sale of the stake held in this investee.

BPI: covers the income from BPI's domestic banking business. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination and excludes the results and balance sheet figures associated with the assets of BPI assigned to the equity investments business (essentially BFA and BCI).

The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods.

The allocation of capital to the investment business in 2020 and 2021 take into account the 11.5% consumption of capital for risk-weighted assets, as well as any applicable deductions, and 12% in 2019.

The allocation of capital to BPI is at sub-consolidated level, i.e. taking into account the subsidiary's own funds. The capital consumed in BPI by the investees allocated to the investment business is allocated consistently to this business.

The difference between the Group's total shareholders' equity and the capital assigned to the other businesses is attributed to the banking and insurance business, which includes the Group's corporate centre.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF CAIXABANK GROUP - BY BUSINESS SEGMENT

(Millions of euros)

	BANKING AND INSURANCE BUSINESS						INVESTMENTS			BPI		
	2021		2020		2019							
		*OF WHICH: INSURANCE**		*OF WHICH: INSURANCE*		*OF WHICH: INSURANCE*	2021	2020	2019	2021	2020	2019
NET INTEREST INCOME	5,557	*325*	4,534	*342*	4,659	*316*	(35)	(78)	(124)	453	444	416
Dividend income and share of profit/(loss) of entities accounted for using the equity method *	266	*209*	250	*220*	232	*192*	326	186	335	25	18	21
Net fee and commission income	3,417	*(6)*	2,330	*(62)*	2,340	*(68)*				288	245	258
Gains/(losses) on financial assets and liabilities and others	193	*7*	250	*5*	239	*57*	17	(9)	35	11	(2)	24
Income and expenses under insurance and reinsurance contracts	650	*653*	598	*598*	556	*556*						
Other operating income and expense	(862)	*(2)*	(338)	*136*	(369)	*79*	(8)	(3)		(24)	(15)	(17)
GROSS INCOME	9,221	*1,186*	7,624	*1,239*	7,657	*1,132*	300	96	246	753	690	702
Administrative expenses	(6,979)	*(119)*	(3,657)	*(104)*	(4,803)	*(99)*	(4)	(4)	(4)	(371)	(378)	(397)
Depreciation and amortisation	(621)	*(30)*	(479)	*(23)*	(479)	*(22)*				(74)	(61)	(67)
PRE-IMPAIRMENT INCOME	1,621	*1,037*	3,488	*1,112*	2,375	*1,011*	296	92	242	308	251	238
Impairment losses on financial assets and other provisions	(1,238)		(2,123)		(811)					(77)	(40)	200
NET OPERATING INCOME/(LOSS)	383	*1,037*	1,365	*1,112*	1,564	*1,011*	296	92	242	231	211	438
Gains/(losses) on disposal of assets and others	4,360		216		(169)		51	(311)		(6)	28	2
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	4,743	*1,037*	1,581	*1,112*	1,395	*1,011*	347	(219)	242	225	239	440
Income tax	(40)	*(243)*	(179)	*(224)*	(332)	*(216)*	7	24	71	(55)	(65)	(108)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	4,703	*794*	1,402	*888*	1,063	*795*	354	(195)	313	170	174	332
Profit/(loss) attributable to minority interests	1				3							
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**4,702**	***794***	**1,402**	***888***	**1,060**	***795***	**354**	**(195)**	**313**	**170**	**174**	**332**
Total assets	636,825	*81,649*	410,689	*80,667*	355,416	*76,116*	2,078	3,267	4,554	41,133	37,564	31,444
Of which: positions in sovereign debt	*150,141*	*60,103*	*106,492*	*58,845*	*91,549*	*56,702*				*6,627*	*6,141*	*4,637*

(*) In addition to the profit of EUR 794 million contributed by VidaCaixa in 2021, which includes the profit generated from the second quarter of 2021 by Bankia Pensiones, the shares from the merger with Bankia have been added to the scope of the insurance activity: Bankia Vida (49%, since the acquisition of 51% in December 2021 has not had a significant impact on the income statement of the Group), Bankia Mediación (100%), Segurbankia (100%) and Sa Nostra Vida (18.7%). The results generated by these shares have been recorded since 1 April 2021 and have amounted to EUR 38 million.

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

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

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

	CAIXABANK			CAIXABANK GROUP		
	2021	2020	2019	2021	2020	2019
Domestic market	5,151	3,932	4,104	7,309	6,211	6,540
International market	80	69	48	583	553	515
European Union	74	63	43	577	547	510
Eurozone	41	27	9	544	511	476
Non-eurozone	33	36	34	33	36	34
Other countries	6	6	5	6	6	5
TOTAL	**5,231**	**4,001**	**4,152**	**7,892**	**6,764**	**7,055**

DISTRIBUTION OF ORDINARY INCOME *
(Millions of euros)

	ORDINARY INCOME FROM CUSTOMERS			ORDINARY INCOME BETWEEN SEGMENTS			TOTAL ORDINARY INCOME		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Banking and insurance	**13,338**	**11,245**	**11,345**	**48**	**90**	**138**	**13,386**	**11,335**	**11,483**
Spain	13,077	11,039	11,170	48	90	138	13,125	11,129	11,308
Other countries	261	206	175				261	206	175
Equity Investments	**337**	**177**	**370**				**337**	**177**	**370**
Spain	85	62	106				85	62	106
Other countries	252	115	264				252	115	264
BPI	**824**	**750**	**757**	**51**	**42**	**64**	**875**	**792**	**821**
Portugal/Spain	816	742	749	51	42	64	867	784	813
Other countries	8	8	8				8	8	8
Ordinary adjustments and eliminations between segments				(99)	(132)	(202)	(99)	(132)	(202)
TOTAL	**14,499**	**12,172**	**12,472**	**0**	**0**	**0**	**14,499**	**12,172**	**12,472**

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

9. Remuneration of key management personnel

9.1. Remuneration of the Board of Directors

At the Ordinary Annual General Meeting of CaixaBank held on 14 May 2021, the amendment to the remuneration policy for the Board of Directors was approved for 2020-2022, in accordance with the remuneration scheme set out in the By-laws and in the Regulations of the Board of Directors, as well as the provisions of the Corporate Enterprises Act and Act 10/2014, of 26 June, on the organisation, supervision and capital adequacy of credit institutions.

Article 34 of CaixaBank's By-laws stipulates that the position of Director shall be remunerated and that this remuneration shall consist of a fixed annual sum with a maximum amount determined by the Annual General Meeting and which shall remain in force until the General Meeting agrees to modify it. This maximum amount shall be used to remunerate all the Directors in their condition as such and shall be distributed as deemed appropriate by the Board of Directors, following the proposal of the Remuneration Committee, both in terms of remuneration to members, especially the Chairman, who receives additional fixed remuneration for carrying out his duties, and according to the duties and position of each member and to the positions they hold in the various Committees. Likewise, in conformance with the agreement and subject to the limits determined by the Annual General Meeting, Directors may be remunerated with Company shares or shares in another publicly traded Group company, options or other share-based instruments or of remuneration referenced to the value of the shares.

Non-executive Directors maintain an organic relationship with CaixaBank and consequently do not have contracts established with the Company for exercising their functions or do not have any type of recognized payment for the termination of the Director position; it only consists of fixed components.

Executive Directors carrying out executive duties are entitled to receive remuneration for these duties, which may be either a fixed amount, a complementary variable amount, incentive schemes, and benefits, which may include pension plans and insurance and, where appropriate, social security payments. In the event of departure of the CEO not caused by a breach of their functions, they may be entitled to compensation.

In addition, given the enormous practical issues involving an individual policy, Executive Directors are covered by the civil liability policy for Directors and executives of the Group to cover any third-party liabilities they may incur when carrying out their duties.

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

REMUNERATION OF THE BOARD OF DIRECTORS

(Thousands of euros)

		FIXED COMPONENTS					VARIABLE COMPONENTS						
	POSITION	SALARY	REMUNERATION FOR BOARD MEMBERSHIP	REMUNERATION FOR MEMBERSHIP ON BOARD COMMITTEES	REMUNERATION FOR POSITIONS HELD AT GROUP COMPANIES *	REMUNERATION FOR MEMBERSHIP ON COMMITTEES OUTSIDE THE GROUP (6)	VARIABLE REMUNERA-TION IN CASH	SHARE-BASED REMUNERATIO N SCHEMES	LONG-TERM SAVINGS SYSTEM	OTHER ITEMS (5)	TOTAL 2021	TOTAL 2020	TOTAL 2019
Goirigolzarri, Jose Ignacio (4)	Chairman	1,122	69	45		11	117	256		73	1,693		
Gual, Jordi (4)			258	14		59					331	1,382	1,385
Muniesa, Tomás	Deputy Chairman		90	100	435	11					636	620	586
Gortazar, Gonzalo ** (7)	CEO	1,917	90	50	204		413	645	505	72	3,896	2,836	3,762
Reed, John S.	Lead Director		128	36							164	149	126
Armenter, Marcelino (2)												31	62
Ayuso, Joaquín (4)	Director		69	60							129		
Bassons, Maria Teresa (4)			21	7							28	120	120
Campo, Francisco Javier (4)	Director		69	60							129		
Castillo, Eva (4)	Director		69	60							129		
Fisas, M. Verónica	Director		90	100							190	183	162
Fundación CajaCanarias, represented by Natalia Aznarez (4)			21	12							33	140	140
García-Bragado, Alejandro (4)			21	7							28	120	120
Garmendia, Cristina (2)	Director		90	110							200	169	61
Garralda, Ignacio (4)			21								21	90	103
Ibarz, Javier (1)													55
Minc, Alain (1)													47
Moraleda, María Amparo	Director		90	116							206	206	194
Rosell, Juan (1)													48
Sáinz de Vicuña, Antonio (1)													52
Sanchiz, Eduardo Javier	Director		90	140							230	218	197
Santero, Teresa (4)	Director		69	38							107		
Serna, José	Director		90	73							163	140	140
Ulrich, Fernando María (4) (8)	Director		69	60	750						879		
Usarraga, Koro	Director		90	160							250	231	197
Vives, Francesc Xavier (3)												81	200
TOTAL		**3,039**	**1,604**	**1,248**	**1,389**	**81**	**530**	**901**	**505**	**145**	**9,442**	**6,716**	**7,757**

(*) Registered in the income statement of the respective companies. (**) In 2020 and 2019 only Gonzalo Gortazar has practiced executive duties. Jose Ignacio Goirigolzarri and Gonzalo Gortazar have practiced executive duties in 2021.

(1) Alain Minc, Juan Rosell, Antonio Sáinz de Vicuña and Javier Ibarz ceased to be directors in 2019.

(2) Marcelino Armenter and Cristina Garmendia were appointed as directors on 5 April 2019. Marcelino Armenter stood down from his position on 2 April 2020.

(3) The appointment of Francesc Xavier Vives as Coordinating Director was not renewed in 2020, after his mandate ended.

(4) In 2021, the following have been appointed: José Ignacio Goirigolzarri as chairman, Joaquín Ayuso, Francisco Javier Campo and Eva Castillo as independent directors, Fernando Ulrich as an external director, and Teresa Santero as proprietary director at the proposal of the FROB (in view of the stake that she holds in CaixaBank through BFA Tenedora de Acciones, SAU). Furthermore, Jordi Gual, Maria Teresa Bassons, Alejandro García-Bragado, Ignacio Garralda and the CajaCanarias Foundation stood down in 2021.

(5) Includes remuneration in kind (health and life insurance premiums paid in favour of Executive Directors), interest accrued on deferred variable remuneration in cash, other insurance premiums paid and other benefits.

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

(7) The Chief Executive Officer decided to voluntarily waive his variable remuneration corresponding to 2020, both as regards the yearly bonus, as well as participation in the yearly Long-Term Incentives Plan corresponding to 2020. EUR 170 thousand of Financial instruments corresponding to the provisional incentive of the 1st cycle of the Conditional Annual Incentive linked to the Strategic Plan 2019–2021 was included in 2019.

(8) The positions he holds at BPI are not on behalf of the CaixaBank Group.

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

9.2. Remuneration of Senior Management

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

REMUNERATION OF SENIOR MANAGEMENT
(Thousands of euros)

	2021	2020	2019
Salary (1)	11,927	7,267	9,288
Post-employment benefits (2)	1,739	1,820	1,576
Other long-term benefits (3)	431	251	125
Other positions in Group companies	1,011	1,010	1,173
TOTAL	**15,108**	**10,348**	**12,162**
Remuneration received for representing the bank on Boards of Directors of listed companies and others in which the bank has a presence, outside of the consolidated group (4)	180	156	132
TOTAL REMUNERATION	**15,288**	**10,504**	**12,294**
Composition of Senior Management	13	11	11
General Managers	*3*	*3*	*3*
Managers	*9*	*7*	*7*
General Secretary and Secretary to the Board of Directors	*1*	*1*	*1*

(1) This amount includes fixed remuneration, remuneration in kind and total variable remuneration received by members of the Senior Management. The variable remuneration corresponds to the objective annual bonus accrued in cash and shares of the financial year, including the deferred part, plus the provisional incentive corresponding to the first cycle of the share-based long-term variable remuneration plan. In April 2020, Senior Management announced its withdrawal from variable remuneration for 2020, both with respect to the annual bonus and its participation in the second cycle of the 2020 long-term incentives plan.
(2) Includes insurance premiums and discretionary pension benefits.
(3) This item corresponds to the amount of the risk policy whose increase does not correspond to the remuneration management, but rather to the performance of the technical variables that determine the premiums.
(4) Registered in the statement of profit or loss of the respective companies.

All the contracts of Senior Management members, the Chairman and the Chief Executive Officer have post-contractual non-competition commitments of one annual payment of their fixed components (payable in 12 monthly payments) and indemnity clauses equivalent to one annual payment of the fixed components, or the amount payable by law, whichever is higher.

The Chairman and the Chief Executive Officer have an indemnity clause of 1 annual payment of the fixed remuneration components. There are currently 4 committee members for whom the indemnity to which they are legally entitled remain less than 1 year of their salary.

The value of obligations accrued as defined contribution post-employment commitments with Executive Directors and Senior Management are as follows:

POST-EMPLOYMENT COMMITMENTS WITH EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT
(Thousands of euros)

	31-12-2021	31-12-2020	31-12-2019
Post-employment commitments	18,241	15,386	14,052

9.3. Other disclosures concerning the Board of Directors

Article 30 of the Regulations of the Board of Directors of CaixaBank governs the situations of conflict applicable to all directors, establishing that the director must avoid situations that could entail a conflict of interest between the Company and the Director or its related persons, adopting the measures necessary in this regard.

Directors bear certain obligations in their duty to avoid situations of conflicts of interest, such as: i) directly or indirectly carrying out transactions with CaixaBank unless they are ordinary operations, carried out under standard conditions for all customers and of little significance; ii) using the Company name or relying on their status as director of the Company to unduly influence private transactions; iii) making use of the Company's assets or availing themselves of their position at the Company to obtain an economic advantage or for any private purposes; iv) taking advantage of the company's business opportunities; v) obtaining advantages or remuneration from third parties other than the Company and its group in association with the performance of their duties, with the exception of mere courtesies; and vi) performing activities on their own behalf or via third parties that constitute direct, actual or potential competition with the company or which, by any other means, put them in a position of permanent conflict with the interests of CaixaBank.

The aforementioned obligations may be waived in one-off cases, in some cases require the approval by the General Meeting.

The Regulations of the Board of Directors are publicly available on the CaixaBank website (www.caixabank.com).

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

During 2021, no director has notified any situation that places them in a conflict of interest with the Group. However, on the following occasions, directors abstained from intervening and voting in the deliberation of issues in sessions of the Board of Directors:

CONFLICTS OF INTEREST

DIRECTOR	CONFLICT
José Ignacio Goirigolzarri	Abstention from deliberation and voting on the resolution regarding appointment as Chairman of the Board of Directors, delegation of powers in his favour and approval of the contract for his executive duties.
	Abstention from the deliberation and voting on the resolution regarding her appointment as member of the Executive Committee of the Board of Directors.
	Abstention from the deliberation and voting on the bonus scheme and corporate challenges of 2021.
	Abstention from the deliberation and voting on the resolution regarding fixed individual remuneration corresponding to 2021.
	Abstention from the deliberation and voting on the proposed bonus and individual challenges for 2021.
Tomás Muniesa (Deputy Chairman)	Abstention from the deliberation and voting on the resolution regarding financing operations to a related party.
Gonzalo Gortazar (CEO)	Abstention from the deliberation and voting on the bonus scheme and corporate challenges of 2021.
	Abstention from the deliberation and voting on the resolution regarding fixed individual remuneration corresponding to 2021.
	Abstention from the deliberation and voting on the proposed bonus and individual challenges for 2021.
Joaquín Ayuso	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Remuneration Committee.
	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Risk Committee.
Francisco Javier Campo	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Appointments Committee.
	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Audit and Control Committee.
Eva Castillo	Abstention from the deliberation and voting on the resolution regarding her appointment as member of the Executive Committee.
	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Innovation, Technology and Digital Transformation Committee.
Fernando Maria Ulrich	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Appointments Committee.
	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Risk Committee.
María Verónica Fisas	Abstention from deliberation and voting on a motion regarding financing arrangements intended for related parties.
Teresa Santero	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Audit and Control Committee.
	Abstention from the deliberation and voting on the agreement concerning the extension and subsequent termination of the existing agreement to provide services to BFA Tenedora de Acciones, S.A.U. and the signing of an agreement on information and documentation that is intended to regulate access to the information and documentation of BFA Tenedora de Acciones, S.A.U. held by CaixaBank and a new agreement for the provision of certain tax management services in the ongoing tax checks of BFA Tenedora de Acciones, S.A.U.
José Serna	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Remuneration Committee.
	Abstention from the deliberation and voting on the agreements regarding their proposed re-election as member of the Board of Directors.
Koro Usarraga	Abstention from the deliberation and voting on the agreements regarding their proposed re-election as member of the Board of Directors.
	Abstention from the deliberation and voting on the resolution regarding reappointment as a member of the executive Committee.
	Abstention from the deliberation and voting on the resolution regarding the extension of financing to a related party.

The other directors with appointments in force during 2021 (in other words, John S. Reed, Cristina Garmendia, Amparo Moraleda and Eduardo Javier Sanchiz, as well as the directors up to the date of effectiveness of the merger with Bankia, S.A. and the appointment of new advisers in March 2021, in other words, Jordi Gual, Alejandro García-Bragado, María Teresa Bassons and the Fundación CajaCanarias as well as its individual representative to exercise the position, Natalia Aznárez) have declared that they have had no situation of conflict with the Company's interests, be it direct or indirect, proprietary interests, or the interests of the people linked to them, during the period of their mandate in 2021.

The Internal Rules of Conduct on Matters relating to the Stock Market regulates conflicts of interest, establishing the obligation to inform Regulatory Compliance of any conflict of interest affecting the director of his or her related parties.

There is no family relationship between the members of the CaixaBank Board of Directors and the group of key personnel comprising CaixaBank's Senior Management.

Prohibition of competition

Specifically, article 229.1f) of the Corporate Enterprises Act establishes that Board members may not carry out for their own account or the account of other activities which actually or potentially constitute effective competition with those carried out by the Company or which, in any other way, permanently conflict with the Company's interests. Article 230 of the Corporate Enterprises Act stipulates that this prohibition can be lifted if the Company is not expected to incur damages or it is expected that it will be indemnified for an amount equal to the benefits expected to be obtained from the exemption. Express and separate approval of the exemption must be obtained from shareholders at the Annual General Meeting. The provisions contained in the mentioned articles also apply to cases where the beneficiary of any such actions or activities is a person related to the director.

The company has not been informed of any activity or circumstance that might represent effective, current or potential competition of the directors or persons associated with them, with CaixaBank Group or that, in any other way, places them in permanent conflict with the interests of the Entity.

9.4. Voting rights held by "key management personnel"

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

10. Cash and cash balances at central banks and other demand deposits

The breakdown of this heading is as follows:

BREAKDOWN OF CASH, CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Cash	3,044	2,339	2,700
Cash balance in central banks (Note 3.3.3)	99,574	48,535	11,836
Other demand deposits	1,598	737	574
TOTAL	**104,216**	**51,611**	**15,110**

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

11. Financial assets and liabilities held for trading

11.1. Trading derivatives

The breakdown of this heading is as follows:

BREAKDOWN OF TRADING DERIVATIVES (PRODUCT AND COUNTERPARTY)
(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Unmatured foreign currency purchases and sales	**488**	**465**	**336**	**341**	**247**	**251**
Purchases of foreign currencies against euros	365	64	48	309	121	53
Purchases of foreign currencies against foreign currencies	87	86	17	18	47	58
Sales of foreign currencies against euros	36	315	271	14	79	140
Share options	**440**	**388**	**264**	**247**	**221**	**228**
Bought	440		264		221	
Issued		388		247		228
Interest rate options	**123**	**150**	**103**	**108**	**95**	**99**
Bought	123		103		95	
Issued		150		108		99
Foreign currency options	**48**	**58**	**57**	**7**	**48**	**22**
Bought	48		57		48	
Issued		58		7		22
Other share, interest rate and inflation transactions	**9,018**	**3,695**	**4,387**	**(556)**	**5,439**	**1,230**
Share swaps	138	108	157	132	49	90
Interest-rate and inflation-linked swaps	8,880	3,587	4,230	(688)	5,390	1,140
Commodity derivatives and other risks	**202**	**82**	**154**	**4**	**144**	**37**
Swaps	199	80	153	4	140	32
Bought	3	2	1		4	5
TOTAL	**10,319**	**4,838**	**5,301**	**151**	**6,194**	**1,867**
Of which: contracted in organised markets	*35*	*43*	*35*	*51*	*27*	*34*
Of which: contracted in non-organised markets	*10,284*	*4,795*	*5,266*	*100*	*6,167*	*1,833*

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

11.2. Equity instruments

The breakdown of this heading is as follows:

BREAKDOWN OF EQUITY INSTRUMENTS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Shares in Spanish companies	186	195	370
Shares in foreign companies	1	60	87
TOTAL	**187**	**255**	**457**

11.3. Debt securities

The breakdown of this heading is as follows:

BREAKDOWN OF DEBT SECURITIES **
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Spanish government debt securities *	128	442	365
Foreign government debt securities *	118	174	114
Issued by credit institutions	28	40	97
Other Spanish issuers	113	92	76
Other foreign issuers	32	53	67
TOTAL	**419**	**801**	**719**

(*) See Note 3.4.1., section "Concentration according to sovereign risk".
(**) See ratings classification in Note 3.4.1, section "Concentration according to credit quality".

11.4. Short positions

The breakdown of this heading is as follows:

BREAKDOWN OF SHORT POSITIONS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
On overdrafts on repurchase agreements	280	273	471
Debt securities - public debt (*)	239	249	401
Debt securities - other issuers	41	24	70
TOTAL	**280**	**273**	**471**

(*) See Note 3.4.1., section "Concentration according to sovereign risk".

Overdrafts on repurchase agreements of debt securities are short-term transactions arranged to offset off-balance sheet positions that have been sold or are subject to a repurchase agreement.

12. Financial assets not designated for trading compulsorily measured at fair value through profit or loss

The breakdown of this heading is as follows:

BREAKDOWN OF FINANCIAL ASSETS NOT DESIGNATED FOR TRADING COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Equity instruments	165	180	198
Debt securities	5	52	63
Loans and advances	67	85	166
Customers	67	85	166
TOTAL	**237**	**317**	**427**

The changes in the valuation of these financial assets as a result of variations of credit risk are not significant, because of their credit quality (Note 3.4.1).

13. Financial assets at fair value with changes in other comprehensive income

The breakdown of this heading is as follows:

BREAKDOWN OF FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Equity instruments	**1,646**	**1,414**	**2,407**
Shares in listed companies	1,002	843	1,618
Shares in non-listed companies	644	571	789
Debt securities *	**14,757**	**17,895**	**15,964**
Spanish government debt securities	11,817	13,966	10,173
Foreign government debt securities	1,377	2,206	4,023
Issued by credit institutions	565	581	211
Other Spanish issuers	55	42	38
Other foreign issuers	943	1,100	1,519
TOTAL	**16,403**	**19,309**	**18,371**
Equity instruments			
Of which: gross unrealised gains	128	109	110
Of which: gross unrealised losses	(1,590)	(1,877)	(1,155)
Debt securities			
Of which: gross unrealised gains	394	596	503
Of which: gross unrealised losses	(1)		(5)

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

13.1. Equity instruments

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

CHANGES IN EQUTY INSTRUMENTS - 2021
(Millions of euros)

	31-12-2020	ADDITIONS DUE TO BUSINESSES COMBINATIONS (NOTE 7)	ACQUISITONS AND CAPITAL INCREASES	DISPOSALS AND CAPITAL DECREASES	GAINS (-) / LOSSES (+) TRANSFERRED TO RESERVES	ADJUSTMENTS TO MARKET VALUE AND EXCHANGE DIFFERENCES	TRANSFERS AND OTHER	31-12-2021
Telefónica, SA *	843					157		1,000
Banco Fomento de Angola (BFA) **	334					18	(31)	321
Other	237	149	4	(24)	(10)	12	(43)	325
TOTAL	**1,414**	**149**	**4**	**(24)**	**(10)**	**187**	**(74)**	**1,646**

(*) At 31 December 2021, the stake in Telefónica, SA was 4.49% due to the dilutive effect of the scrip dividend (4.87% at 31 December 2020). Subsequent to year-end and up to the date of formulation, CaixaBank has completed a fair value hedge on 1.95% of Telefónica's share capital in the market.
(**) The total payout approved by BFA net of the tax effect totalled EUR 119 million (of which EUR 79 million are extraordinary dividends charged to its reserves). Out of the total dividend, gross, EUR 98 million have been recognised as income in the statement of profit or loss and the rest have been recognised as the cost of the investment (as a result reducing the value of losses on the investment recognised in other comprehensive income), considering them as reserves generated prior to classifying the investment as "Financial assets at fair value with changes in other comprehensive income".

CHANGES IN EQUTY INSTRUMENTS - 2020
(Millions of euros)

	31-12-2019	ACQUISITIONS AND CAPITAL INCREASES	DISPOSALS AND CAPITAL DECREASES	GAINS (-) / LOSSES (+) TRANSFERRED TO RESERVES	ADJUSTMENTS TO MARKET VALUE AND EXCHANGE DIFFERENCES	TRANSFERS AND OTHER	31-12-2020
Telefónica *	1,617				(774)		843
Banco Fomento de Angola	414				(80)		334
Other **	376	3	(153)	(61)	72		237
TOTAL	**2,407**	**3**	**(153)**	**(61)**	**(782)**	**0**	**1,414**

(*) In March 2020, coverage of fair value was cancelled on 1% of said holding (conducted through an equity swap), recording a capital gain of EUR 177 million under the heading "Accumulated other comprehensive income" of net equity. On 31 December 2020, the stake in Telefónica, SA was 4.9% due to the dilutive effect of the scrip dividend (5.0% on 31 December 2019).
(**) Dated 25 June 2020, CaixaBank Group sold its direct and indirect stake of 11.51% in Caser, after receiving the pertinent administrative authorisations, for the price of EUR 139 million. The operation did not have a significant material impact for the Group.

CHANGES IN EQUITY INSTRUMENTS - 2019
(Millions of euros)

	31-12-2018	ACQUISITIONS AND CAPITAL INCREASES	DISPOSALS AND CAPITAL DECREASES	GAINS (-) / LOSSES (+) TRANSFERRED TO RESERVES	ADJUSTMENTS TO MARKET VALUE AND EXCHANGE DIFFERENCES	TRANSFERS AND OTHER	31-12-2019
Telefónica	1,905				(288)		1,617
Repsol	786		(943)	106	51		
Banco Fomento de Angola	522				(108)		414
Other	352	2	(12)	(7)	35	6	376
TOTAL	**3,565**	**2**	**(955)**	**99**	**(310)**	**6**	**2,407**

The estimate of the fair value of Banco de Fomento de Angola (BFA) is based on a dividend discount model (DDM), subsequently compared to comparison multiple methodologies. The main assumptions used in the dividend discount model are set out below:

ASSUMPTIONS USED
(Percentage)

	BANCO FOMENTO DE ANGOLA		
	31-12-2021	31-12-2020	31-12-2019
Forecast periods	4 years	5 years	5 years
Discount rate (1)	17.5%	19.3%	20.6%
Objective capital ratio	15%	15%	15%

(1) In 2021 and 2020, this is calculated using the interest rate of the US treasury bond plus a country risk premium and another market risk premium. In 2019 it was calculated on the yield of the Angolan 10-year bond, plus a risk premium.

For the stake in BFA, the exercise to determine the fair value considers the sensitivity with respect to the discount rate [-1.0%; +1.0%] with no significant variations concluded in the estimated fair value in the baseline scenario.

The relevant financial information of the most relevant equity instruments classified in this section is as follows:

FINANCIAL INFORMATION ON KEY INVESTMENTS
(Millions of euros)

CORPORATE NAME	REGISTERED ADDRESS	% OWNERSHIP	% VOTING RIGHTS	EQUITY	LATEST PUBLISHED PROFIT/(LOSS)
Telefónica (1)	Madrid - Spain	4.49%	4.49%	32,410	9,335
Sociedad de gestión de Activos Procedentes de la Reestructuración Bancaria (Sareb) (2) (3)	Madrid - Spain	12.24%	12.24%	(10,722)	(648)
Banco Fomento de Angola (BFA) (2)	Angola	48.10%	48.10%	427	82

(1) Listed company. The information on equity and the last published profit/(loss) is at 30-09-2021.
(2) Non-listed companies. The information on equity and the last published profit/(loss) is at 30-06-2021.
(3) On 18 January 2022, the Council of Ministers approved a Royal Decree Law amending the legal regime of SAREB, of which the Entity maintains a total of 12.24 % of the share capital, which is wholly impaired. The main amendment introduced by this regulation is the possibility for the State to be able to reach a stake in this company greater than 50% of its capital, without acquiring the status of a state commercial company. This does not change the limited temporary nature of SAREB, the liquidation estimate of which remains in place for 2027.

13.2. Debt securities

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

CHANGES IN DEBT SECURITIES
(Millions of euros)

	2021			2020			2019		
	STAGE 1:	STAGE 2:	STAGE 3:	STAGE 1:	STAGE 2:	STAGE 3:	STAGE 1:	STAGE 2:	STAGE 3:
Opening balance	**17,895**			**15,964**			**18,323**		
Plus:									
Additions due to business combinations (Note 7)	9,653								
Acquisitions	320			8,657			10,579		
Interest	(16)			(116)					
Gains/(losses) recognised with adjustments to equity (Note 24.2)	(203)			98			225		
Less:									
Sales and redemptions	(12,857)			(6,735)			(12,816)		
Implicit accrued interest	(8)			(10)			(184)		
Reclassifications and transfers									
Amounts transferred to statement of profit or loss (Note 32) *	(26)			115			(163)		
Impairment losses (Note 36)									
Exchange differences and other	(1)			(78)					
CLOSING BALANCE	**14,757**			**17,895**			**15,964**		

(*) The profit/(loss) of fixed-income portfolio sales is recorded under the heading "Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net".

14. Financial assets measured at amortised cost

The breakdown of this heading is as follows:

BREAKDOWN OF FINANCIAL ASSETS AT AMORTISED COST 31-12-2021
(Millions of euros)

		VALUATION ADJUSTMENTS				
	GROSS BALANCE	IMPAIRMENT ALLOWANCES	ACCRUED INTEREST	FEE AND COMMISSION INCOME	OTHER	OUTSTANDING AMOUNT
Debt securities	**67,945**	**(14)**	**275**			**68,206**
Loans and advances	**359,771**	**(8,260)**	**475**	**(436)**	**843**	**352,393**
Central banks	63					63
Credit institutions	7,817	(8)	(3)			7,806
Customers	351,891	(8,252)	478	(436)	843	344,524
TOTAL	**427,716**	**(8,274)**	**750**	**(436)**	**843**	**420,599**

BREAKDOWN OF FINANCIAL ASSETS AT AMORTISED COST - 31-12-2020
(Millions of euros)

		VALUATION ADJUSTMENTS				
	GROSS BALANCE	IMPAIRMENT ALLOWANCES	ACCRUED INTEREST	FEE AND COMMISSION INCOME	OTHER	OUTSTANDING AMOUNT
Debt securities	**24,559**	**(11)**	**122**			**24,670**
Loans and advances	**247,799**	**(5,609)**	**464**	**(357)**	**542**	**242,839**
Central banks	4					4
Credit institutions	5,845		2			5,847
Customers	241,950	(5,609)	462	(357)	542	236,988
TOTAL	**272,358**	**(5,620)**	**586**	**(357)**	**542**	**267,509**

BREAKDOWN OF FINANCIAL ASSETS AT AMORTISED COST - 31-12-2019
(Millions of euros)

		VALUATION ADJUSTMENTS				
	GROSS BALANCE	IMPAIRMENT ALLOWANCES	ACCRUED INTEREST	FEE AND COMMISSION INCOME	OTHER	OUTSTANDING AMOUNT
Debt securities	**17,286**	**(6)**	**109**			**17,389**
Loans and advances	**231,450**	**(4,700)**	**501**	**(373)**	**435**	**227,313**
Central banks	6					6
Credit institutions	5,141	(2)	14			5,153
Customers	226,303	(4,698)	487	(373)	435	222,154
TOTAL	**248,736**	**(4,706)**	**610**	**(373)**	**435**	**244,702**

14.1. Debt securities

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

BREAKDOWN OF DEBT SECURITIES *
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Spanish government debt securities	55,623	18,579	13,944
Of which: SAREB	*19,160*	*1,237*	*1,245*
Other Spanish issuers	125		1
Other foreign issuers	12,458	6,091	3,444
TOTAL	**68,206**	**24,670**	**17,389**

(*) See Note 3.4.1., section "Concentration according to sovereign risk".

The breakdown of changes in the gross carrying amount (amount on balance sheet without considering allowances for impairment of assets) of debt securities at amortised cost is as follows:

CHANGES IN DEBT SECURITIES
(Millions of euros)

	2021				2020				2019			
	STAGE 1:	STAGE 2:	STAGE 3:	TOTAL	STAGE 1:	STAGE 2:	STAGE 3:	TOTAL	STAGE 1:	STAGE 2:	STAGE 3:	TOTAL
Opening balance	**24,565**	**103**	**13**	**24,681**	**17,375**	**6**	**14**	**17,395**	**17,035**	**16**	**13**	**17,064**
Additions due to business combinations (Note 7)	37,005			37,005								
Transfers										(1)	1	
From stage 1:	(3)	3										
From stage 2:	4	(4)								(1)	1	
New financial assets	25,663	322	23	26,008	13,822	103	12	13,937	1,296			1,296
Financial asset disposals (other than write-offs) **	(18,924)	(317)	(23)	(19,264)	(6,645)	(6)	(13)	(6,664)	(875)	(9)		(884)
Changes in interest accrual	(166)			(166)	11			11	(81)			(81)
Write-offs			(1)	(1)								
Exchange differences and other	(43)			(43)	2			2				
CLOSING BALANCE	**68,100**	**108**	**12**	**68,220**	**24,565**	**103**	**13**	**24,681**	**17,375**	**6**	**14**	**17,395**
Impairment allowances*	(5)	(5)	(4)	(14)	(2)	(5)	(4)	(11)	(2)		(4)	(6)

(*) There were no significant changes in the period
(**) Gains on sales of fixed income portfolio are recorded under "Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net", with no impact on the business model.

Loans and advances – Credit institutions

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

BREAKDOWN OF LOANS AND ADVANCES TO CREDIT INSTITUTIONS BY TYPE
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Demand	**5,122**	**3,748**	**3,581**
Other accounts	5,122	3,748	3,581
Term	**2,695**	**2,097**	**1,560**
Deposits with agreed maturity	2,693	2,097	1,560
Deposits with agreed maturity in stage 3	2		
TOTAL	**7,817**	**5,845**	**5,141**

Loans and advances - Loans and advances to customers

The breakdown of impairment of the portfolio of loans and advances to customers is as follows:

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS
(Millions of euros)

	2021					2020			2019		
				POCI*							
	STAGE 1	STAGE 2	STAGE 3	NOT FULFILLING THE DEFINITION OF IMPAIRED	FULFILLING THE DEFINITION OF IMPAIRED	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3
Gross carrying amount	308,369	31,439	12,279	1	688	214,275	20,066	8,256	202,924	15,541	8,387
Impairment allowances	(967)	(1,632)	(5,571)		(82)	(920)	(1,064)	(3,625)	(574)	(708)	(3,416)
TOTAL	**307,402**	**29,807**	**6,708**	**1**	**606**	**213,355**	**19,002**	**4,631**	**202,350**	**14,833**	**4,971**

(*) POCIs arising from the business combination with Bankia (initially EUR 770 million).

The breakdown of changes in the gross carrying amount (amount on balance sheet without considering allowances for impairment of assets) of loans and advances to customers is as follows:

CHANGES IN LOANS AND ADVANCES TO CUSTOMERS *
(Millions of euros)

	2021				2020				2019			
	STAGE 1:	STAGE 2:	STAGE 3:	TOTAL	STAGE 1:	STAGE 2:	STAGE 3:	TOTAL	STAGE 1:	STAGE 2:	STAGE 3:	TOTAL
Opening balance	**214,275**	**20,066**	**8,256**	**242,597**	**202,924**	**15,541**	**8,387**	**226,852**	**196,634**	**16,328**	**10,718**	**223,680**
Additions due to business combinations (Note 7)	103,992	13,120	4,193	121,305								
Transfers	(4,342)	2,214	2,128	**0**	(4,549)	3,461	1,088	0	(1,643)	745	898	0
From stage 1:	(14,552)	13,736	816	0	(9,624)	9,097	527	0	(4,555)	4,044	511	0
From stage 2:	10,058	(12,090)	2,032	0	5,040	(6,045)	1,005	0	2,873	(3,855)	982	0
From stage 3:	152	568	(720)	0	35	409	(444)	0	39	556	(595)	0
New financial assets	66,377	2,295	898	69,570	65,815	4,822	818	71,455	48,829	1,386	502	50,717
Financial asset disposals (other than write-offs)	(71,933)	(6,256)	(1,369)	(79,558)	(49,915)	(3,758)	(1,017)	(54,690)	(40,896)	(2,918)	(1,627)	(45,441)
Write-offs			(1,827)	(1,827)			(1,020)	(1,020)			(2,104)	(2,104)
CLOSING BALANCE	**308,369**	**31,439**	**12,279**	**352,087**	**214,275**	**20,066**	**8,256**	**242,597**	**202,924**	**15,541**	**8,387**	**226,852**

(*) Changes in POCIs in 2021 are immaterial.

The changes of allowances of "Financial assets at amortised cost – Loans and advances to customers" is as follows:

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

	2021				2020				2019			
	STAGE 1:	STAGE 2:	STAGE 3:	TOTAL	STAGE 1:	STAGE 2:	STAGE 3:	TOTAL	STAGE 1:	STAGE 2:	STAGE 3:	TOTAL
Opening balance	**920**	**1,064**	**3,625**	**5,609**	**574**	**708**	**3,416**	**4,698**	**695**	**741**	**4,277**	**5,713**
Additions due to business combinations (Note 7)	545	897	1,920	3,362								
Net allowances	(518)	(343)	1,590	729	328	423	942	1,693	21	(13)	400	408
From stage 1:	(191)	127	(36)	(100)	216	472	238	926	(116)	32	219	135
From stage 2:	(4)	(47)	788	737	(16)	(89)	469	364	(19)	(105)	142	18
From stage 3:	49	(85)	957	921	(4)	(35)	61	22	(8)	(21)	(125)	(154)
New financial assets	178	95	357	630	165	133	328	626	183	112	344	639
Disposals	(550)	(433)	(476)	(1,459)	(33)	(58)	(154)	(245)	(19)	(31)	(180)	(230)
Amounts used			(1,383)	(1,383)			(670)	(670)			(1,308)	(1,308)
Transfers and other	20	14	(181)	(147)	18	(67)	(63)	(112)	(142)	(20)	47	(115)
CLOSING BALANCE	**967**	**1,632**	**5,571**	**8,170**	**920**	**1,064**	**3,625**	**5,609**	**574**	**708**	**3,416**	**4,698**

(*) Changes in POCIs in 2021 are immaterial.

15. Derivatives - Hedge accounting (assets and liabilities)

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

BREAKDOWN OF HEDGING DERIVATIVES (PRODUCT AND COUNTERPARTY)
(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Interest rates	1,007	64	312	121	2,070	351
Equity instruments	12				58	
Currencies and gold	6	3		11	(6)	2
Other	10	53	1			40
TOTAL FAIR VALUE HEDGES	1,035	120	313	132	2,122	393
Interest rates		17		1	11	
Equity instruments						
Currencies and gold		116	159	4		
Other	3	707	43	100		122
TOTAL CASH FLOW HEDGES	3	840	202	105	11	122
TOTAL	**1,038**	**960**	**515**	**237**	**2,133**	**515**
Memorandum items						
Of which: OTC - credit institutions	1,038	958	515	237	499	254
Of which: OTC - other financial corporations		2			1,634	261
Of which: OTC - other						

The detail of the schedule of the nominal amount of interest rate hedging items and their average interest rate are as follows:

MATURITY SCHEDULE OF HEDGING ITEMS AND AVERAGE INTEREST RATE
(Millions of euros)

	HEDGED ITEM VALUE						AVERAGE INTEREST RATE
	< 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 YEARS	>5 YEARS	TOTAL	
Asset interest-rate hedges	30	2,075	394	2,520	10,581	15,600	(0.16%)
Liability interest-rate hedges	1,190	1,980	4,555	29,469	15,384	52,578	0.92%
TOTAL FAIR VALUE HEDGES	1,220	4,055	4,949	31,989	25,965	68,178	
Asset interest-rate hedges	839	455	1,513	2,475	5,095	10,377	
TOTAL CASH FLOW HEDGES	839	455	1,513	2,475	5,095	10,377	

HEDGING ITEMS - FAIR VALUE HEDGES
(Millions of euros)

				31-12-2021		2021		31-12-2020		31-12-2019	
				VALUE OF HEDGING INSTRUMENT		CHANGE IN FV USED TO CALCULATE THE INEFFECTIVENESS OF THE HEDGE (NOTE 32)	INEFFECTIVENESS RECOGNISED IN PROFIT OR LOSS (NOTE 32)	VALUE OF HEDGING INSTRUMENT		VALUE OF HEDGING INSTRUMENT	
	HEDGED ITEM	HEDGED RISK	HEDGING INSTRUMENT USED	ASSETS	LIABILITIES			ASSETS	LIABILITIES	ASSETS	LIABILITIES
Macrohedges	Issuances	Transformation from fixed to floating	Interest-rate swaps and options	913	2	(1,335)		265	9	1,863	22
	Fixed-rate loans	Transformation from fixed to floating	Interest-rate swaps and options	34	64	403		47	80	182	286
	Current accounts	Transformation from fixed to floating	Interest-rate swaps			(1)					
	Floating-rate loans	Transformation from Euribor 12M floating rate to EONIA floating rate	Interest-rate swaps								
	Deposits with agreed maturity	Transformation from fixed to floating	Interest-rate swaps and options	26		(14)	1	0	42	19	5
	TOTAL			**973**	**66**	**(947)**	**1**	**312**	**131**	**2,064**	**313**
Microhedges	Public debt OCI portfolio	Transformation from fixed to floating	Interest-rate swaps			3					6
	Public debt OCI portfolio	Transformation of inflation-linked debt to fixed-rate to floating-rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options		47	(29)		1			40
	Public debt OCI portfolio	Transformation of fixed-rate debt in foreign currency to floating-rate in foreign currency	Interest-rate swaps								34
	Currency loan	Transformation from fixed rate in foreign currency to floating rate in euro	Currency swaps	9		10			1		
	Debt security issued	Debt transformation from inflation-linked fixed to floating rate	Inflation-linked swaps and inflation-linked options	9							
	Amortised cost fixed-income portfolio debt	Debt transformation from inflation-linked fixed to floating rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options		5	(2)					
	Public Debt amortised cost portfolio	Value of hedged fixed-income assets	Forward	32		32					
	Other			12	2	12				58	
	TOTAL			**62**	**54**	**26**		**1**	**1**	**58**	**80**

FV: Fair value

HEDGED ITEMS - FAIR VALUE HEDGES
(Millions of euros)

				31-12-2021				2021			31-12-2020		31-12-2019	
				HEDGED INSTRUMENT		ACCUMULATED FAIR VALUE ADJUSTMENTS IN THE HEDGED ITEM					HEDGED INSTRUMENT		HEDGED INSTRUMENT	
	HEDGED ITEM	HEDGED RISK	HEDGING INSTRUMENT USED	ASSETS	LIABILIT.	ASSETS	LIABILITIES	ACCUMULATED AMOUNT OF FV HEDGING ADJUSTMENTS OF HEDGED ITEMS **	CHANGE IN VALUE USED TO CALCULATE THE INEFFECTIVENESS OF THE HEDGE (NOTE 32)	LINE ON THE BALANCE SHEET WITH THE HEDGED ITEM	ASSETS	LIABILIT.	ASSETS	LIABILIT.
Macrohedges	Issuances	Transformation from fixed to floating	Interest-rate swaps and options		44,453		599	73	1,335	Financial liabilities at amortised cost		30,327		27,726
	Fixed-rate loans	Transformation from fixed to floating	Interest-rate swaps and options	12,591		(130)		1,082	(403)	Financial assets at amortised cost	12,673		13,681	
	Current accounts	Transformation from fixed to floating	Interest-rate swaps		3,000	(1)			1	Financial liabilities at amortised cost				
	Floating-rate loans	Transformation from Euribor 12M floating rate to EONIA floating rate	Interest-rate swaps							Financial assets at amortised cost			660	
	Deposits with agreed maturity	Transformation from fixed to floating	Interest-rate swaps and options		5,094		(2)		15	Financial liabilities at amortised cost		5,233		5,206
	TOTAL			**12,591**	**52,547**	**(131)**	**597**	**1,155**	**948**		**12,673**	**35,560**	**14,341**	**32,932**
Microhedges	Public debt OCI portfolio	Transformation from fixed to floating	Interest-rate swaps	68		N/A	N/A		(3)	Financial assets at fair value *	70		69	
	Public debt OCI portfolio	Transformation of inflation-linked debt to fixed-rate to floating-rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options	498		N/A	N/A		29	Financial assets at fair value *	471		468	
	Public debt OCI portfolio	Transformation of fixed-rate debt in foreign currency to floating-rate in foreign currency	Interest-rate swaps							Financial assets at fair value *			1,037	
	Currency loan	Transformation from fixed rate in foreign currency to floating rate in euro	Currency swaps	142		(9)			(10)	Financial assets at amortised cost	131			
	Debt security issued	Debt transformation from inflation-linked fixed to floating rate	Inflation-linked swaps and inflation-linked options		31					Financial liabilities at amortised cost				
	Debt fixed-income portfolio amortised cost portfolio	Debt transformation from inflation-linked fixed to floating rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options	37		3			2	Financial assets at fair value *				
	Public Debt amortised cost portfolio	Value of hedged fixed-income assets	Forward	2,032				(3)	(32)	Financial assets at amortised cost				
	Other			232		7	2	292	(12)		4		326	
	TOTAL			**3,009**	**31**	**1**	**2**	**289**	**(26)**		**676**		**1,900**	

(*) with changes in other comprehensive income

HEDGING ITEMS - CASH FLOW HEDGES
(Millions of euros)

				31-12-2021				31-12-2020		31-12-2019	
				VALUE OF HEDGING INSTRUMENT		AMOUNT RECLASSIFIED	INEFFECTIVENESS	VALUE OF HEDGING INSTRUMENT		VALUE OF HEDGING INSTRUMENT	
	HEDGED ITEM	HEDGED RISK	HEDGING INSTRUMENT USED	ASSETS	LIABILITIES	FROM EQUITY TO PROFIT OR LOSS	RECOGNISED IN PROFIT OR LOSS	ASSETS	LIABILIT.	ASSETS	LIABILIT.
Macrohedges	Mortgage Euribor loans	Mortgage Euribor transformation to fixed rate	Interest-rate swaps			17				11	
	Floating-rate currency loans	Transformation from floating rate in foreign currency to floating rate in euros	Currency swaps		114	(28)		158	3		
	Fixed-rate term deposits	Transformation from fixed to floating	Interest-rate swaps								
	TOTAL				**114**	**(11)**		**158**	**3**	**11**	
Microhedges	Inflation-linked public debt	Transformation from inflation-linked floating to fixed rate	Inflation-linked swaps and inflation-linked options		165	(42)			84		122
	Public debt at amortised cost in foreign currency	Transformation from fixed rate in foreign currency to fixed rate in euros	Currency swaps	3	2	(1)					
	Inflation-linked public debt at amortised cost	Transformation from floating to fixed	Interest-rate and inflation-linked swaps		542	(56)		44	18		
	Other				17						
	TOTAL			**3**	**726**	**(99)**		**44**	**102**		**122**

HEDGED ITEMS - CASH FLOW HEDGES
(Millions of euros)

				31-12-2021			31-12-2020		31-12-2019	
	HEDGED ITEM	HEDGED RISK	HEDGING INSTRUMENT USED	RESERVE OF CASH FLOW HEDGES	PENDING AMOUNT IN RESERVE OF CASH FLOW HEDGES OF HEDGING RELATIONSHIPS FOR WHICH RECOGNISING HEDGES NO LONGER APPLIES	LINE ON THE BALANCE SHEET INCLUDING THE HEDGED ITEM	RESERVE OF CASH FLOW HEDGES	PENDING AMOUNT IN RESERVE OF CASH FLOW HEDGES OF HEDGING RELATIONSHIPS FOR WHICH RECOGNISING HEDGES NO LONGER APPLIES	RESERVE OF CASH FLOW HEDGES	PENDING AMOUNT IN RESERVE OF CASH FLOW HEDGES OF HEDGING RELATIONSHIPS FOR WHICH RECOGNISING HEDGES NO LONGER APPLIES
Macrohedges	Mortgage Euribor loans	Mortgage Euribor transformation to fixed rate	Interest-rate swaps	7			93		2	
	Floating-rate currency loans	Transformation from floating rate in foreign currency to floating rate in euros	Currency swap	(20)		Financial assets measured at amortised cost	(3)			
	Fixed-rate term deposits	Transformation from fixed to floating	Interest-rate swaps		23	Financial liabilities at amortised cost				25
	TOTAL			**(13)**	**23**		**90**		**2**	**25**
Microhedges	Inflation-linked public debt.	Transformation from inflation-linked floating debt to fixed rate	Inflation-linked swaps and inflation-linked options	(43)		Financial assets at fair value *	15		(75)	
	Public debt at amortised cost in foreign currency	'Transformation from fixed rate in foreign currency to fixed rate in euro	Currency swaps	(4)		Financial assets measured at amortised cost				
	Inflation-linked public debt at amortised cost	Transformation from floating to fixed	Interest-rate and inflation-linked swaps	(97)		Financial assets measured at amortised cost	(25)			
	TOTAL			**(144)**			**(10)**		**(75)**	

(*) with changes in other comprehensive income

16. Investments in joint ventures and associates

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

CHANGES IN INVESTMENTS - 2021
(Millions of euros)

	31-12-2020							31-12-2021	
	CARRYING AMOUNT	*STAKE%*	ADDITIONS DUE TO BUSINESS COMBINATIONS (NOTE 7)	ACQUISITIONS AND CAPITAL INCREASES	DISPOSALS AND CAPITAL DECREASES	MEASURED USING THE EQUITY METHOD	TRANSF. AND OTHER	CARRYING AMOUNT	*STAKE%*
UNDERLYING CURRENT AMOUNT	3,366		485	50	(2)	336	(2,082)	2,153	
Erste Group Bank	1,514	*9.92%*				112	(1,626)		
Coral Homes	802	*20.00%*				(16)	(154)	632	*20.00%*
SegurCaixa Adeslas	685	*49.92%*				210	(2)	893	*49.92%*
Bankia Vida			325			(14)	(311)		
Other	365		160	50	(2)	44	8	625	
GOODWILL	367		173				(159)	381	
SegurCaixa Adeslas	300							300	
Bankia Vida			164				(164)		
Other	67		9				5	81	
IMPAIRMENT ALLOWANCES	(332)		(10)				298	(44)	
Erste Group Bank	(311)						311		
Other	(21)		(10)				(13)	(44)	
TOTAL ASSOCIATES	**3,401**		**648**	**50**	**(2)**	**336**	**(1,943)**	**2,490**	
UNDERLYING CURRENT AMOUNT	42					2		44	
Other	42					2		44	
IMPAIRMENT ALLOWANCES									
Other									
TOTAL JOINT VENTURES	**42**					**2**		**44**	

CHANGES IN INVESTMENTS - 2020
(Millions of euros)

	31-12-2019							31-12-2020	
	CARRYING AMOUNT	*STAKE%*	PURCHASES	SALES	MEASURED USING THE EQUITY METHOD	VALUE IMPAIRM.	TRANSFERS	CARRYING AMOUNT ***	*STAKE%*
UNDERLYING CURRENT AMOUNT	3,429		0	0	(21)		(42)	3,366	
Erste Group Bank *	1,470	*9.92%*			48		(4)	1,514	*9.92%*
Coral Homes **	948	*20.00%*			(41)		(105)	802	*20.00%*
SegurCaixa Adeslas	695	*49.92%*			11		(21)	685	*49.92%*
Associates BPI subgroup	200				(9)		(3)	188	
Comercia Global Payments					2		49	51	*20.00%*
Other	116				(32)		42	126	
GOODWILL	362		0	0	0		5	367	
SegurCaixa Adeslas	300							300	
Associates BPI subgroup	43							43	
Other	19						5	24	
IMPAIRMENT ALLOWANCES	(16)	0	0	0	0	(316)	0	(332)	
Erste Group Bank						(311)		(311)	
Other	(16)					(5)		(21)	
TOTAL ASSOCIATES	**3,775**		**0**	**0**	**(21)**	**(316)**	**(37)**	**3,401**	
UNDERLYING CURRENT AMOUNT	167		0	0	11		(136)	42	
Comercia Global Payments	122	*49.00%*			14		(136)	0	
Joint ventures BPI subgroup	37							37	
Other	8				(3)			5	
GOODWILL	0		0	0	0		0	0	
Other								0	
IMPAIRMENT ALLOWANCES	(1)		0	0	0	0	1	0	
Other	(1)						1	0	
TOTAL JOINT VENTURES	**166**		**0**	**0**	**11**	**0**	**(135)**	**42**	

(*) At 31 December 2020, the market value of 9.92% of the stake is EUR 1,063 million.
(**) Transfers and other mainly includes the distribution of reserves and dividends deducted from cost of investment.
(***) Includes EUR 7 million in intangible assets generated at the time of the purchase, which are being repaid in the corresponding term.

CHANGES IN INVESTMENTS - 2019
(Millions of euros)

	31-12-2018							31-12-2019	
	CARRYING AMOUNT	*STAKE%*	PURCHASES	SALES	MEASURED USING THE EQUITY METHOD	VALUE IMPAIRM.	TRANS-FERS AND OTHER	CARRYING AMOUNT **	*STAKE%*
UNDERLYING CURRENT AMOUNT	3,368		1	(2)	204		(142)	3,430	
Erste Group Bank *	1,381	*9.92%*			92		(3)	1,470	*9.92%*
Coral Homes (Note 1.8)	1,082	*20.00%*					(134)	948	*20.00%*
SegurCaixa Adeslas	624	*49.92%*			73		(2)	695	*49.92%*
Associates BPI subgroup	168				35		(3)	200	
Other	113		1	(2)	4			116	
GOODWILL	362		0	0	0		0	362	
SegurCaixa Adeslas	300							300	
Associates BPI subgroup	43							43	
Other	19							19	
IMPAIRMENT ALLOWANCES	(19)		0	2	0	1	0	(16)	
Other	(19)			2		1		(16)	
TOTAL ASSOCIATES	**3,711**		**1**	**0**	**204**	**1**	**(142)**	**3,775**	
UNDERLYING CURRENT AMOUNT	167		4	(1)	1		(4)	167	
Comercia Global Payments	123	*49.00%*			(1)			122	*49.00%*
Joint ventures BPI subgroup	35				2			37	
Other	9		4	(1)			(4)	8	
GOODWILL	1		0	(1)	0		0	0	
Other	1			(1)				0	
IMPAIRMENT ALLOWANCES	0		0	0	0		0	(1)	
Other	0					(1)		(1)	
TOTAL JOINT VENTURES	**168**		**4**	**(2)**	**1**		**(4)**	**166**	

(*) At 31 December 2019, the market value of 9.92% of the stake was EUR 1,431 million.
(**) Includes EUR 55 million in intangible assets generated at the time of the purchase, which are being repaid in the corresponding term.

Erste

On 5 November 2021, CaixaBank transferred all of its 9.92% stake in Erste Group Bank AG (Erste) as follows:

- Settlement by delivery of swap contract shares, which accounted for 4.5 % (approximately 19.3 million) of Erste shares.
- An accelerated book built offer for the remaining 5.42% (approximately 23.3 million) of Erste shares, at a price of EUR 38 per share.

The amount of the transmission was EUR 1,503 million with a positive impact on the statement of profit or loss of EUR 54 million gross, and is recognised under the heading "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net)" of the statement of profit or loss (see Note 39), being reclassified in October 2021 under "Non-current assets and disposal groups classified as held for sale".

Comercia Global Payments

On 1 October 2020, 29% of the stake in Comercia Global Payments, Entidad de Pago, S.L. was sold to Comercia Global Payments for EUR 493 million (on 30 September 2020, this 29% was reclassified under "Non-current assets and disposal groups classified as held for sale" upon showing signs of sale). As a result of this operation, the Group maintains its presence and a significant degree of influence in the acquisition business with Company businesses, and it also generated gains of approximately EUR 420 million, net of tax, that was recorded under the heading "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net)" of the statement of profit or loss (see Note 39).

Impairment of the portfolio of investments

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

For the purpose of assessing the recoverable amount of investments in associates and joint ventures, the Group regularly monitors the impairment indicators related to its investees. Particularly, the following items are considered, among others: i) business performance; ii) share prices throughout the period; and iii) the target prices published by renowned independent analysts.

The methodology of determining the recoverable value for the stakes is based on dividend discount models (DDM).

A summary of the ranges of assumptions used and the ranges of contrasting sensitivity are provided below:

ASSUMPTIONS USED AND SENSITIVITY SCENARIOS
(Percentage)

	SEGURCAIXA ADESLAS (2)			CORAL HOMES (3)	
	31-12-2021	31-12-2020	31-12-2019	31-12-2021	31-12-2020
Forecast periods	5 years	5 years	5 years	4 years	4 years
Discount rate (after tax)	7.68%	8.24%	8.13%	6.21%	7.00%
Growth rate (1)	2%	2%	2%		
Target capital/solvency ratio	100%	100%	100%		

(1) Corresponds to the normalised growth rate used to calculate the fair value
(2) The exercise to determine the fair value considers the sensitivity with respect to the discount rate of [-0.68%; +1.32%] and the growth rate of [-0.5%; +0.5%].
(3) The valuation exercise on the minority stake in the share capital of Coral Homes has been conducted with static methodology (NNAV), using dynamic methodology (DDM) as a contrast. At 31 December 2021, no need for any value correction has been proven. Similarly, the individual valuation exercise of the real estate assets of Coral Homes, conducted by an independent third-party consultant on 31 December 2021, has highlighted the existence of material unrealised gains that are expected to be able to materialise throughout the coming years.

Financial information of associates

Below, selected information is displayed on significant investments in entities accounted for using the equity method, which is additional to the information presented in Appendices 2 and 3:

SELECTED INFORMATION OF ASSOCIATES

	SEGURCAIXA ADESLAS	CORAL HOMES
Nature of the company's activities	Strategic alliance with Mutua Madrileña for the development, marketing and distribution of the general non-life insurance cover.	Purchasing, holding, managing, administrating, swapping, leasing and selling all kinds of real estate assets, with their associated or accompanying furnishing elements, as well as promoting and carrying out all kinds of real estate developments.
Country of incorporation and countries of operation	Spain	Spain
Restrictions on dividend payments	Constraints on the allocation of dividends based on solvency level of the company, in order to ensure that the existing regulatory and contractual requirements are met.	

17. Assets and liabilities under the insurance business

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

ASSETS AND LIABILITIES UNDER THE INSURANCE BUSINESS

(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Financial assets under the insurance business *	**83,464**		**77,241**		**72,683**	
Financial assets held for trading	**111**		**545**		**1,066**	
Debt securities	111		545		1,066	
Financial assets designated at fair value through profit or loss **	**20,557**		**14,705**		**12,150**	
Equity instruments	13,159		9,301		7,704	
Debt securities	7,316		5,297		3,980	
Loans and advances - Credit institutions	82		107		466	
Available-for-sale financial assets	**62,480**		**61,643**		**58,763**	
Debt securities	62,480		61,643		58,763	
Loans and receivables	**196**		**218**		**530**	
Debt securities	133		189		350	
Loans and advances - Credit institutions	63		29		180	
Assets under insurance and reinsurance contracts	120		130		174	
Liabilities under the insurance business		**79,834**		**75,129**		**70,807**
Contracts designated at fair value through profit or loss		19,365		14,608		12,248
Liabilities under insurance contracts		60,469		60,521		58,559
Unearned premiums		9		2		4
Mathematical provisions		59,024		59,533		57,830
Claims		1,357		899		687
Bonuses and rebates		79		87		38

(*) The Group's insurance companies (VidaCaixa, BPI Vida y Pensões and Bankia Vida) have decided to make use of the temporary exemption from IFRS 9, which is why its financial instruments are presented in accordance with IAS 39 in the heading "Assets under the insurance business" of the accompanying balance sheet (see Note 1)

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

17.1. Available-for-sale financial assets

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

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

	31-12-2021	31-12-2020	31-12-2019
Equity instruments			
Debt securities	**62,480**	**61,643**	**58,763**
Spanish government debt securities	52,943	51,613	49,977
Foreign government debt securities	7,049	6,708	5,732
Issued by credit institutions	2,488	2,917	2,629
Other foreign issuers		405	425
TOTAL	**62,480**	**61,643**	**58,763**
Debt securities			
Of which: gross unrealised gains *	11,336	15,769	13,362
Of which: gross unrealised losses			

(*) The Group applies the accounting option provided for in IFRS 4, called "shadow accounting" (see Note 2.21), which allows it to record capital gains as a higher amount of “liabilities to the insurance business”.

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

CHANGES IN DEBT SECURITIES
(Millions of euros)

	2021	2020	2019
Opening balance	61,643	58,763	51,345
Plus:			
Additions due to business combinations	5,892		
Acquisitions	11,520	5,894	15,388
Gains/(losses) recognised with adjustments to equity	(3,112)	1,709	3,710
Less:			
Sales and redemptions	(13,649)	(4,461)	(11,383)
Implicit accrued interest	186	(262)	(297)
CLOSING BALANCE	**62,480**	**61,643**	**58,763**

17.2. Assets under insurance and reinsurance contracts

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

CHANGES IN ASSETS UNDER INSURANCE OR REINSURANCE CONTRACTS
(Millions of euros)

	2021	2020	2019
Opening balance	130	174	225
Additions due to business combinations	2		
Provision	118	130	174
Amounts used	(130)	(174)	(225)
FINAL BALANCE	**120**	**130**	**174**

This balance sheet heading mainly covers mathematical provisions relating to Berkshire Hathaway Life Insurance Company of Nebraska, assumed as a result of the reinsurance agreement signed in 2012 by VidaCaixa to mitigate longevity risk associated with its life annuities savings portfolio.

17.3. Liabilities under the insurance business

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

CHANGES IN LIABILITIES UNDER INSURANCE CONTRACTS
(Millions of euros)

	2021	2020	2019
Opening balance	**75,129**	**70,807**	**61,519**
Additions due to business combinations	5,214		
Provision	74,620	75,129	70,807
Amounts used	(75,129)	(70,807)	(61,519)
FINAL BALANCE	**79,834**	**75,129**	**70,807**
Of which: Unearned premiums and unexpired risks	8	2	4
Of which: Life insurance – risk	439	487	506
Of which: Life insurance – saving	58,549	59,047	57,324
Of which: Life insurance – other	19,365	14,607	12,248
Of which: Claims	1,394	899	687
Of which: Provisions for bonuses and rebates	79	87	38
Of which: Technical provisions			

The following table shows the key cases at the close of the financial year for calculating the mathematical provisions of insurance in Spain and Portugal:

ACTUARIAL ASSUMPTIONS FOR MEASURING PROVISIONS

PRODUCT	BIOMETRIC TABLES	AVERAGE TECHNICAL INTEREST RATE
Life annuities - PVI	According to the different types, the tables GR-80, GR-80 less two years, GR-95 and GK-95 are used. From 21 December 2012, according to the type, the tables PASEM 2010 Unisex (sector mix), GR-95 Unisex (company mix, savings portfolio), PER2000P Unisex (company mix, savings portfolio) or PER2000P Women (from 70 years) are used. From 01/01/2021, the tables PASEM2020 VIDACAIXA NOT RELATED (unisex) or PER2020 Individual 1st order (unisex) are used according to type.	1.78%
Life annuities - Pension 2000	According to different types, the tables GR-70, GR-80, GK-80, GR-95 and GK-95 are used. From 21/12/2012 the GR-95 Unisex (company mix, savings portfolio) tables are used. From 01/01/2021 the tables PER2020 Individual 1st order (unisex) are used.	6.80%
GBPs/ISPs	According to the types, the tables GR-80 less two years, GR-95 and GK-95 are used. For the new production from 21/12/2012 the tables PASEM 2010 Unisex (sector mix) are used. From 01/01/2021 the tables PASEM2020 VIDACAIXA NO RELACIONADOS (unisex) are used.	0.10%
Group insurance	According to different types, the tables GR-80, GR-80 less two, GR-70, GR-95 and PER2000P are used. From 21/12/2012, the tables PER2000P Unisex or PASEM2010 Unisex are used, according to type. From 01/01/2021 the tables PER2020 Groups 1st order (differentiating between sex) are used and, according to the type, PER2020 Groups 1st order (unisex).	Variable
Unit Link	According to different types, the tables GK-80, GK-95 and INE 2005 are used. From 21/12/2012 the PASEM 2010 Unisex (sector mix) tables are used. From 01/01/2021 the tables PASEM2020 VIDACAIXA NO RELACIONADOS (unisex and with age criterion reduction) are used.	-

The Group holds sufficient technical provisions without needing to apply the transition period laid down in the Ruling regarding the mortality and survival tables to be used by insurance and reinsurance companies from 17 December 2020.

17.4. Selected information on financial assets under the insurance business

In addition to applying the temporary exemption from IFRS 9 to insurance companies controlled by the Group, the disclosure requirements of which are shown below, and in Notes 3 and 40.1, the aforementioned deferral has also been applied to SegurCaixa Adeslas (affiliated company of the Group). The impact on the value of financial instruments associated with the application of IFRS 9 in this company is not deemed significant, due to the low credit risk of the counterparties of its financial instruments.

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

COMPLIANCE WITH SPPI TEST
(Millions of euros)

	SPPI*	Non-SPPI	TOTAL
Financial assets not held for trading and not managed by their fair value	62,480		62,480

AMOUNT OF THE CHANGE IN FAIR VALUE DURING 2021
(Millions of euros)

	SPPI*	Non-SPPI	TOTAL
Financial assets not held for trading and not managed by their fair value	837		837

(*) The insurance companies use a combination of financial instruments in the financial immunisation strategies to cover the risks to which their activities are exposed. For these purposes, in the investment operations of the Group's insurance business, different fixed-income securities include financial swaps which, in accordance with the sector practice and the applicable monitoring criteria, are recognised jointly, whether it is in "Available-for-sale financial assets" or in the amortised cost portfolio, and the fair value is shown in the top table.
These financial swaps individually assessed only taking into account their legal form will not pass the SPPI test considered in IFRS 9. Following on from this, within the framework of the project to implement IFRS 9 which is ongoing in the insurance companies, the Group has analysed the different accounting alternatives considered in the regulatory framework (including hedge accounting) jointly with the main changes that will be introduced by IFRS 17 Insurance Contracts in the assessment of technical provisions; the ultimate aim of all the foregoing is to avoid asymmetries in the income statement and assets of the Group.
As regards the fixed-income instruments, the insurance companies have not estimated as 'material' the expected loss which, in the first adoption of IFRS 9, would be recorded under reserves.

18. Tangible assets

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

CHANGES IN TANGIBLE ASSETS
(Millions of euros)

	2021			2020			2019		
	LAND AND BUILDINGS	INSTAL. FURNITURE AND OTHER	RIGHTS OF USE*	LAND AND BUILDINGS	INSTAL. FURNITURE AND OTHER	RIGHTS OF USE*	LAND AND BUILDINGS	INSTAL. FURNITURE AND OTHER	RIGHTS OF USE*
Cost									
Opening balance	2,513	4,673	1,693	2,594	4,484	1,625	2,615	4,223	
Additions due to BC (Note 7)	1,576	2,706	615						
1st application IFRS 16 (Note 1)									1,409
Additions	44	314	160	65	337	123	130	384	120
Disposals	(4)	(412)	(62)	(5)	(170)	(61)	(13)	(194)	(31)
Transfers **	(365)	(1,062)	(191)	(141)	22	6	(138)	71	127
CLOSING BALANCE	3,764	6,219	2,215	2,513	4,673	1,693	2,594	4,484	1,625
Accumulated depreciation									
Opening balance	(523)	(3,137)	(246)	(547)	(3,081)	(130)	(543)	(3,052)	
Additions due to BC (Note 7)	(393)	(2,465)	(187)						
Additions	(57)	(206)	(161)	(10)	(191)	(134)	(33)	(181)	(132)
Disposals	(8)	339	21	6	134	18	12	158	1
Transfers **	49	1,041	187	28	1		17	(6)	1
CLOSING BALANCE	(932)	(4,428)	(386)	(523)	(3,137)	(246)	(547)	(3,081)	(130)
Impairment allowances									
Opening balance	(14)	(9)		(18)	(12)		(19)	(14)	
Additions due to BC (Note 7)	(21)								
Allowances (Note 37)	(16)						(3)		
Provisions (Note 37)				4	1		5	2	
Transfers **		8			2		(1)		
Amounts used	(1)	(1)							
CLOSING BALANCE	(52)	(2)		(14)	(9)		(18)	(12)	
OWN USE, NET	**2,780**	**1,789**	**1,829**	**1,976**	**1,527**	**1,447**	**2,029**	**1,391**	**1,495**
Cost									
Opening balance	2,980	101		3,314	104		3,857	106	
Additions due to BC (Note 7)	599								
Additions	55	(4)		13	2		4	6	
Disposals	(831)	(7)		(239)	(5)		(369)	(5)	
Transfers **	8	3		(108)			(178)	(3)	
CLOSING BALANCE	2,811	93		2,980	101		3,314	104	
Accumulated depreciation									
Opening balance	(209)	(41)		(192)	(35)		(187)	(32)	
Additions due to BC (Note 7)	(42)								
Additions	(37)	(8)		(37)	(8)		(41)	(7)	
Disposals	60	3		17	2		23	1	
Transfers **	11	3		3			13	3	
CLOSING BALANCE	(217)	(43)		(209)	(41)		(192)	(35)	
Impairment allowances									
Opening balance	(824)			(824)			(932)		
Additions due to BC (Note 7)	(153)								
Allowances (Note 37)	(57)			(145)			(111)		
Provisions (Note 37)	82			65			66		
Transfers **	72			23			53		
Disposals	168								
Amounts used	(67)			57			100		
CLOSING BALANCE	(779)			(824)			(824)		
INVESTMENT PROPERTY	**1,815**	**50**		**1,947**	**60**		**2,298**	**69**	

BC: business combination; INSTAL.: Installations

(*) Corresponds to the rights of use of land and buildings. With regard to right-of-use assets, the heading 'Other financial liabilities - Liabilities associated to right-of-use assets' (see Note 22.4) includes the current value of future lease payments during the mandatory period of the contract.

(**) They mainly include the value of real estate reclassified from other balance sheet headings: from "Own use" when a branch is closed or from "Non-current assets and disposal groups classified as held for sale" when the asset is put up for rent (see Note 21).

Property, plant and equipment for own use

Property, plant and equipment for own use are allocated to the Banking Business cash-generating unit (CGU) and at year-end they do not present any indication of impairment (see Note 19). In addition, the Group carries out regular individualised valuations of certain property for own use classified as "Land and buildings". At year-end, the available valuations do not indicate the existence of any material impairment.

Selected information about property, plant and equipment of own use is presented below:

OTHER INFORMATION ABOUT PROPERTY, PLANT AND EQUIPMENT FOR OWN USE
(Millions of euros)

	31-12-2021
Fully amortised assets still in use	1,265
Commitments to acquire tangible assets*	Insignificant
Assets with ownership restrictions	Insignificant
Assets covered by an insurance policy	100% **

(*) Sales made in previous years with sale and leaseback agreements include buy options that may be exercised by the Group on termination of the lease agreement at the market value of the offices at that date, to be determined where appropriate by independent experts.

(**) Some of the insurance policies have an excess. CaixaBank is the holder of a corporate policy subscribed with a third party that covers material damage to the Group's material asset.

19. Intangible assets

19.1. Goodwill

The breakdown of this heading is as follows:

BREAKDOWN OF GOODWILL
(Millions of euros)

	CGU	31-12-2021	31-12-2020	31-12-2019
Acquisition of Banca Cívica	Banking	2,020	2,020	2,020
Acquisition of Banca Cívica Vida y Pensiones	Insurance	137	137	137
Acquisition of Cajasol Vida y Pensiones	Insurance	50	50	50
Acquisition of Cajacanarias Vida y Pensiones	Insurance	62	62	62
Acquisition of Banca Cívica Gestión de Activos	Banking	9	9	9
Acquisition of the Morgan Stanley business in Spain	Banking/Insurance *	402	402	402
Acquisition of Bankpime	Banking	40	40	40
Acquisition of VidaCaixa	Insurance	331	331	331
Acquisition of Bankia Vida **	Insurance	404		
TOTAL		**3,455**	**3,051**	**3,051**

(*) Of which EUR 3.7 million are allocated to the Insurance CGU and the remainder to the Banking CGU.
(**) The accounting standard allows the acquirer to report provisional amounts for the assets acquired and liabilities assumed for no more than one year, the allocation to goodwill being provisional (see Note 7).

19.2. Other intangible assets

The breakdown of this heading is as follows:

BREAKDOWN OF OTHER INTANGIBLE ASSETS *
(Millions of euros)

	USEFUL LIFE	CGU	REMAINING USEFUL LIFE	31-12-2021	31-12-2020	31-12-2019
Software and other	4 to 15 years		1 to 15 years	903	784	641
Customer relationships (core deposits) of Barclays Bank	-	Banking			8	10
Bankia asset management	12 years	Banking	12 years	110		
Bankia insurance brokerage	13 years	Banking	13 years	100		
Bankia card business	7 years	Banking	7 years	138		
Asset management (FI & SICAVs)	13 years	Banking	13 years	65		
Asset management (PF)	15 years	Insurance	15 years	92		
Insurance portfolio of Banca Cívica y Pensiones	10 years	Insurance	1.5 years	6	13	20
Insurance portfolio of CajaSol Vida y Pensiones	10 years	Insurance	1.5 years	2	3	5
Insurance portfolio of CajaCanarias Vida y Pensiones	10 years	Insurance	1.5 years	1	2	3
Customer funds of Banco de Valencia	-	Banking			1	1
Customer funds of Barclays Bank	10 years	Insurance	4.5 years	10	12	14
Contracts with Banca Cívica Gestión de Activos customers	10 years	Banking	1.5 years	2	2	2
Contracts with Barclays Gestión de Activos customers	9 years	Banking	2 years	1	2	3
Customer relationships (core deposits) of BPI	-	Banking			12	19
BPI brand		Banking	Indefinite	20	20	20
Life insurance portfolios of BPI Vida	5 to 10 years	Insurance	1 to 5 years	1	5	8
Customer portfolios - asset management	10 years	Banking	5 years	9	10	12
Customer portfolios - Insurance brokerage	10 years	Banking	5 years	14	17	20
Deposit portfolio	6 years	Banking	1 year	4	7	10
TOTAL				**1,478**	**898**	**788**

Beyond the provisions of Note 41 on the "la Caixa" brand, the Group's activities are not dependent on or significantly influenced by patents or licences, industrial contracts, new manufacturing processes or special commercial or financial contracts.

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

CHANGES IN OTHER INTANGIBLE ASSETS
(Millions of euros)

	2021		2020		2019	
	SOFTWARE	OTHER ASSETS	SOFTWARE	OTHER ASSETS	SOFTWARE	OTHER ASSETS
Gross cost						
Opening balance	1,464	336	1,518	375	1,348	637
Additions due to business combinations (Note 7)		554				
Additions	266	54	255	32	201	31
Transfers and other	34	(53)	19	(37)	(29)	(33)
Write-downs (Note 37)	(194)	(62)	(327)	(34)		(147)
Other disposals	(7)		(1)		(2)	(113)
SUBTOTAL	1,563	829	1,464	336	1,518	375
Accumulated depreciation						
Opening balance	(687)	(210)	(891)	(209)	(791)	(396)
Additions due to business combinations (Note 7)			1			
Additions	(149)	(77)	(125)	(35)	(108)	(44)
Transfers and other	(1)	12	7	1	7	
Write-downs (Note 37)	152	51	319	33		124
Other disposals	7		2		1	107
SUBTOTAL	(678)	(224)	(687)	(210)	(891)	(209)
Impairment allowances						
Opening balance		(5)		(5)		(1)
Additions due to business combinations (Note 7)						
Allowances (Note 37)		(5)				(4)
Recoveries (Note 37)						1
Transfers and other		(2)				(1)
Amounts used						
CLOSING BALANCE		(12)		(5)		(5)
TOTAL	**885**	**593**	**777**	**121**	**627**	**161**

Selected information related to other intangible assets is set out below:

OTHER INFORMATION ABOUT OTHER INTANGIBLE ASSETS
(Millions of euros)

	31-12-2021
Fully amortised assets still in use	568
Commitments to acquire intangible assets	Insignificant
Assets with ownership restrictions	Insignificant

Impairment test of the banking CGU

For the purpose of analysing the recoverable amount of the Banking Business CGU, the Group performs a regular allocation of the Group's capital based on internal regulatory capital models, which take into account the risks assumed by each of the businesses. The amount to be recovered from the CGU is compared to its recoverable amount to determine any potential impairment.

The recoverable amount is based on value in use, which was determined by discounting the estimated dividends over the medium term obtained from the projection of the budget with a time horizon of 6 years. In addition, the projected cash flows are updated every six months to factor in any potential deviations to the model.

The projections are determined using assumptions based on the macroeconomic data applicable to the Group's activity, contrasted by means of renowned external sources and the entities' internal information. A summary of the ranges of assumptions used and the ranges of contrasting sensitivity are provided below:

ASSUMPTIONS USED AND BANKING BUSINESS CGU SENSITIVITY SCENARIOS
(Percentage)

	31-12-2021	31-12-2020	31-12-2019	SENSITIVITY RANGE
Discount rate (after tax) *	7.6%	8.2%	7.5%	[-0.5%; + 2.5%]
Growth rate **	1.0%	1.0%	1.0%	[-0.5%; + 1.0%]
Net interest income over average total assets (NII) ***	[0.92% - 1.28%]	[1.15% - 1.30%]	[1.21% - 1.46%]	[-0.05%; + 0.05%]
Cost of risk (CoR)	[0.24% - 0.39%]	[0.82% - 0.39%]	[0.26% - 0.36%]	[-0.1%; + 0.1%]

(*) Calculated on the yield for the German 10-year bond, plus a risk Premium. At 31 December 2021, 2020 and 2019, the pre-tax discount rate stood at 10.9%, 11.7% and 10.8%, respectively.
(**) Corresponds to the normalised growth rate used to calculate the net carrying value.
(***) Net interest income on average total assets.

At the close of the financial year, it has been confirmed that the projections used in the previous impairment test and actual figures would not have affected the conclusions of that test.

Taking into account the excess of the recoverable value over the carrying amount, the Group does not consider that any reasonably possible change in any of the assumptions could, in isolation, cause the carrying amount to exceed the recoverable value.

The judgements and estimates on the basis of which the key assumptions have been determined are those which the Group considers to be the most plausible and which, therefore, best reflect the value of the banking business.

Impairment test of the Insurance CGU

The methodology for estimating the value of the insurance CGU in use is the same as the methodology for the banking CGU, and the results obtained have not highlighted any indications of impairment at the close of the financial year.

A summary of the ranges of assumptions used and the ranges of contrasting sensitivity are provided below:

ASSUMPTIONS USED AND INSURANCE BUSINESS CGU SENSITIVITY SCENARIOS
(Percentage)

	31-12-2021	31-12-2020	31-12-2019	SENSITIVITY
Discount rate (after tax)	8.71%	8.81%	8.68%	[-0.5%; + 0.5%]
Growth rate *	1.50%	1.50%	2.00%	[-0.5%; + 0.5%]

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

20. Other assets and other liabilities

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

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

	31-12-2021	31-12-2020	31-12-2019
Inventories	**96**	**75**	**54**
Other assets	**2,041**	**1,127**	**2,147**
Net pension plan assets (Note 23.1)	362		10
Prepayments and accrued income	1,035	669	715
Ongoing transactions	349	284	271
Dividends on equity securities accrued and receivable	62	3	7
Other	233	171	1,144
TOTAL OTHER ASSETS	**2,137**	**1,202**	**2,201**
Prepayments and accrued income	1,410	1,132	1,143
Ongoing transactions	478	702	446
Other	227	161	573
TOTAL OTHER LIABILITIES	**2,115**	**1,995**	**2,162**

Breakdown of distribution agreements with Mapfre for non-life insurance

On 29 December 2021, the Group reached an agreement with Mapfre for the termination of the agency contract signed between Mapfre and Bankia Mediación Operador de Banca de Seguros Vinculado, SAU (Bankia Mediación) for the distribution of non-life insurance for which compensation amounting to EUR 247 million was agreed and paid in cash, corresponding to 110% of the value of the new production (excluding the existing portfolio) of the non-life insurance business, as determined by the independent expert designated by the parties. The amount has been paid by CaixaBank through its subsidiary company Bankia Mediación.

Of the total amount of the compensation, a total of EUR 106 million has been used from the header “Provisions - Other provisions” of the balance sheet linked to the amount recognised in the PPA exercise (see Note 7). The remainder has been recorded as an advance expense in the “Other Assets” heading of the balance sheet as this is an amount that the Group has had to assume to be able to provide access to a greater network of branches free of any agreement in which non-life insurance products that are currently being marketed will be distributed. The Group's directors estimate that the anticipated expense will be recovered with the agreement arranged (see Note 1.10) with SegurCaixa Adeslas/Mutua Madrileña. The economic terms of this agreement have been approved by the Group's Senior Management at the time of preparing these financial statements and are expected to be ratified by the SegurCaixa Adeslas Annual General Meeting.

Mapfre and CaixaBank have agreed to refer to arbitration in order to determine whether the latter is obliged, under the aforementioned bancassurance agreements, to pay the former an additional amount of EUR 23 million, corresponding to 10% of the value of the non-life business as determined by the independent expert.

The breakdown of the changes of the balance under "Inventories" is as follows:

CHANGES IN INVENTORIES
(Millions of euros)

	2021		2020		2019	
	FORECLOSED ASSETS	OTHER ASSETS	FORECLOSED ASSETS	OTHER ASSETS	FORECLOSED ASSETS	OTHER ASSETS
Gross cost, inventories						
Opening balance	80	31	53	35	38	43
Plus:						
Acquisitions	8	201	14	125	3	215
Transfers and other		1	18		15	
Less:						
Sales	(10)	(176)	(5)	(129)	(3)	(224)
Transfers and other *	(2)	(3)				1
CLOSING BALANCE	76	54	80	31	53	35
Impairment allowances, inventories						
Opening balance	(35)	(1)	(33)	(1)	(23)	(1)
Plus:						
Net allowances (Note 37)	(3)	(1)	(2)	0		
Transfers and other	2	(1)		0	(11)	
Less:						
Amounts used	5				1	
CLOSING BALANCE	(31)	(3)	(35)	(1)	(33)	(1)
INVENTORIES	**45**	**51**	**45**	**30**	**20**	**34**

(*) They mainly include the value of the constructions/land fields reclassified from other balance sheet headings: from "Investment property" or "Non-current assets and disposal groups classified as held for sale" (see Notes 18 and 21).

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

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

BREAKDOWN OF NON-CURRENT ASSETS FOR SALE

(Millions of euros)

	2021			2020			2019		
	FORECLOSED ASSETS			FORECLOSED ASSETS			FORECLOSED ASSETS		
	FORECLOSURE RIGHTS (1)	OTHER ASSETS (2)	OTHER	FORECLOSURE RIGHTS (1)	OTHER ASSETS (2)	OTHER	FORECLOSURE RIGHTS (1)	OTHER ASSETS (2)	OTHER
Gross cost									
Opening balance	133	1,351	273	183	1,333	314	267	1,033	301
Additions due to business combinations (Note 7)	130	1,702	326						
Additions	82	102	215	33	75	86	128	175	61
Transfers and other (3)	(120)	716	1,782	(83)	205	73	(212)	427	62
Disposals for the year		(654)	(1,790)		(262)	(200)		(302)	(110)
CLOSING BALANCE	225	3,217	806	133	1,351	273	183	1,333	314
Impairment allowances									
Opening balance	(35)	(458)	(66)	(41)	(390)	(45)	(55)	(280)	(27)
Additions due to business combinations (Note 7)	(17)	(504)	(68)						
Allowances (Note 39)		(228)	(1)		(159)	(43)		(149)	(37)
Recoveries (Note 39)	1	104	1		87	8		45	7
Transfers and other (4)	4	(82)	(82)	6	(70)	1	14	(73)	(1)
Amounts used		188	33		74	13		67	13
CLOSING BALANCE	(47)	(980)	(183)	(35)	(458)	(66)	(41)	(390)	(45)
TOTAL	**178**	**2,237**	**623**	**98**	**893**	**207**	**142**	**943**	**269**

(1) Foreclosure rights are measured initially at the carrying amount at which the asset will be recognised when the definitive foreclosure occurs.
(2) Mainly includes: investments reclassified as non-current assets held for sale, assets deriving from the termination of operating lease agreements and closed branches.
(3) Includes mainly reclassifications of foreclosure rights to "Other foreclosed assets" or "Tangible assets - Investment property" when the property is put up for lease, for assets from credit regularisations (see Note 18) and reclassification of investments (see Note 16).
(4) Includes provisions recognised to cover against the risk of insolvency on credit operations of CaixaBank cancelled through the acquisition of real estate assets by BuildingCenter.

The breakdown, by age, of foreclosed assets, excluding impairment allowances, determined on the basis of the foreclosure date, is as follows:

AGE OF FORECLOSED

(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	No. OF ASSETS	GROSS AMOUNT	No. OF ASSETS	GROSS AMOUNT	No. OF ASSETS	GROSS AMOUNT
Up to 1 year	4,510	362	1,519	157	3,015	318
Between 1 and 2 years	2,683	230	3,266	320	4,935	514
Between 2 and 5 years	12,451	1,054	5,850	591	4,319	398
More than 5 years	19,462	1,796	4,917	416	3,427	286
TOTAL	**39,106**	**3,442**	**15,552**	**1,484**	**15,696**	**1,516**

22. Financial liabilities

The breakdown of this heading is as follows:

BREAKDOWN OF FINANCIAL LIABILITIES AT AMORTISED COST 31-12-2021
(Millions of euros)

		VALUATION ADJUSTMENTS				
	GROSS BALANCE	ACCRUED INTEREST	MICROHEDGES	TRANSACTION COSTS	PREMIUMS AND DISCOUNTS	OUT-STANDING AMOUNT
Deposits	**487,093**	**(1,032)**				**486,529**
Central banks	81,671	(1,224)				80,447
Credit institutions	13,590	13				13,603
Customers	391,832	179		(10)	478	392,479
Debt securities issued	**51,720**	**582**		**(11)**	**1,393**	**53,684**
Other financial liabilities	**6,812**					**6,812**
TOTAL	**545,625**	**(450)**	**0**	**(21)**	**1,871**	**547,025**

BREAKDOWN OF FINANCIAL LIABILITIES AT AMORTISED COST - 31-12-2020 (*)
(Millions of euros)

		VALUATION ADJUSTMENTS				
	GROSS BALANCE	ACCRUED INTEREST	MICROHEDGES	TRANSACTION COSTS	PREMIUMS AND DISCOUNTS	OUT-STANDING AMOUNT
Deposits	**301,001**	**(160)**				**300,523**
Central banks	50,377	(287)				50,090
Credit institutions	5,268	(2)				5,266
Customers	245,356	129		(12)	(306)	245,167
Debt securities issued	**35,542**	**420**		**(8)**	**(141)**	**35,813**
Other financial liabilities	**6,067**					**6,067**
TOTAL	**342,610**	**260**	**0**	**(20)**	**(447)**	**342,403**

BREAKDOWN OF FINANCIAL LIABILITIES AT AMORTISED COST - 31-12-2019
(Millions of euros)

		VALUATION ADJUSTMENTS				
	GROSS BALANCE	ACCRUED INTEREST	MICROHEDGES	TRANSACTION COSTS	PREMIUMS AND DISCOUNTS	OUT-STANDING AMOUNT
Deposits	**242,012**	**115**	**0**	**(14)**	**(378)**	**241,735**
Central banks	14,463	(45)				14,418
Credit institutions	6,230	8	0	0	0	6,238
Customers	221,319	152	0	(14)	(378)	221,079
Debt securities issued	**33,382**	**404**	**0**	**(10)**	**(128)**	33,648
Other financial liabilities	**8,592**					8,592
TOTAL	**283,986**	**519**	**0**	**(24)**	**(506)**	**283,975**

22.1. Deposits from credit institutions

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

BREAKDOWN OF DEPOSITS FROM CREDIT INSTITUTIONS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Demand	**2,444**	**1,138**	**1,272**
Reciprocal accounts		7	2
Other accounts	2,444	1,131	1,270
Term or at notice	**11,146**	**4,130**	**4,958**
Deposits with agreed maturity	3,918	3,371	4,039
Hybrid financial liabilities			1
Repurchase agreement	7,228	759	918
TOTAL	**13,590**	**5,268**	**6,230**

22.2. Customer deposits

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

BREAKDOWN OF CUSTOMER DEPOSITS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
By type	**391,832**	**245,356**	**221,319**
Current accounts and other demand deposits	260,810	143,020	123,410
Savings accounts	89,639	77,305	66,143
Deposits with agreed maturity	37,914	22,729	29,632
Hybrid financial liabilities	193	298	655
Repurchase agreements	3,276	2,004	1,479
By sector	**391,832**	**245,356**	**221,319**
Public administrations	19,853	13,136	11,030
Private sector	371,979	232,220	210,289

22.3. Debt securities issued

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

BREAKDOWN OF DEBT SECURITIES ISSUED
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Mortgage covered bonds	20,854	14,497	15,539
Plain vanilla bonds *	17,104	11,729	8,734
Securitised bonds	1,627	1,077	1,387
Structured notes	1,384	1,436	1,619
Promissory notes	591	653	703
Preference shares	5,000	3,000	2,250
Subordinated debt	5,160	3,150	3,150
TOTAL	**51,720**	**35,542**	**33,382**

(*) Includes plain vanilla bonds or ordinary bonds and non-preference plain vanilla bonds or ordinary bonds

The changes in the balances of each type of securities issued is as follows:

CHANGES IN DEBT SECURITIES ISSUED
(Millions of euros)

	MORTGAGE COVERED BONDS	PUBLIC SECTOR COVERED BONDS	PLAIN VANILLA BONDS	ASSET-BACKED SECURITIES	STRUCTURED NOTES	SUBORDINATED DEBT	PREFERENCE SHARES
Gross balance							
Opening balance 2019	56,543	5,900	4,684	37,595	741	3,459	2,250
Issuances	2,415		4,382	4,032	1,092		275
Depreciation and amortisation	(4,700)		(295)	(9,720)	(51)		
Exchange differences and other	2						
CLOSING BALANCE 2019	54,260	5,900	8,771	31,907	1,782	3,459	2,525
Repo securities							
Opening balance 2019	(39,970)	(5,900)	(291)	(35,775)	(45)	(309)	
Buy-backs				(3,308)			(275)
Repayments and other	1,249		254	8,563	(118)		
CLOSING BALANCE 2019	(38,721)	(5,900)	(37)	(30,520)	(163)	(309)	(275)
CLOSING NET BALANCE 2019	**15,539**		**8,734**	**1,387**	**1,619**	**3,150**	**2,250**
Gross balance							
Opening balance 2020	54,260	5,900	8,771	31,907	1,782	3,459	2,525
Issuances			3,000	425			750
Depreciation and amortisation	(1,244)	(1,500)	(40)	(14)	(193)		
Exchange differences and other							
CLOSING BALANCE 2020	53,016	4,400	11,731	32,318	1,589	3,459	3,275
Repo securities							
Opening balance 2020	(38,721)	(5,900)	(41)	(30,520)	(163)	(309)	(275)
Buy-backs							
Repayments and other	202	1,500	39	(721)	10		
CLOSING BALANCE 2020	(38,519)	(4,400)	(2)	(31,241)	(153)	(309)	(275)
CLOSING NET BALANCE 2020	**14,497**		**11,729**	**1,077**	**1,436**	**3,150**	**3,000**
Gross balance							
Opening balance 2021	53,016	4,400	11,731	32,318	1,589	3,459	3,275
Additions due to business combinations (Note 7)	17,671		2,599	6,518		1,675	1,250
Issuances	6,064	1,000	2,787	2,302		1,000	750
Depreciation and amortisation	(7,424)			(5,719)		(665)	
CLOSING BALANCE 2021	69,327	5,400	17,117	35,419	1,589	5,469	5,275
Repo securities							
Opening balance 2021	(38,519)	(4,400)	(2)	(31,241)	(153)	(309)	(275)
Additions due to business combinations (Note 7)	(8,892)			(1,063)			
Buy-backs	(6,529)	(1,000)	(11)	(2,302)	(52)		
Repayments and other	5,467			814			
CLOSING BALANCE 2021	(48,473)	(5,400)	(13)	(33,792)	(205)	(309)	(275)
CLOSING NET BALANCE 2021	**20,854**		**17,104**	**1,627**	**1,384**	**5,160**	**5,000**

The breakdown of preference share issues are as follows:

BREAKDOWN OF PREFERENCE SHARE ISSUES
(Millions of euros)

				OUTSTANDING AMOUNT		
DATE OF ISSUE	MATURITY	NOMINAL AMOUNT	NOMINAL INTEREST RATE	31-12-2021	31-12-2020	31-12-2019
June 2017 *	Perpetual	1,000	6.750%	1,000	1,000	1,000
July 2017 **	Perpetual	750	6.000%	750		
March 2018 *	Perpetual	1,250	5.250%	1,250	1,250	1,250
September 2018 **	Perpetual	500	6.375%	500		
September 2019 *	Perpetual	275	6.500%	275	275	275
October 2020 *	Perpetual	750	5.875%	750	750	
September 2021*	Perpetual	750	3.675%	750		
PREFERENCE SHARES				5,275	3,275	2,525
Own securities purchased				(275)	(275)	(275)
TOTAL				**5,000**	**3,000**	**2,250**

(*) They are perpetual Additional Tier 1 Instruments, although they may be (partially or totally) redeemed under specific circumstances at the option of CaixaBank (once at least five years have elapsed from their issue date according to the specific conditions of each of them, and with the prior consent of the corresponding competent authority) and, in all cases, are convertible into ordinary newly-issued shares of the entity if CaixaBank or CaixaBank Group has a Common Equity Tier 1 ratio (CET1) of less than 5.125%, calculated in accordance with European Regulation 575/2013, of 26 June, of the European Parliament and Council, on prudential requirements of credit institutions and investment firms ("CRR"). The conversion price of the preference shares shall be the highest of i) the volume-weighted daily average price of CaixaBank's shares in the five trading days prior to the day the corresponding conversion is announced, ii) the Conversion Floor Price and iii) the nominal value of CaixaBank's shares at the time of conversion.
(**) From the business combination with Bankia (see Note 7).

The breakdown of subordinated debt issues is as follows:

BREAKDOWN OF SUBORDINATED DEBT ISSUES
(Millions of euros)

				OUTSTANDING AMOUNT		
DATE OF ISSUE	MATURITY	NOMINAL AMOUNT	NOMINAL INTEREST RATE	31-12-2021	31-12-2020	31-12-2019
15-02-2017	15-02-2027	1,000	3.500%	510	1,000	1,000
15-03-2017 *	17-07-2028	500	3.375%	500		
07-07-2017	07-07-2042	150	4.000%	150	150	150
14-07-2017	14-07-2028	1,000	2.750%	1,000	1,000	1,000
17-04-2018	17-04-2030	1,000	2.250%	1,000	1,000	1,000
15-02-2019 *	15-02-2029	1,000	3.750%	1,000		
18-03-2021	18-06-2031	1,000	1.250%	1,000		
SUBORDINATED DEBT				5,160	3,150	3,150
Own securities purchased						
TOTAL				**5,160**	**3,150**	**3,150**

(*) From the business combination with Bankia (see Note 7).

22.4. Other financial liabilities

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

BREAKDOWN OF OTHER FINANCIAL LIABILITIES
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Payment obligations	1,313	1,215	1,475
Guarantees received	24	24	1,491
Clearing houses	1,314	1,169	1,308
Tax collection accounts	1,461	1,271	1,195
Special accounts	368	426	683
Liabilities associated with right-of-use assets (Note 18)	1,864	1,468	1,509
Other items	468	494	931
TOTAL	**6,812**	**6,067**	**8,592**

The heading "Other financial liabilities - Liabilities associated with right-of-use assets" (see Note 18) presents the current value of future lease payments during the mandatory period of the contract. The movement corresponding to the financial year is as follows:

FUTURE PAYMENTS OF OPERATING LEASE CONTRACTS
(Millions of euros)

	01-01-2019	NET REGISTRATION	FINANC. UPDATE	PAYMENTS	31-12-2019	NET REGISTRATION	FINANC. UPDATE	PAYMENTS	31-12-2020	ADDITION DUE TO BC	NET REGISTRATION	FINANC. UPDATE	PAYMENTS	31-12-2021
Linked to the sales contract and subsequent lease Soinmob Inmobilaria	**591**	29	10	(40)	**590**	12	11	(60)	**553**		78	10	(62)	**579**
Linked to other operational leases	**818**	209	10	(118)	**919**	66	8	(78)	**915**	456	7	8	(101)	**1,285**
TOTAL	**1,409**	**238**	**20**	**(158)**	**1,509**	**78**	**19**	**(138)**	**1,468**	**456**	**85**	**18**	**(163)**	**1,864**
Discount rate applied (according to the term) *														
Spain	[0.10%-1.66%]				[0.10%-1.66%]				[0.10%-1.66%]					[0.10%-1.66%]
Portugal	[0.20%-0.90%]				[0.20%-0.90%]				[0.20%-0.90%]					[0.20%-0.90%]

FINANC. UPDATE: Financial update; BC: Business combination (see Note 7)
(*) The difference in the discount rate applied for businesses in Spain and Portugal is mainly due to the term of the lease agreements in each of them.

22.5. Short-term funding

The breakdown of short-term funding is as follows:

BREAKDOWN OF SHORT-TERM FUNDING
(Millions of euros)

	2021		2020		2019	
	AMOUNT	AVERAGE RATE	AMOUNT	AVERAGE RATE	AMOUNT	AVERAGE RATE
Repurchase agreement						
Closing balance	10,504	(0.14%)	2,763	(0.34%)	2,397	0.15%
Annual average	22,518	(0.40%)	8,957	(0.12%)	7,292	0.40%
Maximum in the period	34,968	(0.43%)	12,164	0.23%	9,735	0.19%
Promissory notes						
Closing balance	591	(0.51%)	653	(0.24%)	703	(0.17%)
Annual average	564	(0.41%)	804	(0.22%)	521	(0.11%)
Maximum in the period	692	(0.51%)	1,054	(0.21%)	754	(0.17%)

23. Provisions

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

MOVEMENT OF PROVISIONS
(Millions of euros)

	PENSIONS AND OTHER POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS	OTHER LONG-TERM EMPLOYEE BENEFITS	PENDING LEGAL ISSUES AND TAX LITIGATION		COMMITMENTS AND GUARANTEES GIVEN		OTHER PROVISIONS
			LEGAL CONTINGENCIES	PROVISIONS FOR TAXES	CONTINGENT RISKS	CONTINGENT COMMITMENTS	
BALANCE AT 31-12-2018	**458**	**1,072**	**429**	**285**	**311**	**44**	**480**
With a charge to the statement of profit or loss	2	979	115	20	(69)	18	102
Provision			148	25	76	81	207
Reversal			(33)	(5)	(145)	(63)	(105)
Personnel expenses	2	979					
Actuarial (gains)/losses	109						
Amounts used	(27)	(324)	(165)	(43)			(132)
Transfers and other	(21)	(17)	15	20	(84)		47
BALANCE AT 31-12-2019	**521**	**1,710**	**394**	**282**	**158**	**62**	**497**
With a charge to the statement of profit or loss	5	138	81	(19)	(30)	(2)	55
Provision		146	117	20	2	67	115
Reversal		(10)	(36)	(39)	(32)	(69)	(60)
Interest cost/(income)	5	2					
Personnel expenses							
Actuarial (gains)/losses	133						
Amounts used	(24)	(423)	(145)	(46)			(113)
Transfers and other	(55)	(27)	2	7	6	(1)	29
BALANCE AT 31-12-2020	**580**	**1,398**	**332**	**224**	**134**	**59**	**468**
Additions due to business combinations (Note 7)	626	105	314	197	258	85	262
With a charge to the statement of profit or loss	(390)	2,296	190	35	(50)	3	216
Provision		33	359	42	(21)	88	389
Reversal		(9)	(169)	(7)	(29)	(85)	(173)
Interest cost/(income)	4						
Personnel expenses *	(394)	2,272					
Actuarial (gains)/losses	(38)						
Amounts used	(45)	(348)	(212)	(24)			(76)
Transfers and other	73	1	150	(39)	18	(46)	(221)
BALANCE AT 31-12-2021	**806**	**3,452**	**774**	**393**	**360**	**101**	**649**

(*) At 1 January 2022, the amendments resulting from the new Labour Agreement signed on 7 July 2021 have entered into force. As regards the complementary social provision, it was agreed to set a fixed annual growth of 0.35% in the future of benefits caused to replace the various criteria established, chiefly based on the CPI (applicable thus far). This remeasurement is applicable to all current and future defined benefit plans, both those implemented through the CaixaBank Employment Pension Plan and those outside it. At the time of the agreement (2021), this resulted in the settlement of the obligations amounting to EUR 394 million.

23.1. Pensions and other post employment defined benefit obligations

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

The Group's defined benefit post-employment benefit obligations are as follows:

- Part of the commitments with employees and former employees of CaixaBank are covered using insurance policies with Group or non-Group insurance companies, mainly from merger processes. In this case, CaixaBank is the insurance policyholder, and the contracts are managed by each insurance company, which also assumes the risks.
- The rest of the obligations vested on the business in Spain arise from the CaixaBank Employment Pension Plan, which features various subplans. These subplans are integrated into two pension funds, namely the fund Pensions Caixa 30, a pension fund that which combines a greater number of holders and beneficiaries. The pension funds insure their defined benefit commitments through different insurance contracts, the policyholder of which is the Pension Plan Control Committee, the majority of which are with VidaCaixa. CaixaBank does not control the Pension funds into which these subplans are integrated, although it holds a minority representation on the Control Committees established in each of them.
- Since most of the defined benefit commitments are covered through the pension funds or through insurance policies taken out directly by CaixaBank —the purpose of which is to ensure the provisions payable by the beneficiaries are equivalent to the provisions insured under the policies taken out— the Group is not exposed to market volatilities and unusual market movements. At different closures, the fair value of the policies taken out directly with VidaCaixa or other companies, and that of pension fund assets (mainly covered through insurance policies), is calculated with a uniform assessment methodology, as laid down in the accounting standard.

  If an insurance policy is a CaixaBank Employment Pension Plan asset and its flows exactly match the amount and timing of the benefits payable under the plan, the fair value of these insurance policies is deemed to be the present value of the related obligations. There will only be a defined benefit net liability when certain commitments are not insured by CaixaBank or the pension fund, for example, longevity queues for which the insurers have not been able to find financial instruments with a sufficiently long duration that replicate the guaranteed payments. Otherwise an asset would be produced as a net position.

  Whilst the insurance policies taken out with insurers external to the Group and the value of the assets held through the Pension Funds are presented in net form on the balance sheet, given that they are eligible assets of the plan and are used to settle the obligations assumed, the fair value of the other policies taken out directly by CaixaBank with VidaCaixa is eliminated in the consolidation process, with the integration of the financial investments of VidaCaixa under the policies in the various heading of the consolidated balance sheet.
- Furthermore, during 2021 and after the merger by acquisition of Bankia (see Note 7), the commitments from the acquired entity have been incorporated into CaixaBank Group. The assets supporting these commitments that are considered eligible (primarily linked to employee pension funds) are presented as net on the balance sheet.

  At 31 December 2021, after acquiring control over 100% of Bankia Vida, this company has become fully consolidated. In this context, the fair value of policies taken out directly by CaixaBank with Bankia Vida is eliminated in the consolidation process, with the integration of the financial investments of Bankia Vida under the policies in the various heading of the consolidated balance sheet.
- Meanwhile, BPI has assumed all the obligations externalised in the "Fundo de Pensões Banco BPI" pension fund, and recognises the present value of the obligations, net of the fair value of plan assets.

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

CHANGES IN PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS
(Millions of euros)

	LINKED *						NOT LINKED **								
	DEFINED BENEFIT OBLIGATIONS			FAIR VALUE OF PLAN ASSETS			DEFINED BENEFIT OBLIGATIONS (A)			FAIR VALUE OF ASSETS INVOLVED (B)			NET (ASSET)/LIABILITY FOR LONG-TERM COMMITMENTS (A+B)		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
OPENING BALANCE	(489)	(473)	(437)	490	473	438	(3,674)	(3,568)	(3,284)	3,583	3,530	3,279	(91)	(38)	(5)
Interest cost (income)	(3)	(4)	(7)	3	4	7	(5)	(15)	(25)	110	41	52	105	26	27
Past service cost	(1)						(17)	(21)	(22)				(17)	(21)	(22)
Interest cost (income)															
COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN PROFIT OR LOSS	(4)	(4)	(7)	3	4	7	(22)	(36)	(47)	110	41	52	88	5	5
Actuarial gains/(Losses) arising from experience assumptions	17	(10)	(19)				36	(112)	(161)				36	(112)	(161)
Actuarial gains/(Losses) arising from financial assumptions	21	(27)	(36)	(30)	39	52	33	(87)	(164)	(106)	104	275	(73)	17	111
COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN EQUITY	38	(37)	(55)	(30)	39	52	69	(199)	(325)	(106)	104	275	(37)	(95)	(50)
Plan contributions				(93)	(1)	2	(4)	(4)	(3)	19	20	21	15	16	18
Plan payments	45	25	27	(45)	(25)	(27)	167	152	160	(168)	(156)	(163)	(1)	(4)	(3)
Settlements	84	2			(1)		310	35	2		(19)	(2)	310	16	
Additions due to business combinations (Note 7)	(626)			478			(131)			137			6		
Transactions	146	(2)	(1)	1	1	1	(70)	(54)	(71)	142	63	68	72	9	(3)
OTHER	(351)	25	26	341	(26)	(24)	272	129	88	130	(92)	(76)	402	37	12
CLOSING BALANCE	**(806)**	**(489)**	**(473)**	**804**	**490**	**473**	**(3,355)**	**(3,674)**	**(3,568)**	**3,717**	**3,583**	**3,530**	**362**	**(91)**	**(38)**
Recognised in															
"Other assets - Net pension plan assets" (Note 20)													362		10
"Provisions - Pensions and other post-employment defined benefit obligations" (Note 23)	(806)	(489)	(473)											(91)	(48)
Type of obligation															
Vested obligations	(804)	(487)	(471)				(2,699)	(2,946)	(2,867)						
Non-vested obligations	(2)	(2)	(2)				(656)	(728)	(701)						
Type of investment															
Implemented through insurance policies				804	490	473				1,771	1,701	1,662			
Investments in real estate assets										395	392	390			
Investments in equity instruments										260	235	215			
Investments in debt instruments										1,250	1,182	1,187			
Investments in other assets										41	73	76			

(*) The obligations are insured with a related company, the Group being the policyholder.
(**) The obligations are insured with a third party or the Group is not the policyholder.

The present value of defined benefit obligations was calculated using the following criteria:

- The "projected unit credit" accrual method has been used, which considers each year of service as giving rise to one additional unit of benefit entitlement and measures each unit separately.
- The estimated retirement age of each employee is the first age at which the employee has the right to retire or the age determined in the agreements, as applicable.
- The actuarial and financial assumptions used in the measurement are unbiased and mutually compatible.

The assumptions used in the calculations regarding business in Spain are as follows:

ACTUARIAL AND FINANCIAL ASSUMPTIONS IN SPAIN

	31-12-2021	31-12-2020	31-12-2019
Discount rate of post-employment benefits (1)	0.84%	0.39%	0.98%
Long-term benefit discount rate (1)	0.01%	(0.26%)	(0.02%)
Mortality tables (2)	PERM-F/2000 - P	PERM-F/2000 - P	PERM-F/2000 - P
Annual pension review rate (3)	0.35%	0% - 2%	0% - 2%
Annual cumulative CPI (4)	2.56%	1.81%	1.90%
Annual salary increase rate	0.75% 2022; 1% 2023; CPI + 0.5% 2024 and onwards	0% 2021; 0.75% 2022; 1% 2023; CPI + 0.5% 2024 and onwards	CPI+0.5%

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

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

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

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

The assumptions used in the calculations regarding BPI's business in Portugal are as follows:

ACTUARIAL AND FINANCIAL ASSUMPTIONS IN PORTUGAL

	31-12-2021	31-12-2020	31-12-2019
Discount rate *	1.26%	1.01%	1.34%
Mortality tables for males **	TV 88/90	TV 88/90	TV 88/90
Mortality tables for females **	TV 90/01 - 2 years	TV 88/90 – 3 years	TV 88/90 – 3 years
Annual pension review rate	0.40%	0.40%	0.40%
Annual salary increase rate	[0.9 - 1.9]%	[0.9 - 1.9]%	[0.9 - 1.9]%

(*) Rate obtained by using a rate curve based on high-rated corporate bonds, with the same currency and terms as the commitments assumed.
(**) The impact of using biometric tables more closely aligned with the insured collective in Portugal has resulted in an actuarial loss of EUR 51 million.

Actuarial valuation of the pension commitments attributed to businesses in Spain and Portugal is carried out by qualified actuaries independent of the Group.

Additionally, in order to preserve the governance of the valuation and the management of the risks inherent to the acceptance in these commitments, CaixaBank has established an activity framework where the ALCO manages hedging proposals for these risks and the Global Risk Committee approves any changes to the criteria to measure the liabilities reflected in these commitments for businesses in Spain.

Below follows a sensitivity analysis of the value of obligations based on the main assumptions used in the actuarial valuation. To determine this sensitivity the calculation of the value of the obligations is replicated, changing the specific variable and maintaining the remaining actuarial and financial assumptions unchanged. One drawback of this method is that it is unlikely that a change will occur in one variable alone as some of the variables may be correlated:

ANALYSIS OF THE SENSITIVITY OF THE OBLIGATIONS
(Millions of euros)

	SPAIN		PORTUGAL	
	+50 bp	-50 bp	+50 bp	-50 bp
Discount rate	(43)	48	(151)	172
Annual pension review rate	1	0	227	(200)

The estimate of the fair value of insurance contracts linked to pensions taken out directly by CaixaBank with VidaCaixa or other companies and of the value of the pension fund assets (also mainly insurance policies) takes into account the value of future guaranteed payments discounted from the same rate curve used for the obligations. Therefore, since the expected flows of payments are matched with those deriving from the policies, the possible fair changes —at the close of the financial year— in the discount rate would have a similar effect on the value of the Group's gross obligations and on the fair value of insurance contracts linked to pensions and the fair value of assets held through pension funds.

Consistent with the provision of Note 2.12, the sensitivity of the obligations has only been calculated when certain commitments are not insured by CaixaBank or the pension fund, for example, certain aforementioned longevity queues for business in Spain.

The estimated payment of the provisions planned for the next 10 years is stated below:

ESTIMATED PAYMENTS OF POST-EMPLOYMENT

(Millions of euros)

	2022	2023	2024	2025	2026	2027-2031
Spain *	50	49	48	46	45	202
Portugal	64	64	64	64	63	308

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

23.2. Provisions for other employee benefits

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

DISASSOCIATION PROGRAMMES

(Millions of euros)

	YEAR RECOGNISED	NUMBER OF PEOPLE	INITIAL PROVISION
Labour agreement 17-07-2014	2014	434	182
Labour agreement for Barclays Bank personnel restructuring 2015	2015	968	187
Labour agreement 29-06-2015 (territorial reorganisation of the workforce)	2015	700	284
Paid early retirements and resignations 16-04-2016	2016	371	160
Labour agreement 29-07-2016	2016	401	121
Paid early retirements and resignations 10-01-2017	2017	350	152
Labour agreement 27-04-2017 - BPI	2017	613	107
Labour agreement 28-04-2017 - Disassociations 2017	2017	630	311
Labour agreement 28-04-2017 - Disassociations 2018	2018	151	67
Labour agreement 08-05-2019	2019	2,023	978
Labour agreement 31-01-2020 - Disassociations 2020	2020	226	109
Labour agreement for restructuring 1-07-2021	2021	6,452	1,884

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

RECONCILIATION OF BALANCES OF OTHER LONG-TERM EMPLOYEE BENEFITS
(Millions of euros)

	NET (ASSET)/LIABILITY FOR DEFINED BENEFIT OBLIGATIONS		
	2021	2020	2019
OPENING BALANCE	1,398	1,710	1,072
Included in profit or loss			
Service cost for the current year	(1)	4	2
Past service cost	2,279	98	978
Interest net cost (income)	1	2	1
Revaluations (gains)/losses	17	34	(2)
COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN PROFIT OR LOSS	2,296	138	979
Other			
Additions due to business combinations (Note 7)	105		
Plan payments	(348)	(423)	(324)
Transactions	1	(27)	(17)
TOTAL OTHER	(242)	(450)	(341)
CLOSING BALANCE	**3,452**	**1,398**	**1,710**
Of which: With pre-retired personnel	232	299	449
Of which: Termination benefits	3,144	753	962
Of which: Supplementary guarantees and special agreements	0	238	181
Of which: Length of service bonuses and other	64	61	60
Of which: Other commitments deriving from Barclays Bank	12	47	58

23.3. Provisions for pending legal issues and tax litigation

Litigiousness in the field of banking and financial products is subject to comprehensive monitoring and control to identify risks that may lead to the outflow of funds from the entity, making the necessary allocations and taking the appropriate measures in terms of adaptation and improving procedures, products and services. 2020 was marked by highly irregular flows conditioned by the effect that the health crisis and the state of emergency have also caused on the normal functioning of the Administration of Justice, although its operation can be deemed to be normalised during 2021.

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

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

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

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

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

IRPH (Mortgage Loan Reference Index)

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

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

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

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

This criterion of the SC has recently been endorsed by the Court of Justice of the European Union in an order on 17 November 2021, ruling on a second question referred for a preliminary ruling by the 38th Court of First Instance of Barcelona (Case C-655/20).

In conclusion, the full validity of the procurement and the absence of risk on the eventual outflow of funds due to a possible declaration of lack of transparency are clarified in accordance with current case law.

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

On 31 December 2021, the total amount of mortgages up to date with payments indexed to the IRPH (mortgage base rate) with individuals is approximately EUR 5,596 million (the majority of which are with consumers).

Litigation linked to consumer credit contracts ("revolving" cards) through the application of the Usury Repression Act of 1908, as a result of the Spanish High Court Judgment dated 04.03.2020.

The Spanish High Court gave a sector-relevant judgment on the contracts of revolving cards and/or deferred-payment cards. The ruling determines i) that the revolving cards are a specific market within credit facilities, ii) that the Bank of Spain publishes a specific interest rate of reference for this product in its Statistical Bulletin, which serves as a compulsory reference to determine the "normal interest rate", iii) that "the average rate of interest of credit operations using credit cards and revolving cards according to the statistics of the Bank of Spain (…) was slightly above 20%" and iv) that an APR such as the one analysed in the particular case, between 26.82%/27.24%, is a "manifestly disproportionate" rate, which entails the invalidity of the contract and the refund of the interest paid. This judgment, unlike the previous one on this subject matter where the supra duplum rule was used to define the disproportionate price —i.e. exceeding twice the ordinary average interest— does not, on this occasion, provide specific criteria or accuracy to determine with legal certainty the amount of excess or difference between the “normal interest rate” that can entail the invalidity of the contract. This circumstance is likely to continue to bring about a significant number of lawsuits and a highly diverse series of judicial criteria, the specific effects of which cannot be currently determined, and which will be subject to specific monitoring and management.

Additionally, CaixaBank and its card-issuing subsidiary, CaixaBank Payments and Consumer, received a class action brought by an Association of Consumers and Users (ASUFIN), which was partially dismissed by Valencia Commercial Court No. 4 on 30 December 2020. Firstly, the process was reduced to an action of eventual cessation of general conditions; the possibility of claiming refunds of amounts was rejected for the ASUFIN and in favour of CaixaBank. Subsequently, the judgment reaffirms this situation, fully dismisses the claim against CaixaBank and solely requests CaixaBank Payments and Consumer to discontinue the advance maturity clause, disregarding all other requests regarding lack of transparency in the operation of cards, interest calculation methods, the right to compensation for debt and the change of conditions under contracts of an indefinite duration. The 9th Section of the Valencia Provincial Court issued ruling no. 1152/2021 of 03-10-2021, by virtue of which it dismissed ASUFIN's appeal and upheld CaixaBank Payments and Consumer's appeal, and consequently dismissed the claim in its entirety, partially overturning the first instance judgment. This ruling is not final.

Based on the best information available to date, the heading "Other Provisions" includes the estimate of present obligations that could arise from legal proceedings, including those relating to revolving and/or deferred payment cards or, to a lesser extent, from personal loans at the interest rate subject to judicial review under these jurisprudential considerations, the occurrence of which has been considered probable.

In any case, any disbursements that may ultimately be necessary will depend on the specific terms of the judgments which the Group must face, and/or the number of claims that are brought, among others. Given nature of these obligations, the expected timing of the outflow of financial resources, in the event they are produced, is uncertain, and, in accordance with the best available information today, the Group also deems that any responsibility arising from these proceedings will not, as a whole, have a material adverse effect on the Group's businesses, financial position or the results of its operations.

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

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

Ongoing investigation in Central Investigation Office no. 5 (PD 67/18)

As a result of a private accusation, a set of corporate operations that took place in 2015 and 2016 were being investigated, together with an asset operation stated by the accusation, but which did not exist (never granted). The Central Investigation Office dismissed the case in an order that has been confirmed in its entirety on appeal. The resolution is final and the procedure has been completed without any impact or materialisation of equity risk for CaixaBank.

Ongoing investigation in Central Investigation Office no. 6 (PD 96/17) Separate record no. 21

In July 2021, the Court decided to summon as subject to investigation the legal person, calling for them to be heard in order to obtain knowledge on the measures implemented in its compliance programmes to prevent crimes or significantly reduce the risk of them being committed. The investigation concerns facts that may eventually be considered as constituting an offence of bribery and disclosure of secrets, if a public official has been deemed to have been fraudulently contracted for alleged private security activities. It resulted in the first procedural appointment as the investigated party, from which CaixaBank may provide explanations and evidence on the procedures, rules and controls of corporate criminal prevention.

On 29 July 2021 a court decision was announced that agreed to file the cause pursued against the bank, in accordance with the evidence provided until that date. On 7 February 2022, this decision was revoked by the Criminal Chamber of the National Court, which understands that the decision to close the case is premature and that further proceedings are necessary to clarify the facts.

Without prejudice to reputational damage arising from a judicial investigation with public scrutiny, it is estimated that this broader study requested by the Chamber will result in a further decision not to prosecute and/or without the involvement or materialisation of a patrimonial risk linked to this criminal proceeding.

Judicial proceedings relating to the 2011 Bankia rights offering

Civil proceedings in respect of the nullity of the subscription of shares.

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

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

Recently, In a judgment of 3 June 2021, the Court of Justice of the European Union resolved a preliminary question raised by the Spanish Supreme Court, clarifying that in cases of issuances intended both for retail investors and to qualified investors, the latter may bring an action for damages based on inaccuracies of the prospectus, although the national court will have to take into account whether such investor had or should have knowledge of the economic situation of the issuer of the public offer of subscription of shares and besides the prospectus. Applying this criterion in the proceedings that gave rise to the question, the Supreme Court considered that, in the specific case in question, it was not proven whether the plaintiff had access to information other than the prospectus.

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

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

Criminal procedure whereby the Court agreed to admit the claim filed by Unión Progreso y Democracia against Bankia, BFA Tenedora de acciones, SAU and the former members of their respective Boards of Directors. Other complaints have subsequently been added to this proceeding concerning persons alleging damages for the listing of Bankia (private prosecution on the indictment) and persons who do not have such status (private prosecution by a person unaffected by the alleged offence). Through the listing, in July 2011 Bankia acquired EUR 3,092 million, of which EUR 1,237 million corresponded to institutional investors and EUR 1,855 million to retail investors. Since the retail investors were practically returned all of the amounts invested in the listing, through the civil procedures or the voluntary payment process opened by Bankia itself, it is considered that the contingency opened with these has been virtually resolved.

On 23 November 2018, within the part of the proceeding concerning civil liability, bail was set at EUR 38.3 million. As of today, there are bail applications pending for the Court for approximately EUR 5.8 million.

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

On 29 September 2020, the Criminal Chamber, section four of the National Court, delivered a judgment (no. 13/2020), acquitting —with all kinds of favourable pronouncement— all the accused of all charges.

Only two accusations —an association and a legal person— have formalised the corresponding appeal for cassation before the Criminal Chamber of the Spanish High Court against that judgment of 29 September 2020.

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

Banco de Valencia shareholders

Claim filed by the Small Shareholders Association of Banco de Valencia “Apabankval”: In 2012, Apabankval filed a claim for corporate crimes against members of the Board of Directors of Banco de Valencia and the external auditor. No amount of civil liability has been determined. The claim by Apabankval has resulted in previous proceedings 65/2013-10 of the Central Investigation Office no. 1 of the National Court.

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

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

On 1 June 2017, Apabankval comprised approximately 351 injured persons. Similarly, according to the Order of 8 January 2018, the Central Investigation Office no. 1 has so far identified 89 other persons as being injured, unifying their representation and defence in the Apabankval association, in accordance with article 113 of the Criminal Procedure Act.

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

On 13 December 2017, Central Investigation Office no. 1 issued an Order agreeing to bring BFA, Tenedora de Acciones, S.A.U. and the Bancaja Foundation to the proceedings as secondary civilly liable parties. BFA filed an appeal for the court to review its ruling —which was dismissed by the Order of 13 December 2017— and appealed the decision to a higher court, which it withdrew, not because BFA abithed to the abovementioned resolution, but because it reserves for a later procedural moment the resubmission of the exposed arguments that it considers to be solid and founded.

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

On 2 December 2019, the Central Investigation Office no. 1 issued the conversion order agreeing to the continuation of these previous proceedings through the abridged procedures for the alleged participation in an ongoing corporate crime of falsehood in the annual accounts of Banco de Valencia for the fiscal years 2009-2010, punishable under art. 290 paragraphs 1 and 2 and art. 74 of the Criminal Code, against the members of the board of directors of Banco de Valencia and against various companies as secondary civilly liable parties, which include: BFA, Bankia, Bankia Hábitat S.L. and Valenciana de Inversions Mobiliarias, S.L. Upon rejection of the appeal for the court to review its ruling filed by the defences through the Order of 12 June 2020, Bankia and BFA have presented two appellate procedures to the Criminal Chamber of the National Court.

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

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

Provisions for taxes

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

BREAKDOWN FOR PROVISIONS FOR TAXES
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Income Tax assessments	20	31	58
Tax on deposits	40	18	18
Other	333	175	206
TOTAL	**393**	**224**	**282**

The main tax procedures ongoing at 2021 year-end are as follows:

- In 2020 the activities to verify financial years 2013 to 2015 were finalised, and due provisions were provided for their impacts. Disputed Corporation Tax assessments and disputed Value-Added Tax assessments are pending resolution by the Central Economic-Administrative Court.
- In 2017, the review actions for 2010 to 2012 were completed with no significant impact. Disputed Corporation Tax assessments are under appeal with the National Criminal Court, and disputed Value-Added Tax assessments have been subject to an appeal against the decision of the tax authorities with the Central Economic-Administrative Court.
- In 2011, the Tax Inspection Bureau started to review 'la Caixa' in relation to financial years 2007 to 2009 for the main taxes applicable, which was completed in 2013. Disputed tax assessments were under appeal with the Spanish High Court and have been executed this year.

The Group has allocated provisions to cover the maximum contingencies that may arise in relation to Corporation Tax and VAT assessments signed under protest.

23.4. Provisions for commitments and guarantees given

This heading includes the provisions for credit risk of the guarantees and contingent commitments given (Note 26).

23.5. Other provisions

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

Class action brought by the ADICAE association (floor clauses)

The legal procedure in which class action for discontinuance was carried out by ADICAE (the Association of Banking and Insurance Consumers) in application of the floor causes that exist in some of the entity's mortgages, are currently in the phase of Reversal and Procedural Infringement before the Spanish High Court.

As stated in the previous financial statements, the risk associated with this matter was managed with specific coverage of EUR 625 million, and a team and specific procedures were developed to comply with the requests filed under the framework of Royal Decree-Law 1/2017, of 20 January, on urgent measures to protect consumers against floor causes.

There were no significant disbursements associated with this procedure in 2021.

With regard to proceedings originating from Bankia, at 31 December 2021, judicial proceedings are open in the exercise of individual actions for voidness, also being sued in the abovementioned collective injunction.

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

Procedures of the Portuguese Resolution Fund (PRF)

On 3 August 2014, the Bank of Portugal applied a resolution procedure to Banco Espírito Santo, SA (BES) through the transfer of its net assets and under the management of Novo Banco, SA (Novo Banco). Within the framework of this procedure, the PRF completed a capital increase in Novo Banco for an amount of EUR 4,900 million, becoming the sole shareholder. The increase was financed through loans to the PRF for an amount of EUR 4,600 million, EUR 3,900 million of which was granted by the Portuguese State and EUR 700 million granted by a banking syndicate through the Portuguese financial institutions, including BPI with EUR 116 million.

On 19 December 2015, the Bank of Portugal initiated a procedure to put Banco Internacional do Funchal (Banif) into resolution, which came to a head with i) the partial sale of its assets for EUR 150 million to Banco Santander Totta, S.A.; and ii) the contribution of the rest of its assets that were not sold to Oitante, SA. The resolution was financed through the issuance of EUR 746 million of debt, guaranteed by the PRF and the Portuguese State as a counter-guarantee. The operation also included the ultimate guarantee of the Portuguese State amounting to EUR 2,255 million intended to cover future contingencies.

For the reimbursement of the PRF obligations with the Portuguese State (in the form of loans and guarantees) in relation to resolution measures adopted, the PRF has contributed ordinary instruments through the various contributions of the banking sector. Along these lines, the conditions of the loans with the PRF have been amended to bring them in line with the collection of the aforementioned contributions; there is no foreseen need to turn to additional contributions from the banking sector.

In 2017, the Bank of Portugal chose Lone Star to conclude the sale of Novo Banco, after which the PRF would hold 25% of the share capital and certain contingent capital mechanisms would be established by the shareholders. To cover the contingent risk, the PRF has the financial means of the Portuguese State, the reimbursement of which —where applicable— would have repercussions on the contributory efforts of the banking sector.

On 31 May 2021, the PRF signed a credit facility with a group of Portuguese financial institutions amounting to EUR 475 million, in which BPI participated with the amount of EUR 87.4 million. On 4 June 2021, the PRF made a provision of EUR 317 million to comply with Novo Banco's capital quota mechanism, of which EUR 58.3 million corresponded to BPI. On 23 December, the PRF made an additional payment of EUR 112 million that was pending following a favourable external opinion on the payment associated with the non-application of hedge accounting for interest rate risk management, of which EUR 20.6 million was made to BPI.

At this time, it is not possible to estimate the possible effects for the Resolution Funds deriving from: i) the sale of the shareholding in Novo Bank; ii) the application of the principle that none of the creditors of a credit institution under resolution may assume a loss greater than that which it would have assumed if that entity had gone into liquidation; iii) the guarantee granted to the bonds issued by Oitante and iv) other liabilities that —it is concluded— must be assumed by PRF.

Notwithstanding the possibility considered in the applicable law for the collection of special contributions, given the renegotiation of the terms of the loans granted to the PRF, which include BPI, and the public statement made by the PRF and the Office of the Minister of Finance of Portugal, declaring that this possibility will not be used, the consolidated financial statements of 2020 reflect the expectation of the Administrators that the Bank will not have to make special contributions or any other type of extraordinary contributions to finance the resolution measures applied to BES and Banif or any other contingent liability or liabilities assumed by the PRF.

Any change in this regard may have material implications for the financial statements of the Group.

24. Equity

24.1. Shareholders' equity

Share capital

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

INFORMATION ABOUT SHARE CAPITAL

	31-12-2021	31-12-2020	31-12-2019
Number of fully subscribed and paid up shares (units) (1)	8,060,647,033	5,981,438,031	5,981,438,031
Par value per share (euros)	1	1	1
Closing price at year-end (euros)	2.414	2.101	2,798
Market cap at year-end, excluding treasury shares (millions of euros) (2)	19,441	12,558	16,727

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

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

CHANGES IN CAPITAL - 2021
(Millions of euros)

	NUMBER OF SHARES	FIRST LISTING DATE	NOMINAL VALUE
BALANCE AT 31-12-2020	5,981,438,031		5,981
Merger with Bankia (Note 7)	2,079,209,002	29-03-2021	2,079
BALANCE AT 31-12-2021	8,060,647,033		8,061

On 22 May 2020, the Company's General Meeting approved authorisation of the Board of Directors to increase share capital one or more times and at any moment, over the course of five years starting from that date, by a maximum amount of EUR 2,990,719,015 (equivalent to 50% of the share capital at the time of authorisation), through the issue of new shares —with or without a premium and with or without a vote—, the equivalent value of new shares to be issued consisting in cash contributions, and with the ability to establish the terms and conditions of the capital increase. This authorisation replaces and renders ineffective (in the unused part) the previous delegation approved at the General Meeting held on 23 April 2015.

The authorisation in force includes delegating to the Board of Directors the power to exclude, in whole or in part, pre-emptive subscription rights. However, in this case, the capital increases will be limited, in general, to a maximum amount of EUR 1,196,287,606 (equivalent to 20% of the share capital at the time of authorisation). This limit will not apply to the capital increases that the Board can approve, suppressing the preferential subscription rights, to facilitate the conversion of securities issued pursuant to the agreement adopted by the Board under authorisation of the General Meeting, with the general limit of EUR 2,990,719,015 applicable to these capital increases.

Accordingly, on 14 May 2021 the General Meeting resolved to authorise the Board of Directors to issue convertible securities for the purpose of meeting regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments, up to a maximum aggregate amount of EUR 3,500,000,000 and for a period of three years, with the power to exclude pre-emptive subscription rights if this is in the Company's best interest. The breakdown of instruments issued under this agreement is presented in Note 22.3.

Share premium

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

CHANGES IN SHARE PREMIUM - 2021
(Millions of euros)

BALANCE AT - 31-12-2020	**12,033**
Merger with Bankia (Note 7)	3,235
BALANCE AT 31-12-2021	**15,268**

Retained earnings, revaluation reserves and other reserves

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

BREAKDOWN OF RESERVES
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Reserves attributable to the parent company of CaixaBank Group	**13,658**	**12,648**	**11,947**
Legal reserve (1)	1,612	1,196	1,196
Restricted reserves for financing the acquisition of treasury shares	6	2	2
Other restricted reserves (2)	0	509	509
Unrestricted reserves	2,773	2,620	1,088
Other consolidation reserves assigned to the parent	9,267	8,321	9,152
Reserves of fully-consolidated subsidiaries	**(5,527)**	**(5,522)**	**(5,806)**
Reserves of companies accounted for using the equity method	**307**	**584**	**373**
TOTAL	**8,438**	**7,710**	**6,514**

(1) At 2021 year-end, the legal reserve has reached the minimum amount required by the Spanish Corporate Enterprises Act.
(2) The other restricted reserves were provisioned through goodwill from Morgan Stanley, Bankpime and Banca Cívica. The Annual General Meeting of 14 May 2021 approved the reclassification to voluntary reserves in application of the current regulations.

Other equity instruments

The value of shares included in variable share-based remuneration plans (see Note 34) not delivered is as follows:

BREAKDOWN OF OTHER EQUITY INSTRUMENTS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Value of shares not delivered	39	25	24

Treasury shares

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

CHANGES IN TREASURY SHARES
(Millions of euros / Number of shares)

	2021			2020			2019		
	NUMBER OF TREASURY SHARES	% SHARE CAPITAL *	COST/ SALES	NUMBER OF TREASURY SHARES	% SHARE CAPITAL *	COST/ SALES	NUMBER OF TREASURY SHARES	% SHARE CAPITAL *	COST/ SALES
OPENING BALANCE	**4,053,994**	**0.068%**	**12**	**3,121,578**	**0.052%**	**10**	**2,805,039**	**0.047%**	**10**
Acquisitions and other	6,356,541	0.079%	15	3,037,319	0.051%	8	2,602,477	0.044%	8
Disposals and other **	(3,192,024)	(0.040%)	(8)	(2,104,903)	(0.035%)	(6)	(2,285,938)	(0.038%)	(8)
CLOSING BALANCE	**7,218,511**	**0.090%**	**19**	**4,053,994**	**0.068%**	**12**	**3,121,578**	**0.052%**	**10**

(*) Percentage calculated on the basis of the total number of CaixaBank shares at the end of the respective years.
(**) In 2021, 2020 and 2019, the results of treasury share transactions generated were not significant, being recognised under "Other reserves".
(***) At 31 December 2021, 2020 and 2019, does not include 7,515 VidaCaixa shares associated with unit-links, registered under the heading "Financial assets designated at fair value through profit or loss".

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

TREASURY SHARES ACCEPTED AS FINANCIAL GUARANTEES AND OWNED BY THIRD PARTIES
(Millions of shares / Millions of euros)

	TREASURY SHARES ACCEPTED AS FINANCIAL GUARANTEES			TREASURY SHARES OWNED BY THIRD PARTIES MANAGED BY THE GROUP		
	31-12-2021	31-12-2020	31-12-2019	31-12-2021	31-12-2020	31-12-2019
Number of treasury shares	17	12	13	18	13	12
% of share capital	0.215%	0.207%	0.217%	0.225%	0.225%	0.201%
Nominal amount	17	12	13	18	13	12

24.2. Accumulated other comprehensive

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

24.3. Minority interests

The following table shows the Group subsidiaries in which certain non-controlling interests held a stake of 10% or more:

SUBSIDIARIES WITH MINORITY SHAREHOLDERS WITH STAKES GREATER THAN 10%
(Percentage)

		STAKE OF MINORITY SHAREHOLDER		
SUBSIDIARY	MINORITY SHAREHOLDERS	31-12-2021	31-12-2020	31-12-2019
Inversiones Inmobiliarias Teguise Resort	Metrópolis Inmobiliarias y Restauraciones	40%	40%	40%
Coia Financiera Naval	Construcciones Navales P. Freire	21%	21%	21%
El Abra Financiera Naval	Astilleros Zamakona	21%	21%	21%
Arrendadora de Equipamientos Ferroviarios	CAF Investment Projects, S.A.	15%		
Telefonica Consumer Finance	Telefonica	50%	50%	50%

25. Tax position

25.1. Tax consolidation

The consolidated tax group for Corporation Tax includes CaixaBank, as the parent, and subsidiaries include Spanish companies in the commercial group that comply with the requirements for inclusion under regulations, including the ”la Caixa” Banking Foundation and CriteriaCaixa. The subsidiaries of the fiscal group previously headed by Bankia have joined the tax group headed by CaixaBank.

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

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

25.2. Years open for review

On 24 July 2018, the Spanish tax authorities notified CaixaBank of the beginning of an inspection for the main taxes applicable to it for the years 2013 to 2015, inclusive, which concluded in 2020 with no major impact. The assessments signed under protest are duly provisioned.

Similarly, Bankia and certain entities of the Tax Group maintain an inspection procedure in relation to Corporation Tax for the years 2011 to 2013.

CaixaBank has the year 2016 and following years open for review for Corporation Tax and the last four years for the remaining taxes applicable, and BPI has the year 2017 and following years open for review for the main taxes applicable. Furthermore, as the successor of Bankia, the Entity has the years 2014 and thereafter open for review for Corporation Tax and the last four years for the remaining taxes applicable to it.

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

9.3. Reconciliation of the accounting profit to the taxable profit

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

RECONCILIATON OF ACCOUNTING PROFIT TO TAXABLE PROFIT
(Millions of euros)

	2021	2020	2019
Profit/(loss) before tax (A)	**5,315**	**1,600**	**2,077**
Adjustments to profit/(loss)	**(4,904)**	**(451)**	**(581)**
Return on equity instruments (1)	(179)	(144)	(156)
Share of profit/(loss) of entities accounted for using the equity method (1)	(425)	(307)	(425)
Negative goodwill recognised in profit or loss	(4,300)		
Taxable income/(tax loss)	**411**	**1,149**	**1,496**
Tax payable (taxable income * tax rate)	**(123)**	**(345)**	**(449)**
Adjustments:	**39**	**115**	**74**
Changes in taxation of sales and gains/(losses) of portfolio assets	16	172	22
Changes in portfolio provisions excluding tax effect and other non-deductible expenses	(6)	(93)	0
Cancellation of deferred tax assets and liabilities			51
Recognition of deferred tax assets and liabilities			(13)
Effect on tax expense of jurisdictions with different tax rates (2)	16	5	11
Tax effect of issues	54	43	40
Other non-deductible expenses	(22)	(22)	(30)
Withholdings from foreign dividends and other	(19)	10	7
Income tax (B)	**(88)**	**(219)**	**(369)**
Income tax for the year (revenue/(expense))	(84)	(230)	(374)
Tax rate (3)	20.3%	20.0%	25.0%
Income tax adjustments (2019/2018/2017)	(4)	11	5
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS (A) + (B)	**5,227**	**1,381**	**1,708**

(1) Income to a large extent exempt from tax due to already having been taxed at source.

(2) Practically all of CaixaBank's income and expense is taxed at the general Corporation Tax rate of 30% in the case of the businesses in Spain, and around 27% for the businesses in Portugal.

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

25.4. Deferred tax assets and liabilities

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

CHANGES IN DEFERRED TAX ASSETS
(Millions of euros)

	31-12-2018	REGULARISATIONS	ADDITIONS	DISPOSALS	31-12-2019	REGULARISATIONS	ADDITIONS	DISPOSALS	31-12-2020	ADDITIONS DUE TO BUSINESS COMBINATIONS (NOTE 7)	REGULARISATIONS	ADDITIONS	DISPOSALS	31-12-2021
Pension plan contributions	**594**			(19)	**575**	32	13		**620**	281	1	2	(24)	**880**
Allowances for credit losses	**4,125**			(11)	**4,114**	(70)		(15)	**4,029**	5,323	39		(37)	**9,354**
Allowances for credit losses (IFRS 9)	**167**	(62)		(52)	**53**			(53)						
Early retirement obligations	**18**			(8)	**10**			(6)	**4**				(1)	**3**
Provision for foreclosed property	**944**			(2)	**942**	(96)		(3)	**843**	1,823	2			**2,668**
Credit investment fees	**7**			(2)	**5**			(1)	**4**		(1)			**3**
Unused tax credits	**924**	20		(34)	**910**	(165)			**745**	85	(12)	4		**822**
Tax loss carryforwards	**1,645**	19		(16)	**1,648**	(18)			**1,630**	309	46	60		**2,045**
Assets measured at fair value through equity	**104**			(8)	**96**			(9)	**87**	9		34		**130**
Others from business combinations	**143**			(51)	**92**			(32)	**60**	1,038			(439)	**659**
Other *	**1,370**	(17)	140	(102)	**1,391**	37	494	(150)	**1,772**	512	(64)	709		**2,929**
TOTAL	**10,041**	**(40)**	**140**	**(305)**	**9,836**	**(280)**	**507**	**(269)**	**9,794**	**9,380**	**11**	**809**	**(501)**	**19,493**
Of which: monetisable	5,681				5,641				5,496	7,426				12,905

CHANGE IN DEFERRED TAX LIABILITIES
(Millions of euros)

	31-12-2018	REGULARISATIONS	ADDITIONS	DISPOSALS	31-12-2019	REGULARISATIONS	ADDITIONS	DISPOSALS	31-12-2020	ADDITIONS DUE TO BUSINESS COMBINATIONS (NOTE 7)	REGULARISATIONS	ADDITIONS	DISPOSALS	31-12-2021
Revaluation of property on first time adoption of IFRS	**215**			(13)	**202**	(2)		(5)	**195**	**131**			(153)	**173**
Assets measured at fair value through equity	**76**		136		**212**		45		**257**	**29**			(136)	**150**
Intangible assets from business combinations	**33**			(20)	**13**			(3)	**10**	**166**			(80)	**96**
Mathematical provisions	**204**				**204**		3		**207**			3		**210**
Others from business combinations	**233**			(32)	**201**			(46)	**155**	**494**			(403)	**246**
Other *	**354**	15	4	(147)	**226**		4	(45)	**185**	**248**		840		**1,273**
TOTAL	**1,115**	**15**	**140**	**(212)**	**1,058**	**(2)**	**52**	**(99)**	**1,009**	**1,068**	**0**	**843**	**(772)**	**2,148**

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

The Group has a total of EUR 3,118 million of tax assets deferred by unregistered tax credits at 31 December 2021, of which EUR 2,907 million correspond to tax loss carryforwards and EUR 211 million to deductions.

Twice per year, in collaboration with an independent expert, the Group assesses the recoverable amount of its recognised deferred tax assets in the balance sheet, on the basis of a budget consisting in a 6-year horizon with the forecasted results used to estimate the recoverable value of the banking CGU (see Note 19) and forecast, subsequently, applying a sustainable net interest income (NII) to the average total assets and a normalised cost of risk (CoR) of 1.40% and 0.39%, respectively.

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

TYPE OF DEFERRED TAX ASSETS RECOGNISED IN THE BALANCE SHEET - 31-12-2021
(Millions of euros)

	TIMING DIFFERENCES	*OF WHICH: MONETISABLE **	TAX LOSS CARRYFORWARDS	UNUSED TAX CREDITS
Spain	16,506	12,858	2,004	822
Portugal	120	47	41	
TOTAL	**16,626**	**12,905**	**2,045**	**822**

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

Following the business combination with Bankia, the implementation of the restructuring plans conducted by CaixaBank has led to the recognition of tax assets that are expected to lead to the generation of tax loss carryforwards. Taking into account joint projections and considering the implementation of the synergy plans, the maximum recoverability period of tax assets as a whole remains below 15 years in line with the assumptions made for the entity acquired under the business combination (see Note 7).

The Group carries out sensitivity analyses on the key flow projection assumptions of the recovery model (see Note 19) with no significant variations concluded in the estimated term in the baseline scenario.

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

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

26. Guarantees and contingent commitments given

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

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

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

BREAKDOWN OF EXPOSURE AND HEDGING ON GUARANTEES AND CONTINGENT COMMITMENTS - 31-12-2020
(Millions of euros)

	OFF-BALANCE-SHEET EXPOSURE			PROVISIONS		
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3
Financial guarantees given	5,902	294	164	(7)	(9)	(64)
Loan commitments given	75,400	2,772	327	(43)	(11)	(5)
Other commitments given	19,486	553	168	(7)	(10)	(37)

BREAKDOWN OF EXPOSURE AND PROVISIONS ON GUARANTEES AND CONTINGENT COMMITMENTS 31-12-2019
(Millions of euros)

	OFF-BALANCE-SHEET EXPOSURE			PROVISIONS		
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3
Financial guarantees given	5,574	190	218	(7)	(4)	(77)
Loan commitments given	68,702	2,216	214	(27)	(4)	(31)
Other commitments given	20,577	473	176	(12)	(8)	(50)

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

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

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

LOAN COMMITMENTS GIVEN
(Millions of euros)

	31-12-2021		31-12-2020		31-12-2019	
	DRAWABLE	LIMITS	DRAWABLE	LIMITS	DRAWABLE	LIMITS
Drawable by third parties						
Credit institutions	126	300	103	943	213	244
Public administrations	5,669	6,289	4,390	6,890	3,729	4,711
Other sectors	96,124	122,895	74,006	103,697	67,190	121,994
TOTAL	**101,919**	**129,484**	**78,499**	**111,530**	**71,132**	**126,949**
Of which: conditionally drawable	5,002		3,839		3,751	

27. Other significant disclosures

27.1. Transactions for the account of third parties

The breakdown of off-balance sheet funds managed on behalf of third parties is as follows:

BREAKDOWN OF CUSTOMER FUNDS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Assets under management	158,019	106,643	102,316
Mutual funds, portfolios and SICAVs	110,089	71,315	68,584
Pension funds	47,930	35,328	33,732
Other *	6,983	5,115	4,698
TOTAL	**165,002**	**111,758**	**107,014**

(*) Includes temporary funds associated with transfers and collections, in addition to other funds distributed by CaixaBank and Banco BPI.

27.2. Transferred financial assets

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

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

BREAKDOWN OF SECURITISED LOANS
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Securitised mortgage loans	**26,449**	**21,929**	**24,054**
Other securitised loans	**7,896**	**10,151**	**7,687**
Loans to companies	4,771	5,372	4,648
Leasing arrangements	666	1,045	1,535
Consumer financing	2,211	3,733	1,503
Other	248	1	1
TOTAL	**34,345**	**32,080**	**31,741**

The breakdown of securitisations arranged, with the amounts outstanding and the amounts corresponding to credit enhancements granted to the securitisation funds is provided below:

LOAN SECURISATION - ISSUES ON ON-BALANCE-SHEET SECURITISED LOANS
(Millions of euros)

			INITIAL EXPOSURE SECURITISED	SECURITISED LOAN			REPO SECURISATION BONDS			CREDIT ENHANCEMENTS		
DATE OF ISSUE		ACQUIRED BY:		2021	2020	2019	2021	2020	2019	2021	2020	2019
June	2003	AyT Génova Hipotecario II, FTH	800			82			29			8
July	2003	AyT Génova Hipotecario III, FTH	800		75	91		29	35		8	8
February	2004	AyT Hipotecario Mixto, FTA	140			16						8
March	2004	AyT Génova Hipotecario IV, FTH	800	72	87	106	13	15	13	8	8	8
June	2004	AyT Hipotecario Mixto II, FTA	160						1			2
November	2004	TDA 22 Mixto, FTH	388	28	25	28	11	12	14	2	2	2
April	2005	Bancaja 8 FTA *	1,650	204			73			28		
June	2005	AyT Hipotecario Mixto IV, FTA	200	19	23	28	8	11	18	1	1	1
June	2005	AyT Génova Hipotecario VI, FTH	700	89	104	124		66	78	5	5	5
November	2005	AyT Génova Hipotecario VII, FTH	1,400	213	250	294	86	101	119	8	8	8
December	2005	Valencia Hipotecario 2, FTH	940	98	114	135	34	35	41	5	5	5
February	2006	Bancaja 9 FTA *	2,000	339			188			25		
April	2006	MBS Bancaja 3 FTA *	800	105			228					
June	2006	AyT Génova Hipotecario VIII, FTH	2,100	308	365	428	170	198	232	9	9	9
July	2006	FonCaixa FTGENCAT 4, FTA	600			61			19			5
July	2006	AyT Hipotecario Mixto V, FTA	873	88	55	64	45	39	46	4	2	2
October	2006	Caixa Penedés 1 TDA *	23	2								
November	2006	Valencia Hipotecario 3, FTA	901	151	176	201	63	62	70	5	5	5
November	2006	AyT Génova Hipotecario IX, FTH	1,000	208	242	279	84	93	107	5	5	6
November	2006	Madrid RMBS I, FTA *	2,000	571			411			71		
November	2006	AYT Caja Murcia Hipotecario II FTA *	315	31			21			2		
December	2006	Madrid RMBS II, FTA *	1,800	459			373			69		
December	2006	TDA 27, FTA *	290	40			14			6		
January	2007	Bancaja 10, FTA *	2,600	671			602			35		
April	2007	MBS Bancaja 4 FTA *	1,850	309			220			1		
June	2007	AyT Génova Hipotecario X, FTH	1,050	235	270	314	291	272	316	10	10	10
June	2007	AyT Caja Granada Hipotecario I *	400	76			65			5		
June	2007	Caixa Penedés Pymes 1 TDA *	48	4								
July	2007	Madrid RMBS III, FTA *	3,000	1,008			918			129		
July	2007	Bancaja 11, FTA *	2,000	607			522			28		
September	2007	Caixa Penedés 2 TDA *	24	1								
November	2007	FonCaixa FTGENCAT 5, FTA	1,000	134	158	181	38	38	38	27	27	27
December	2007	AyT Génova Hipotecario XI, FTH	1,200	288	330	383	293	335	388	31	34	37
December	2007	Madrid RMBS IV, FTA *	2,400	749			691			242		
July	2008	FonCaixa FTGENCAT 6, FTA	750	100	117	134	23	23	23	19	19	19
July	2008	AyT Génova Hipotecario XII, FTH	800	214	243	273	214	243	273	30	30	30
August	2008	Caixa Penedés FTGENCAT 1 TDA *	6	3								
December	2008	Madrid RMBS Residencial I, FTA *	805	334			155			225		
December	2008	Bancaja 13, FTA *	2,895	1,261			1,201			179		
April	2009	Bancaja BVA-VPO 1, FTA	55			12			16			3
June	2010	Madrid RMBS Residencial II, FTA *	600	309			158			184		
December	2010	AyT Goya Hipotecario III, FTA	4,000	1,428	1,608	1,787	1,423	1,605	1,781	142	160	178
April	2011	AyT Goya Hipotecario IV, FTA	1,300	465	526	583	479	539	596	55	62	66
December	2011	AyT Goya Hipotecario V, FTA	1,400	515	578	649	528	599	670	59	63	72
February	2016	CaixaBank RMBS 1, FT	14,200	9,212	10,126	10,919	9,209	10,121	10,944	568	568	568
June	2016	CaixaBank Consumo 2, FT	1,300	170	228	324		239	350	52	52	52
November	2016	CaixaBank Pymes 8, FT	2,250	488	656	899	512	700	973	71	71	84
March	2017	CaixaBank RMBS 2, FT	2,720	1,891	2,088	2,256	1,923	2,121	2,294	118	129	129

LOAN SECURISATION - ISSUES ON ON-BALANCE-SHEET SECURITISED LOANS
(Millions of euros)

DATE OF ISSUE		ACQUIRED BY:	INITIAL EXPOSURE SECURITISED	SECURITISED LOAN 2021	SECURITISED LOAN 2020	SECURITISED LOAN 2019	REPO SECURISATION BONDS 2021	REPO SECURISATION BONDS 2020	REPO SECURISATION BONDS 2019	CREDIT ENHANCEMENTS 2021	CREDIT ENHANCEMENTS 2020	CREDIT ENHANCEMENTS 2019
July	2017	CaixaBank Consumo 3, FT	2,450	401	609	911	397	613	931	18	27	42
November	2017	CaixaBank Pymes 9, FT	1,850	447	675	977	455	690	1,007	20	31	44
December	2017	CaixaBank RMBS 3, FT	2,550	1,743	1,946	2,122	1,744	1,950	2,135	72	80	88
May	2018	CaixaBank Consumo 4, FT	1,700	260	483	835	293	546	944	14	25	43
November	2018	CaixaBank Pymes 10, FT	3,325	1,188	1,682	2,322	1,283	1,826	2,525	56	79	159
June	2019	CaixaBank Leasings 3, FT	1,830	666	1,045	1,535	688	1,078	1,581	39	59	90
November	2019	CaixaBank Pymes 11, FT	2,450	1,334	1,793	2,388	1,442	1,919	2,451	74	116	116
June	2020	CaixaBank Consumo 5, FT	3,550	1,825	2,920		2,068	3,550		117	178	
November	2020	CaixaBank Pymes 12, FT	2,550	1,834	2,483		1,879	2,550		103	128	
September	2021	Caixabank Corporates 1 FT	2,302	1,150			2,301			117		
TOTAL			**93,890**	**34,345**	**32,080**	**31,741**	**33,837**	**32,218**	**31,058**	**3,093**	**2,006**	**1,939**

(*) Securitisations from the business combination with Bankia (see Note 7).

The amounts outstanding of derecognised securitisation transactions were not significant.

Securitisation bonds placed in the market are recognised under "Financial liabilities at amortised cost - Debt securities issued" in the accompanying balance sheets, and they are the difference between the carrying amount of securitised bonds and the carrying amount of repo bonds.

Furthermore, the Group maintains the following synthetic securitisation transactions, by means of which it partially transfers the credit risk of a group of borrowers classified under the heading "Financial assets at amortised cost – Loans and advances" of the balance sheet:

SYNTHETIC SECURITISATION TRANSACTIONS
(Millions of euros)

ISSUE DATE		FUND	INITIAL EXPOSURE SECURITISED	CARRYING AMOUNT SECURITISED 31-12-2021	CARRYING AMOUNT SECURITISED 31-12-2020	CARRYING AMOUNT SECURITISED 31-12-2019
February	2016	Gaudí I	2,025	43	65	356
August	2018	Gaudí II	2,025	805	1,509	2,019
April	2019	Gaudí III	1,282	899	1,277	1,281
TOTAL			**5,332**	**1,747**	**2,851**	**3,656**

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

27.3. Securities deposits and investment services

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

SECURITIES DEPOSITED BY THIRD PARTIES
(Millions of euros)

	31-12-2021	31-12-2020	31-12-2019
Book entries	**140,158**	**178,841**	**175,527**
Securities recorded in the market's central book-entry office	102,496	150,013	146,615
Equity instruments. Quoted	74,462	59,211	60,935
Equity instruments. Unquoted	4,055	3,289	2,971
Debt securities. Quoted	23,866	87,468	80,535
Debt securities. Unquoted	113	45	2,174
Securities registered at the Entity	767		6
Equity instruments. Unquoted (090)	767		
Debt securities. Unquoted			6
Securities entrusted to other depositories	36,895	28,828	28,906
Equity instruments. Quoted	931	652	1,268
Equity instruments. Unquoted	22,066	14,581	12,569
Debt securities. Quoted	12,141	12,306	13,791
Debt securities. Unquoted	1,757	1,289	1,278
Securities	**5,910**	**5,349**	**5,491**
Held by the Entity	5,565	5,025	4,971
Equity instruments	5,548	5,008	4,954
Debt securities	17	17	17
Entrusted to other entities	345	324	520
Equity instruments	345	324	520
Other financial instruments	**73,355**	**69,350**	**72,397**
TOTAL	**219,423**	**253,540**	**253,415**

27.4. Financial assets derecognised due to impairment

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

CHANGES IN WRITTEN-OFF ASSETS
(Millions of euros)

	2021	2020	2019
OPENING BALANCE	**13,469**	**13,911**	**14,639**
Additions:	**6,361**	**1,307**	**1,937**
Of which are due to business combinations (Note 7)	*4,223*		
Disposals:	**1,296**	**1,749**	**2,665**
Cash recovery of principal (Note 36)	454	450	784
Cash recovery of past-due receivables			23
Disposal of written-off assets *	564	967	635
Due to expiry of the statute-of-limitations period, forgiveness or any other cause	278	332	1,223
CLOSING BALANCE	**18,534**	**13,469**	**13,911**
Of which: interest accrued on the non-performing loans *	6,342	4,222	4,112

(*) Primarily includes interest on financial assets at the time of derecognition from the consolidated balance sheet.
(**) Corresponds to the sale of non-performing and written-off assets and includes interest related to these portfolios.

28. Interest income

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

BREAKDOWN OF INTEREST INCOME
(Millions of euros)

	2021	2020	2019
Credit institutions	**20**	**35**	**47**
Debt securities	**1,906**	**1,950**	**2,101**
Financial assets held for trading	1		7
Financial assets compulsorily measured at fair value through profit or loss	1	2	5
Financial assets at fair value with changes in other comprehensive income	1,742	1,812	1,966
Financial assets measured at amortised cost	162	136	123
Loans and advances to customers and other financial income	**5,332**	**4,534**	**4,808**
Public administrations	80	65	75
Trade credits and bills	195	150	175
Mortgage loans	2,059	1,778	1,921
Loans secured by personal guarantee	2,830	2,432	2,523
Other	168	109	114
Adjustments to income due to hedging transactions	**(254)**	**(129)**	**(28)**
Interest income - liabilities	**888**	**374**	**127**
TOTAL	**7,892**	**6,764**	**7,055**
Of which: interest on exposures in stage 3	205	152	196

The average effective interest rate of the various financial assets categories calculated on average net balances (excluding rectifications) are as follows:

AVERAGE RETURN ON ASSETS
(Percentage)

	2021	2020	2019
Deposits at central banks	0.00%	0.00%	0.00%
Financial assets held for trading – debt securities	0.10%	0.02%	0.39%
Financial assets compulsorily measured at fair value through profit or loss - Debt securities	5.07%	6.23%	4.46%
Financial assets measured at fair value with changes in other comprehensive income / Available-for-sale financial assets - Debt securities	2.33%	2.33%	2.61%
Financial assets measured at amortised cost			
Loans and advances to credit institutions	0.49%	0.78%	1.07%
Loans and advances to customers	1.72%	2.02%	2.25%
Debt securities	0.29%	0.56%	0.68%

29. Interest expense

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

BREAKDOWN OF INTEREST EXPENSE
(Millions of euros)

	2021	2020	2019
Central banks	(2)	(15)	(48)
Credit institutions	(24)	(49)	(98)
Customer deposits and other finance costs	(184)	(262)	(303)
Debt securities issued (excluding subordinated liabilities) *	(501)	(571)	(616)
Adjustments to expenses as a consequence of hedging transactions	448	471	511
Finance cost of insurance products	(1,240)	(1,280)	(1,426)
Asset interest expense	(391)	(133)	(97)
Lease liability interest (Note 1.4 and 22.4)	(18)	(19)	(20)
Other	(5)	(6)	(7)
TOTAL	**(1,917)**	**(1,864)**	**(2,104)**

(*) Excluding interest from preference shares accountable as Additional Tier 1 capital (recognised in shareholders' equity)

The average effective interest rate of the various financial liabilities categories calculated on average net balances (excluding rectifications) is set out below:

AVERAGE RETURN ON LIABILITIES
(Percentage)

	2021	2020	2019
Deposits from central banks	0.00%	0.04%	0.21%
Deposits from credit institutions	0.11%	0.37%	0.86%
Customer deposits	0.05%	0.10%	0.13%
Debt securities issued (excluding subordinated liabilities)	1.08%	1.62%	1.93%
Subordinated liabilities	0.77%	1.71%	1.75%

30. Dividend income

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

DIVIDEND INCOME
(Millions of euros)

	2021	2020	2019
Telefónica	90	100	104
BFA	98	40	46
Other	4	7	13
TOTAL	**192**	**147**	**163**

31. Fees and commissions

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

BREAKDOWN OF FEE AND COMMISSION INCOME
(Millions of euros)

	2021	2020	2019
Contingent liabilities	215	161	162
Credit facility drawdowns	105	70	51
Exchange of foreign currencies and banknotes	135	99	94
Collection and payment services	1,355	934	1,023
Of which: credit and debit cards	*573*	*423*	*506*
Securities services	118	102	81
Marketing of non-banking financial products	1,698	1,164	1,120
Other fees and commissions	503	381	409
TOTAL	**4,129**	**2,911**	**2,940**

BREAKDOWN OF FEE AND COMMISSION EXPENSES
(Millions of euros)

	2021	2020	2019
Assigned to other entities and correspondents	(166)	(105)	(99)
Of which: transactions with cards and ATMs	*(144)*	*(89)*	*(88)*
Securities transactions	(31)	(25)	(25)
Other fees and commissions	(227)	(205)	(218)
TOTAL	**(424)**	**(335)**	**(342)**

32. Gains/(losses) on financial assets and liabilities

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

BREAKDOWN OF GAINS/(LOSSES) ON FINANCIAL ASSETS AND LIABILITIES
(Millions of euros)

	2021	2020	2019
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	**37**	**187**	**240**
Financial assets measured at amortised cost	4	114	2
Debt securities	4	114	2
Financial liabilities at amortised cost	(1)		
Financial assets at fair value with changes in other comprehensive income	34	73	235
Debt securities	34	73	235
Other			3
Gains/(losses) on financial assets and liabilities held for trading (net)	**97**	**127**	**139**
Equity instruments	7	(79)	29
Debt securities		7	
Financial derivatives	90	199	110
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss (net)	**(3)**	**(24)**	**(74)**
Equity instruments	(9)	(14)	(7)
Debt securities	7	(5)	(54)
Loans and advances	(1)	(5)	(13)
Gains/(losses) from hedge accounting, net	**51**	**(3)**	**45**
Ineffective portions of fair value hedges	1	(3)	
Valuation of hedging derivatives (Note 15)	(933)	4	292
Valuation of hedged items (Note 15)	934	(7)	(292)
Other	50		45
TOTAL	**182**	**287**	**350**

33. Other operating income and expenses and assets and liabilities under insurance or reinsurance contracts

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

BREAKDOWN OF OTHER OPERATING INCOME
(Millions of euros)

	2021	2020	2019
Income from investment property and other income	98	92	119
Sales and income from provision of non-financial services	311	261	289
Other income	142	296	247
TOTAL	**551**	**649**	**655**

BREAKDOWN OF OTHER OPERATING EXPENSES
(Millions of euros)

	2021	2020	2019
Contribution to the Deposit Guarantee Fund/National Resolution Fund *	(596)	(355)	(345)
Operating expenses from investment property and other **	(118)	(114)	(127)
Changes in inventories and other expenses of non-financial activities	(268)	(233)	(249)
Expenses associated with regulators and supervisors	(25)	(14)	(14)
Other items	(438)	(289)	(306)
TOTAL	**(1,445)**	**(1,005)**	**(1,041)**

(*) The primary aim of the Single Resolution Mechanism (SRM) is to ensure the rapid and consistent resolution of failing banks in Europe with minimum costs. Its regulation establishes uniform rules and a standard procedure for the resolution of credit institutions and certain investment firms, and a Single Resolution Fund (SRF). This establishes a centralised decision-making power vested in the Single Resolution Board (SRB) and national resolution authorities.
Law 11/2015 and Royal Decree 1012/2015 established the requirements that banks would make at least one annual contribution to the National Resolution Fund (NRF) in addition to the annual contribution that will be made to the Deposits Guarantee Fund (DGF) by member institutions. The total amount of the contributions that must be made to the NRF by all Spanish banking entities must be equal to 1% of the total amount of all deposits guaranteed by the DGF before 31 December 2024.
The NRF was merged with the other national funds of the member States of the EU into the SRF in January 2016. By virtue of the provisions set forth in the SRM Regulation, the SRB replaced the national resolution authorities and assumed the administration of the SRF and the calculation of the banking contributions, which will be adjusted to the risk profile of each institution according to the criteria established in Royal Decree 1012/2015 and Commission Delegated Regulation 2015/63. The aim of the SRF is to reach a total amount of EUR 55 billion in 2024.
In addition to the foregoing, the FROB can request extraordinary contributions. Law 11/2015 also established and additional rate which will be used to finance the activities of the FROB as a resolution authority and which is the equivalent of 2.5% of the annual contribution that will be made to the National Resolution Fund.
(**) Includes expenses related to leased investment property.

BREAKDOWN OF INCOME AND EXPENSES OF ASSETS AND LIABILITIES UNDER THE INSURANCE OR REINSURANCE BUSINESS
(Millions of euros)

	2021	2020	2019
Income			
Insurance and reinsurance premium income *	1,075	1,058	952
Reinsurance income	53	49	(68)
TOTAL	**1,128**	**1,107**	**884**
Costs			
Paid provisions and other expenses related to insurance activity *	(427)	(411)	(61)
Net technical provisions (*)	10	(40)	(242)
Insurance and reinsurance premiums paid	(61)	(58)	(25)
TOTAL	**(478)**	**(509)**	**(328)**

(*) Net of the portion relating to financial expenses.

34. Personnel expenses

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

BREAKDOWN OF PERSONNEL EXPENSES
(Millions of euros)

	2021	2020	2019
Wages and salaries	(2,790)	(2,088)	(2,207)
Social security contributions	(654)	(504)	(517)
Contributions to pension plans (saving and risk) *	(142)	(156)	(145)
Transfers to defined benefit plans	404	2	3
Of which: 2021 labour agreement (Note 23)	*394*		
Other personnel expenses	(2,406)	(95)	(1,090)
Of which: 2019 and 2021 labour agreement (Note 23)	*(2,272)*		*(978)*
TOTAL	**(5,588)**	**(2,841)**	**(3,956)**

(*) Includes premiums paid

The expense recognised in 'Contributions to defined pension plans' includes mainly mandatory contributions stipulated which are made to cover retirement, disability and death obligations of serving employees.

“Other personnel expenses” includes, inter alia, training expenses, education grants and indemnities and other short term benefits. This heading also records the cost of the capital-instrument-based remuneration plans, recorded with a balancing entry under 'Shareholders' equity — Other equity items' of the accompanying balance sheet, net of the corresponding tax effect.

Share-based remuneration plans are specified in the Annual Corporate Governance Report – Remuneration.

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

AVERAGE NUMBER OF EMPLOYEES *
(Number of employees)

	2021			2020			2019		
	MEN	WOMEN	*OF WHICH: WITH A DISABILITY ≥ 33%*	MEN	WOMEN	*OF WHICH: WITH A DISABILITY ≥ 33%*	MEN	WOMEN	*OF WHICH: WITH A DISABILITY ≥ 33%*
Directors	4,624	2,858	*39*	3,321	2,113	*24*	3,716	2,366	*26*
Middle management	3,783	4,095	*66*	3,317	3,637	*43*	3,454	4,035	*32*
Advisers	13,202	19,658	483	9,565	13,664	*295*	9,650	13,376	*285*
TOTAL	**21,609**	**26,611**	***588***	**16,203**	**19,414**	***362***	**16,820**	**19,777**	***343***

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

35. Other administrative expenses

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

BREAKDOWN OF OTHER ADMINISTRATIVE EXPENSES
(Millions of euros)

	2021	2020	2019
IT and systems	(706)	(444)	(435)
Advertising and publicity *	(173)	(168)	(190)
Property and fixtures	(158)	(113)	(114)
Rent **	(59)	(37)	(44)
Communications	(79)	(72)	(71)
Outsourced administrative services	(97)	(57)	(86)
Tax contributions	(60)	(38)	(38)
Surveillance and security carriage services	(41)	(31)	(34)
Representation and travel expenses	(33)	(24)	(55)
Printing and office materials	(20)	(20)	(16)
Technical reports	(88)	(58)	(58)
Legal and judicial	(16)	(15)	(16)
Governing and control bodies	(9)	(10)	(10)
Other expenses	(227)	(111)	(81)
TOTAL	**(1,766)**	**(1,198)**	**(1,248)**

* Includes advertising in media, sponsorships, promotions and other commercial expenses.
** The short-term amount of rental expenses in which IFRS 16 has not been applied is immaterial.

"Technical reports" relates to fees and expenses, excluding the related VAT, paid to the auditor, broken down as follows:

EXTERNAL AUDITOR FEES *
(Thousands of euros)

	2021	2020	2019
Auditor of the Group (PwC **)			
Audit	7,552	4,745	3,817
Audit	6,598	3,546	3,285
Merger balance sheet audit	39	475	
Proposed change to profit distribution		5	
Limited review	915	719	532
Audit-related services	1,746	1,117	1,154
Comfort letters for issues	427	277	350
Customer asset protection reports	187	122	121
Report on the Internal Control System for Financial Information	124	75	99
Report reviewing non-financial information, social discount assurance and carbon footprint	144	67	44
Review of pro forma financial information	45	70	
Review of TLTRO III forms / other Eurosystem eligibility reports	167	44	68
Review of forms of indicators to calculate the contribution to the SRF	47	26	24
Report on the financial status and capital adequacy of VidaCaixa	240	198	194
Report on the financial status and capital adequacy of Bankia Vida	188		
Report on agreed procedures involving impairment of BPI credit portfolio	82	122	101
Other reports on agreed procedures in BPI	59	83	120
Other reports on agreed procedures VidaCaixa and subgroup	36	33	33
Other services	29	3	3
TOTAL	**9,327**	**5,865**	**4,974**

(*) The services contracted with our auditors comply with the Spanish Auditing Act's requirements of independence, and none of the work performed is incompatible with auditing duties.

(**) CaixaBank's separate and consolidated financial statements for 2019, 2020 and 2021 were audited by PricewaterhouseCoopers Auditores, S.L., with registered address at Paseo de la Castellana 259 B, Torre PWC, 28046 Madrid. The financial statements have been filed in the corresponding public registers of the CNMV. A resolution was carried at the Annual General Meeting (AGM) held on 6 April 2017 to ratify the appointment of PricewaterhouseCoopers Auditores, S.L. as financial auditor of CaixaBank and the Group for 2018 through to 2020, following the reasoned recommendation and preference issued by the Audit and Control Committee, after completing the selection process carried out in accordance with the criteria set out in Regulation (EU) 537/2014 of 16 April on specific requirements regarding statutory audit of public-interest entities. On 22 May 2020 the AGM approved the extension of the current auditor's appointment to 2021. Similarly, the AGM of 14 May 2021 approved the current auditor's reappointment for 2022.
PricewaterhouseCoopers Auditors, S.L. did not resign nor was it removed from its duties as auditor of CaixaBank during 2019, 2020 or 2021, or up to the reporting date of these financial statements.

Note: The regulatory ratio, calculated as the sum of "audit related services" and "other services" over the 3-year average of "audit" services, amounts to 33%. Pursuant to the current regulations, CaixaBank considers the services related to the audit in the numerator for the purpose of calculating the present ratio, to the extent that the execution of such services by an auditor does not mean that they should be provided by the auditor of the company. In the event that the numerator is excluded from the services required by regulation or practice, the ratio would amount to 8.5%.

Information on the average payment period to suppliers

The following tables provide a breakdown of the required information relating to payments made and pending at the balance sheet date:

PAYMENTS MADE AND OUTSTANDING AT THE BALANCE SHEET DATE
(Millions of euros)

	2021
Total payments made	3,439
Total payments pending	55
TOTAL PAYMENTS IN THE YEAR	**3,494**

AVERAGE SUPPLIER PAYMENT PERIOD AND RATIOS
(Day)

	2021
Average payment period to suppliers	22.40
Ratio of transactions paid	22.40
Ratio of transactions pending payment	22.80

In accordance with the Second Transitional Provision of Act 15/2010 of 5 July, covering measures to combat non-performing assets in the trading operations, generally, the maximum statutory period for payments between companies is 60 days.

36. Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss

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

BREAKDOWN OF THE IMPAIRMENT OR REVERSAL OF IMPAIRMENT ON FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS
(Millions of euros)

	2021	2020	2019
Financial assets measured at amortised cost	**(897)**	**(1,942)**	**(425)**
Loans and advances	(897)	(1,942)	(425)
Net allowances (Note 14)	(878)	(1,694)	(410)
Of which - Credit institutions	*(7)*	*(1)*	*(2)*
Of which - Customers	*(871)*	*(1,693)*	*(408)*
Of which POCIs	*(142)*		
Write-downs	(473)	(698)	(799)
Recovery of loans written off (Note 27.4)	454	450	784
Financial assets at fair value with changes in other comprehensive income		**(1)**	
Write-downs		(1)	
Debt securities		(1)	
TOTAL	**(897)**	**(1,943)**	**(425)**

37. Impairment/(reversal) of impairment on non-financial assets

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

BREAKDOWN OF THE IMPAIRMENT/(REVERSAL) OF IMPAIRMENT ON NON-FINANCIAL ASSETS
(Millions of euros)

	2021	2020	2019
Tangible assets (Note 18)	**(62)**	**(110)**	**(80)**
Property, plant and equipment for own use	(87)	(30)	(35)
Provisions	(16)		(3)
Releases		5	7
Write-downs	(71)	(35)	(39)
Investment property	25	(80)	(45)
Provisions	(57)	(145)	(111)
Releases	82	65	66
Intangible assets (Note 19)	**(58)**	**(14)**	**(25)**
Provisions	(5)		(4)
Releases			1
Write-downs	(53)	(14)	(22)
Other (Note 20)	**(38)**	**12**	**(1)**
Inventories	(4)	(2)	
Provisions	(6)	(4)	(2)
Releases	2	2	2
Other	(34)	14	(1)
TOTAL	**(158)**	**(112)**	**(106)**

38. Gains/(losses) on derecognition of non-financial assets

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

BREAKDOWN OF GAINS/(LOSSES) ON DERECOGNITION OF NON-FINANCIAL ASSETS
(Millions of euros)

	2021			2020			2019		
	GAINS	LOSSES	NET PROFIT/ (LOSS)	GAINS	LOSSES	NET PROFIT/ (LOSS)	GAINS	LOSSES	NET PROFIT/ (LOSS)
On disposals of tangible assets	46	(24)	22	44	(26)	18	85	(36)	49
Due to sale of investments (Note 16)	1	0	1	7	(1)	6	1	4	5
On disposals of other assets	273	(1)	272	3	0	3	1	0	1
Of which: Sale of businesses from Bankia (Note 41)	*266*		*266*						
TOTAL	**320**	**(25)**	**295**	**54**	**(27)**	**27**	**87**	**(32)**	**55**

39. Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

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

BREAKDOWN OF THE GAINS/(LOSSES) OF NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE
(Millions of euros)

	2021	2020	2019
Impairment losses on non-current assets held for sale (Note 21)	(123)	(107)	(134)
Impairment losses on non-current investments held for sale (Note 21)	0		
Gain on disposal of investments (Note 16)	55	428	
Of which: Erste Bank	*54*		
Of which: Comercia Global Payments		*420*	
Profit/(loss) on disposal of non-current assets held for sale *	55	13	18
TOTAL	**(13)**	**334**	**(116)**

(*) The total profit/(loss) on the disposal of non-current assets relate to real estate to satisfy loans, none of which were for significant amounts individually.

40. Information on the fair value

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

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

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

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

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

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

FAIR VALUE OF FINANCIAL ASSETS (FA) MEASURED AT FAIR VALUE (FV)

(Millions of euros)

	31-12-2021					31-12-2020					31-12-2019				
	CARRYING AMOUNT	FAIR VALUE				CARRYING AMOUNT	FAIR VALUE				CARRYING AMOUNT	FAIR VALUE			
		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
FA held for trading (Note 11)	**10,925**	**10,925**	**637**	**10,259**	**29**	**6,357**	**6,357**	**1,084**	**5,233**	**40**	**7,370**	**7,370**	**1,189**	**6,169**	**12**
Derivatives	10,319	10,319	35	10,259	25	5,301	5,301	35	5,231	35	6,194	6,194	27	6,167	
Equity instruments	187	187	187			255	255	255			457	457	457		
Debt securities	419	419	415		4	801	801	794	2	5	719	719	705	2	12
FA not designated for trading compulsorily measured at FV through profit or loss (Note 12)	**237**	**237**	**47**	**5**	**185**	**317**	**317**	**50**	**3**	**264**	**427**	**427**	**54**	**59**	**314**
Equity instruments	165	165	47	5	113	180	180	50	3	127	198	198	54	2	142
Debt securities	5	5			5	52	52			52	63	63		57	6
Loans and advances	67	67			67	85	85			85	166	166			166
FA designated at FV through profit or loss											**1**	**1**	**1**		
FA at FV with changes in other comprehensive income (Note 13)	**16,403**	**16,403**	**15,630**	**129**	**644**	**19,309**	**19,309**	**18,693**	**44**	**572**	**18,371**	**18,371**	**17,414**	**245**	**712**
Equity instruments	1,646	1,646	1,002		644	1,414	1,414	842		572	2,407	2,407	1,617	78	712
Debt securities	14,757	14,757	14,628	129		17,895	17,895	17,851	44		15,964	15,964	15,797	167	
Derivatives - Hedge accounting (Note 15)	**1,038**	**1,038**		**1,038**		**515**	**515**		**515**		**2,133**	**2,133**		**2,133**	
Assets under the insurance business (Note 17)	**83,148**	**83,148**	**82,969**	**34**	**145**	**76,893**	**76,893**	**76,715**	**130**	**48**	**71,979**	**71,979**	**71,926**		**53**
Financial assets held for trading	**111**	**111**	**111**			**545**	**545**	**545**			**1,066**	**1,066**	**1,066**		
Debt securities	111	111	111			545	545	545			1,066	1,066	1,066		
Financial assets designated at FV through profit or loss	**20,557**	**20,557**	**20,423**	**34**	**100**	**14,705**	**14,705**	**14,575**	**130**		**12,150**	**12,150**	**12,150**		
Equity instruments	13,159	13,159	13,159			9,301	9,301	9,301			7,704	7,704	7,704		
Debt securities	7,316	7,316	7,252	34	30	5,297	5,297	5,167	130		3,980	3,980	3,980		
Loans and advances - Credit institutions	82	82	12		70	107	107	107			466	466	466		
Available-for-sale financial assets	**62,480**	**62,480**	**62,435**		**45**	**61,643**	**61,643**	**61,595**		**48**	**58,763**	**58,763**	**58,710**		**53**
Debt securities	62,480	62,480	62,435		45	61,643	61,643	61,595		48	58,763	58,763	58,710		53

FAIR VALUE OF FINANCIAL LIABILITIES (FL) MEASURED AT FAIR VALUE (FV)

(Millions of euros)

	31-12-2021					31-12-2020					31-12-2019				
	CARRYING AMOUNT	FAIR VALUE				CARRYING AMOUNT	FAIR VALUE				CARRYING AMOUNT	FAIR VALUE			
		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
FL held for trading (Note11)	**5,118**	**5,118**	**325**	**4,771**	**22**	**424**	**424**	**324**	**69**	**30**	**2,338**	**2,338**	**505**	**1,833**	
Derivatives	4,838	4,838	43	4,773	22	151	151	51	70	30	1,867	1,867	34	1,833	
Short positions	280	280	280			273	273	273			471	471	471		
FL designated at FV through profit or loss											**1**	1	**1**		
Derivatives - Hedge accounting (Note 15)	**960**	**961**		**961**		**237**	**237**		**237**		**515**	**515**		**515**	
Liabilities under the insurance business (Note 17)	**19,365**	**19,365**	**19,365**			**14,607**	**14,607**	**14,607**			**12,248**	**12,248**	**12,248**		
Contracts designated at FV through profit or loss	19,365	19,365	19,365			14,608	14,608	14,608			12,248	12,248	12,248		

The main valuation techniques, assumptions and inputs used in fair value estimation for levels 2 and 3 by type of financial instruments are as follows:

Instrument type		Assessment techniques	Observable inputs	Non-observable inputs
Derivatives	*Swaps*	> Present value method	> Interest rate curves > Probability of default for the calculation of CVA and DVA	
Derivatives	Exchange rate options	> Black-Scholes model > Stochastic local volatility model > Vanna-Volga model	> Interest rate curves > Quoted option price > Probability of default for the calculation of CVA and DVA	
Derivatives	Interest rate options	> Present value method > Normal Black model	> Interest rate curves > Quoted option price > Probability of default for the calculation of CVA and DVA	
Derivatives	Index and equity options	> Black-Scholes model > Local volatility	> Quoted option prices > Correlations > Dividends. > Probability of default for the calculation of CVA and DVA.	
Derivatives	Inflation rate options	> Normal Black model	> Interest rate curves > Credit Default Swap curves > Probability of default for the calculation of CVA and DVA.	
Derivatives	Loans and advances	> Present value method > Intensity of default	> Interest rate curves > Credit Default Swap curves > Probability of default for the calculation of CVA and DVA.	
Equity instruments		> DCF (Discounted cash flow) > ECF (Equity cash flow) > DDM (Dividend Discount Method) > Underlying carrying amount	> Macroeconomic inputs > Risk premia and market premia > Market peers	> Business planes > Perpetual growth (g) > Net equity
Debt securities		> Present value method	> Interest rate curves > Risk premia > Market peers > Observable market prices	> Risk premia
Loans and receivables		> Present value method	> Interest rate curves > Early cancellation ratios	> Credit loss ratios (internal models)

(1) Present value method (net present value): this model uses the cash flows of each instrument, which are established in the different contracts, and deducts them to calculate the present value.
(2) Market peers (similar asset prices): market peer instrument prices, reference indices or benchmarks are employed to calculate the performance as of the entry price or its current valuation, making subsequent adjustments to take into account the differences between the measured asset and the one taken as reference. It can also be assumed that the price of an instrument is equivalent to another one.
(3) Black-Scholes model: this model applies a log-normal distribution of the securities prices in such a way that, under a neutral risk, the return expected is the risk-free interest rate. Under this assumption, the price of vanilla options can be calculated analytically, in such a way that the volatility of the price process can be obtained by inverting the BS formula for a premium quoted on the market.
(4) Normal Black model: when interest rates approach zero (or become negative), the Black & Scholes model is unable to model interest rate options. With the same assumptions as this model, but on the assumption that forward interest rates follow a normal distribution, we obtain the Normal Black Model, which is used to measure these interest rate options.
(5) Local stochastic volatility model in this model volatility follows a stochastic process in time according to the degree of moneyness, reproducing the volatility smiles observed in the market. These models are appropriate for long-term exotic options using Monte Carlo simulation or the resolution of differential equations for valuation purposes.

(6) Vanna-Volga model: this model is based on building the local replica portfolio whose hedging costs of second derivatives, Vanna (premium derivative with respect to the volatility and the underlying) and Volga (premium's second derivative with respect to the volatility), are added to the corresponding Black-Scholes prices in order to reproduce the volatility smiles.
(7) Default intensity model: a model that extracts the instant probability of default from the market Credit Default Swaps quote of a given issuer/contract. The survival function of the issuer with which credit swaps are measured is obtained using these default intensities.
(8) DCF (Discounted cash flow): This method analyses and estimates future flows for shareholders and creditors, and then updates them, discounting at a weighted average rate cost of capital (WACC).
(9) DDM (Dividend Discount Method): future dividend flows are estimated, and then updated, discounting at the cost of equity (ke). A method widely used in regulated entities with limitations, therefore, to the distribution of dividends since they must keep minimum own funds (e.g. Banking)
(10) ECF (Equity Cash Flow): This method analyses and estimates future flows for shareholders, and then updates them, discounting at the cost of equity (ke).
(11) Underlying carrying amount: Equity according to annual accounts. A method used for holdings for which assets are considered to be measured at or near fair value.

The measurements obtained using internal models may differ if other techniques were applied or assumptions used regarding interest rates, credit risk spreads, market risk, exchange rate risk, or the related correlations and volatilities. Nevertheless, the Group's directors consider that the models and techniques applied appropriately reflect the fair values of the financial assets and financial liabilities recognised in the balance sheet, and the gains and losses on these financial instruments.

The main measurement methods used by the Group to determine recurring fair value have not been changed during the year (the main measurement methods were not changed during the years 2020 and 2019).

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

- Dividends: future equity dividends in index and stock options are derived from estimated future dividends and dividend futures quotes.

- Correlations: they are used as input in the measurement of share basket options and are extracted using the historical closing prices of the various components of each basket.

- Probability of default for the calculation of CVA and DVA: Credit Valuation Adjustments (CVA) and Debit Valuation Adjustments (DVA) are added to the valuation of Over The Counter (OTC) derivatives due to the risk associated with the counterparty's and own credit risk exposure, respectively. In addition Funding Valuation Adjustment (FVA) is a valuation adjustment of derivatives of customer transactions that are not perfectly collateralised that includes the funding costs related to the liquidity necessary to perform the transaction.

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

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

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

  The table below shows the changes to these adjustments:

CVA/FVA AND DVA/FVA CHANGES

(Millions of euros)

	2021		2020		2019	
	CVA/FVA	DVA/FVA	CVA/FVA	DVA/FVA	CVA/FVA	DVA/FVA
OPENING BALANCE	**(104)**	**22**	**(86)**	**19**	**(136)**	**31**
Additions due to business combinations (Note 7)	(80)	8				
Additions/changes in derivatives	72	(4)	(17)	3	50	(12)
Cancellation or maturity of derivatives	(1)		(1)		(0)	
CLOSING BALANCE	**(113)**	**26**	**(104)**	**22**	**(86)**	**19**

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

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

Transfers between levels

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

TRANSFERS BETWEEN LEVELS - 2021

(Millions of euros)

FROM:	LEVEL 1		LEVEL 2		LEVEL 3	
TO:	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 3	LEVEL 1	LEVEL 2
ASSETS						
Financial assets held for trading		**3**	**3**			
Debt securities		3	3			
Financial assets at fair value with changes in other comprehensive income	**204**					
Debt securities	204					
Financial assets measured at amortised cost	**105**					
Debt securities	105					
TOTAL	**309**		**3**			
LIABILITIES						
Financial liabilities at amortised cost	**1,118**					
Debt securities issued	1,118					
TOTAL	**1,118**					

Transfers between asset and liability levels are made primarily when there is:

- A significant increase or decrease in the liquidity of the asset in the market in which it is traded.
- A significant increase or decrease in market activity related to an observable input or
- A significant increase or decrease in the relevance of unobservable inputs, classified as Level 3 if an unobservable input is considered significant.

There were no material transfers among levels in 2020 and 2019.

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

Changes and transfers of financial instruments in Level 3

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

CHANGES IN LEVEL 3 OF FINANCIAL INSTRUMENTS AT FAIR VALUE - 31-12-2021 **
(Millions of euros)

		FA AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME		ASSETS UNDER THE INSURANCE BUSINESS
	NON-TRADING FA* - DEBT SEC.	DEBT SEC.	EQUITY INSTRUMENTS	AVAILABLE-FOR-SALE FA - DEBT SEC.
OPENING BALANCE	52		572	48
Additions due to business combinations			**149**	
Reclassifications to other levels			**(74)**	
Total gains/(losses)	**(1)**		**20**	**(1)**
To profit or loss	(1)			
To reserves			(10)	(1)
To equity valuation adjustments			30	
Acquisitions			**4**	
Settlements and other	**(46)**		**(27)**	**(2)**
CLOSING BALANCE	5		644	45
Total gains/(losses) in the period for instruments held at the end of the period	1		(20)	1

FA: Financial assets; DEBT SEC.: debt securities
(*) Compulsorily measured at fair value through profit or loss.
(**) No material impacts were recognised as a consequence of the sensitivity analyses carried out on level-3 financial instruments.

There are no significant movements in financial instruments at Level-3 fair value in 2020 and 2019.

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

The methodology for estimating the fair value of financial instruments at amortised cost recurrently is consistent with the provisions of Note 40.1. It is worth highlighting that the fair value presented for certain instruments may not correspond to their realisable value in a sales or settlement scenario, since it was not determined for that purpose; in particular:

- Loans and advances: Includes investments the typical lending activity. Fair value is estimated using the present value method based on expected cash flows established in the various contracts and subsequently discounted using:
  - Market interest rate curves as of the appraisal date.
  - Early write-off ratios based on available internal historical information.
  - Credit loss ratios based on IFRS 9 expected loss estimates based on internal models.

- Deposits: Includes the attracted deposits central banks, financial institutions and customers. Fair value is obtained using the present value method based on expected cash flows established in the various contracts and subsequently discounted using:
  - Market interest rate curves as of the appraisal date.
  - Internal model for estimating current account maturities and other demand deposits calibrated based on available internal historical information. This model takes the sensitivity of its remuneration at market interest rates and the level of permanence of account balances on the balance sheet.
  - The credit differential is added to the risk-free curve based on the generic loss probabilities of credit ratings.

- Debt securities issued: Includes Group debt issuances. Instruments classified in Level 3: fair value is obtained using the present value method based on expected cash flows established in the various issuances and subsequently discounted using:
  - Market interest rate curves as of the appraisal date.
  - Own credit risk

- Other financial liabilities: It chiefly includes amounts for tax collection accounts, clearing houses, and liabilities associated with right of use assets. The fair value has been assimilated to carrying amount, as these are mainly short-term balances. In the case of liabilities associated with right-of-use assets, the current value of future lease payments during the mandatory period of the contract is presented.

For further information on the abovementioned financial assets and liabilities valued at amortised cost, see Notes 14 and 22.

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

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

	31-12-2021					31-12-2020					31-12-2019				
	CARRYING AMOUNT	FAIR VALUE				CARRYING AMOUNT	FAIR VALUE				CARRYING AMOUNT	FAIR VALUE			
		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
FA at amortised cost (Note 14)	**420,599**	**443,797**	**37,734**	**22,390**	**383,673**	**267,509**	**289,064**	**17,490**	**3,224**	**268,350**	**244,702**	**264,355**	**11,593**	**1,968**	**250,794**
Debt securities	68,206	68,460	37,195	21,354	9,911	24,670	25,334	17,278	1,545	6,511	17,389	17,878	11,593	1,968	4,317
Loans and advances	352,393	375,337	539	1,036	373,762	242,839	263,730	212	1,679	261,839	227,313	246,477			246,477
Assets under the insurance business (Note 17)	**196**	**196**	**1**	**96**	**99**	**218**	**218**	**1**	**15**	**202**	**530**	**530**			**530**
Loans and receivables	**196**	**196**	**1**	**96**	**99**	**218**	**218**	**1**	**15**	**202**	**530**	**530**			**530**
Debt securities	133	133	1	96	36	189	189	1	15	173	350	350			350
Loans and advances - Credit institutions	63	63			63	29	29			29	180	180			180

FA: Financial assets

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

	31-12-2021					31-12-2020					31-12-2019				
	CARRYING AMOUNT	FAIR VALUE				CARRYING AMOUNT	FAIR VALUE				CARRYING AMOUNT	FAIR VALUE			
		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3		TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
FL at amortised cost (Note 22)	**547,025**	**542,816**	**58,337**	**2,026**	**482,453**	**342,403**	**346,835**	**37,210**	**4,291**	**305,334**	**283,975**	**286,577**	**31,589**		**254,988**
Deposits	486,529	481,046	6,433		474,613	300,523	303,431	857	4,291	298,283	241,735	242,664			242,664
Debt securities issued	53,684	55,200	51,904	2,026	1,270	35,813	37,554	36,321		1,233	33,648	35,321	31,589		3,732
Other financial liabilities	6,812	6,570			6,570	6,067	5,850	32		5,818	8,592	8,592			8,592

40.3. Fair value of property assets

In the particular case of real estate assets, their fair value is obtained by requesting the appraisal value from external appraisal agencies. These agencies maximise the use of observable market data and other factors that market participants would consider when pricing, limiting the use of subjective considerations and unobservable or contrasted data. Along these lines, its fair value, based on the fair value hierarchy, is classified as Level 2.

The Group has a corporate policy that guarantees the professional competence and independence and objectivity of external valuation agencies, under which these agencies must comply with neutrality and credibility requirements so that use of their estimates does not undermine the reliability of their valuations. This policy stipulates that all valuation agencies and appraisers used by the Group in Spain must be included in the Bank of Spain's Official Registry and that their valuations be performed in accordance with the methodology set out in Ministerial Order ECO/805/2003, of 27 March. In 2021, the main appraisers and valuation agencies with which the Group worked are as follows: Tasaciones Inmobiliarias, SA, Gesvalt, SA, Sociedad de Tasación, SA and Krata, SA.

The Group has established the following criteria to obtain the appraisal values of real estate assets.

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

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

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

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

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

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

The measurement methods used by the Group to determine non-recurring fair value have not been changed during the year (measurement methods were not changed during the years 2020 and 2019).

The fair value of real estate assets by asset type along with their associated carrying amount is set out below:

FAIR VALUE OF REAL ESTATE ASSETS BY TYPE OF PROPERTY
(Millions of euros)

	2021		2020		2019	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Tangible assets - Investment property	1,815	2,206	1,947	2,464	2,298	2,930
Homes, land and other	1,613	1,984	1,779	2,265	2,105	2,693
Industrial warehouses	18	23	30	38	41	54
Offices and commercial premises	184	199	138	161	152	183
Other assets - Inventories	45	45	45	45	20	20
Homes, land and other	44	44	44	44	20	20
Industrial warehouses	1	1	0	0	0	0
Offices and commercial premises	0	0	1	1	0	0
Non-current assets held for sale and disposal groups classified as held for sale	2,415	2,616	991	1,146	1,085	1,253
Homes, land and other	2,041	2,213	854	974	916	1,053
Industrial warehouses	32	43	38	50	52	62
Offices and commercial premises	342	360	99	122	117	138
TOTAL	**4,275**	**4,867**	**2,983**	**3,655**	**3,403**	**4,203**

41. Related-party transactions

Pursuant to the provisions of the rules of procedure of the Board of Directors, the Board of Directors, after the report of the Audit and Control Committee, will approve the operations conducted by the Entity or its subsidiaries with directors, with shareholders holding 10% or more of the voting rights or represented on the Board of Directors of the Entity, or with any other related party as outlined in IAS 24 "Information to be disclosed on related parties", unless by law the competence of the Annual General Meeting is applicable.

For these purposes, the following will not be deemed related party transactions: i) transactions conducted between the Company and its wholly-owned subsidiaries, directly or indirectly; ii) transactions between the Company and its subsidiaries or investee companies provided that no other party related to the Company has an interest in such subsidiaries or investee companies; iii) execution by the Company and any executive director or member of senior management, of the contract regulating the terms and conditions of the executive functions they are to perform, including determining the specific amounts or remuneration to be paid under that contract, to be approved in accordance with the provisions of this Regulation; iv) transactions carried out based on measures to safeguard the stability of the Company, taken by the competent authority responsible for its prudential supervision.

The Regulation establishes that the Board of Directors will be able to delegate the approval of: i) transactions between Group companies that are made in the field of the normal process and under market conditions; ii) transactions arranged under contracts whose standard terms and conditions are applicable to a large number of customers, that are signed at generally set rates or prices by whomever acting as the goods or service provider in question, and where the amount of the transaction does not exceed 0.5% of the annual net income of the Entity.

The granting by the Entity of credits, loans and other forms of financing and guarantees to Directors, or to persons associated with them, will be pursuant to —besides the provisions of this article— the regulations governing the organisation and discipline of credit institutions and the supervisory guidelines in this field.

The breakdown of financing granted to "key management personnel and executives" is as follows:

OUTSTANDING FINANCING TO KEY PERSONNEL - DIRECTORS AND SENIOR MANAGEMENT
(Thousands of euros)

	2021	2020	2019
Outstanding financing	**9,036**	**6,854**	**6,964**
Average maturity (years)	19	20	21
Average interest rate (%)	0.41	0.31	0.34
Financing granted in the year	**1,363**	**1,764**	**32**
Average maturity (years)	22	23	5
Average interest rate (%)	0.93	0.79	0.65

Loan and deposit transactions or financial services arranged by CaixaBank with 'key management personnel', in addition to related party transactions, were approved under normal market conditions. Moreover, none of those transactions involved a significant amount of money. Likewise, there was no evidence of impairment to the value of the financial assets or to the guarantees or contingent commitments held with 'key management personnel'.

The Spanish state constitutes a related party pursuant to the regulations in force through its indirect participation in excess of 10% of CaixaBank's shares through the FROB and BFA. In that regard, according to the exemption in paragraph 25 of IAS 24, the balances with Spanish Public Administration as a related party are not presented, although significant balances and transactions with them have been conveniently disclosed in the various notes in the report.

The most significant balances between CaixaBank Group and its related parties are set out below, complementing the other balances in the notes to this report. Details are also provided of the amounts recognised in the statement of profit or loss from transactions carried out.

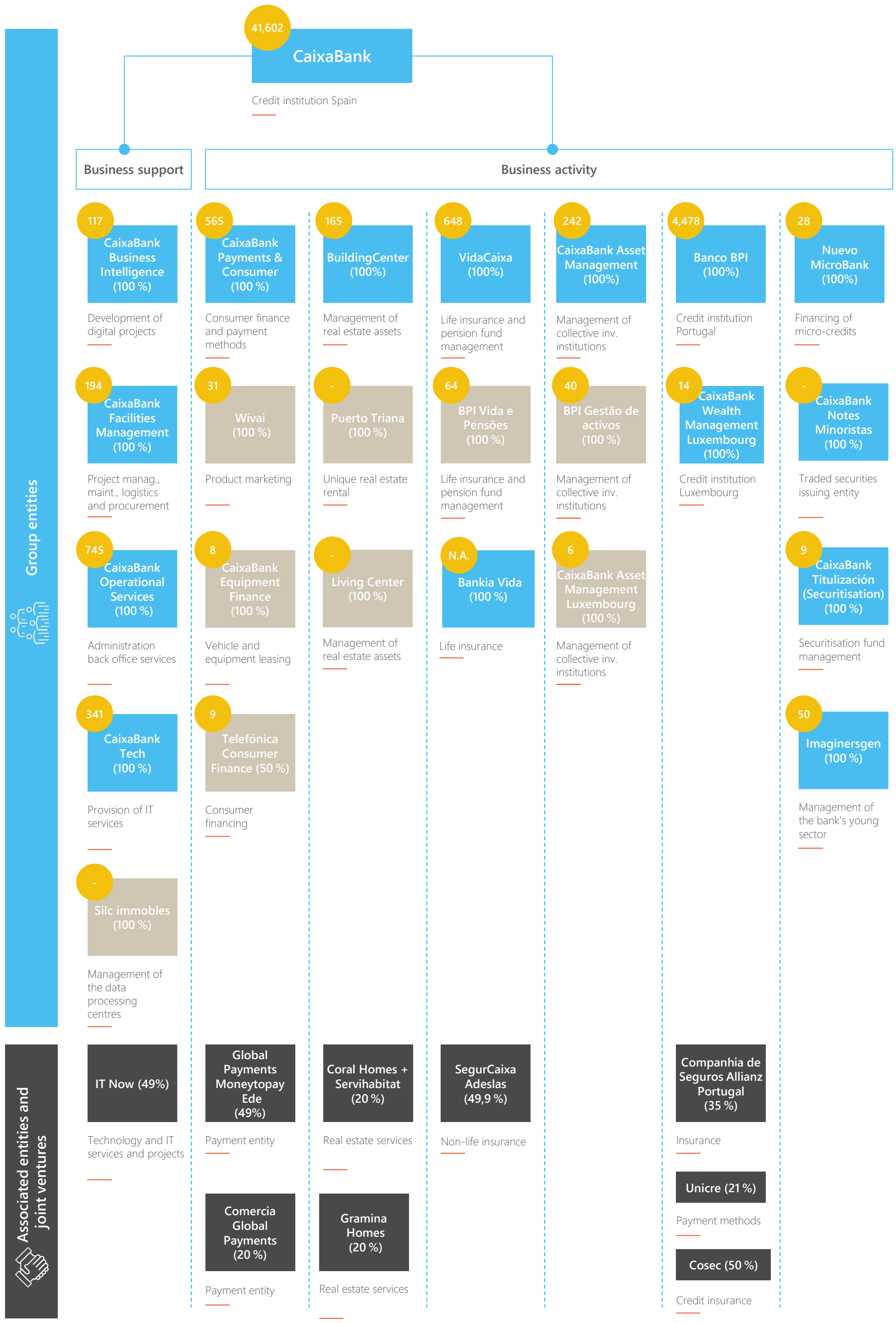
RELATED PARTY BALANCES AND OPERATIONS
(Millions of euros)

	SIGNIFICANT SHAREHOLDER (1) (2)			ASSOCIATES AND JOINT VENTURES			DIRECTORS AND SENIOR MANAGEMENT (3)			OTHER RELATED PARTIES (4)			EMPLOYEE PENSION PLAN		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
ASSETS															
Loans and advances to credit institutions						28									
Loans and advances	36	22	26	582	426	462	9	7	7	25	20	20	0	0	0
Mortgage loans	*18*	*21*	*25*	*3*			*9*	*7*	*7*	*11*	*9*	*10*			
Other	*18*	*1*	*1*	*579*	*426*	*462*				*14*	*11*	*10*			
Of which: valuation adjustments				*(2)*	*(1)*	*(2)*									
Debt securities	1	12	8												
TOTAL	**37**	**34**	**34**	**583**	**426**	**490**	**9**	**7**	**7**	**25**	**20**	**20**	**0**	**0**	**0**
LIABILITIES															
Customer deposits	307	210	165	1,069	659	720	13	26	29	18	48	58		66	36
Debt securities issued															
TOTAL	**307**	**210**	**165**	**1,069**	**659**	**720**	**13**	**26**	**29**	**18**	**48**	**58**	**0**	**66**	**36**
PROFIT OR LOSS															
Interest income		1	1	16	11	7									
Interest expense				(1)											
Fee and commission income			1	169	239	205									
Fee and commission expenses				(17)	(13)	(13)									
TOTAL	**0**	**1**	**2**	**167**	**237**	**199**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
OTHER															
Contingent liabilities	1		1	40	26	56	0								
Contingent commitments	1			773	475	443	3	3	2	1	3	4			
Assets under management (AUMs) and assets under custody (5)	23,623	12,842	14,879	1,489	1,648	1,571	28	192	224	21	336	430	1,396	1,349	1,388
TOTAL	**23,625**	**12,842**	**14,880**	**2,302**	**2,149**	**2,070**	**31**	**195**	**226**	**22**	**339**	**434**	**1,396**	**1,349**	**1,388**

(1) On 31 December 2021 they refer to balances and operations carried out with the "Fundación la Caixa" Banking Foundation, CriteriaCaixa, BFA Tenedora de Acciones, SAU, the FROB and its dependent companies. On 31 December 2021 the stake of CriteriaCaixa and BFA tenedora de Acciones, SAU in CaixaBank is 30.01% and 16.12%, respectively. At 31 December 2020 and 2019 CriteriaCaixa's stake in CaixaBank was 40.02%. The stake of BFA Tenedora de Acciones, SAU in CaixaBank comes from the merger with Bankia (see Note 7).
(2) As regards the cost of lawsuits relating to preferential shares and subordinate obligations of the former Bankia, pursuant to the agreement with BFA to distribute costs in this field, Bankia already assumed a maximum loss of EUR 246 million resulting from the costs related to the execution of the sentences in which it was convicted in the various proceedings against Bankia (now CaixaBank) due to the aforementioned issues. The potential contingency arising from current and future claims including interest and costs would be, where applicable, paid by BFA under the said agreement.
(3) Directors and Senior Management of CaixaBank.
(4) Family members and entities related to members of the Board of Directors and Senior Management of CaixaBank.
(5) Includes collective investment institutions, insurance contracts, pension funds and securities depositary.

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

The table below shows the main subsidiaries, joint ventures and associates, and their type of link.



Number of employees. Subsidiaries in which CaixaBank has a direct shareholding. Subsidiaries in which CaixaBank has an indirect shareholding.

Note: This includes the most relevant entities in terms of their contribution to the Group, excluding operations of a shareholding nature (dividends) and extraordinary operations.

Linked companies		Nature of the link
CaixaBank	FBLC + CriteriaCaixa	CaixaBank provides the FBLC Group (including CriteriaCaixa) certain services, under the Internal Protocol of Relationships subscribed by the parties.
CaixaBank	FBLC + CriteriaCaixa Business activity Business support	CaixaBank, S.A. is the parent company of the tax group for the purpose corporation tax with regard to the majority of the consolidated group's subsidiaries with a tax address in Spain. The tax group includes CriteriaCaixa and the "la Caixa" Banking Foundation, in accordance with the current legislation.
CaixaBank	Business activity Business support	CaixaBank fully or partially brokers the financial operations of the companies under its consolidated group and finances their activities. Similarly, CaixaBank holds BPI prudential issuances in its portfolio, within the framework of the management of the Group's joint liquidity. Additionally, VidaCaixa procures financial interest rate swaps with CaixaBank to adapt the flows of investments to insurance contract commitment derivatives. CaixaBank subsequently closes this risk with market.
CaixaBank	Business activity	CaixaBank receives fees for the services of its subsidiaries and associates marketed via its network in Spain.
Banco BPI	BPI Vida e Pensões BPI Gestão de Activos Companhia de Seguros Allianz Portugal Unicre Cosec	BPI receives fees for marketing the services marketed via its network in Portugal. Similarly it fully or partially brokers the financial operations of these companies and finances their activities.
IT Now — CaixaBank Tech	FBLC + CriteriaCaixa Business activity	IT Now (a joint venture between the Group and IBM) provides to CaixaBank Tech technology and IT development services. In turn, CaixaBank Tech provides IT services to the FBLC Group (including CriteriaCaixa) and to the rest of CaixaBank Group's subsidiaries.
CaixaBank Business Intelligence	CaixaBank	CaixaBank Business Intelligence provides digital project development services.
CaixaBank Operational Services CaixaBank Facilities Management	FBLC + CriteriaCaixa CaixaBank Business activity Business support	CaixaBank Operational Services and CaixaBank Facilities Management provide the companies of the identified staff administrative back-office services and works management, maintenance, logistics and procurement services, respectively.
VidaCaixa + Bankia Vida	CaixaBank	CaixaBank has outsourced certain employee commitments to VidaCaixa and Bankia Vida.
Silc immobles	CaixaBank	Silc immobles maintains the real estate and carries out maintenance on the data processing centres, which are leased to CaixaBank.
BuildingCenter Living Center	CaixaBank Business activity Business support	BuildingCenter is the owner of real estate that is leased to subsidiaries of the Group and it receives rental income through said real estate. Similarly, BuildingCenter provides management services on certain CaixaBank assets for which it receives a fee. Living Center is the owner of the properties from foreclosures from the businesses combination with Bankia.
Coral Homes + Servihabitat Gramina Homes — BuildingCenter	CaixaBank	Servihabitat undertakes the servicing of the BuildingCenter property portfolio. Similarly, Servihabitat receives marketing fees for sales through its real estate channels owned by BuildingCenter and CaixaBank.

Transactions between Group companies form part of the normal course of business and are carried out at arm's length.

The most significant operations carried out in 2021, 2020 and 2019 between group companies, in addition or complementary to those mentioned in the above notes in this report, are as follows:

- Sale of businesses from Bankia:

  In October 2021, CaixaBank sold certain lines of business directly pursued by Bankia to the following investees:

  - Sale of the acquiring business (POS) to Comercia Global Payments EP, SL (CGP) for EUR 260 million. Global Payments Inc and CaixaBank hold an 80% and 20% stake, respectively, in CGP.
  - Sale of the prepaid card business to Global Payments MoneytoPay, EDE, SL (MTP) for EUR 17 million. Global Payments Inc and CaixaBank hold a 51% and 49% stake, respectively, in MTP.

  The result of the transactions referred to above has been a consolidated net gain of EUR 266 million in the income statement, recorded under the heading "Gains/(losses) on derecognition of non-financial assets, net" in the statement of profit or loss.

- CaixaBank neX, S.A:

  The takeover of CaixaBank neX, S.A. (acquired entity, wholly owned by CaixaBank) by CaixaBank (acquiring entity) was approved in June 2021, with no impact on the Group.

- Bankia Fondos Sociedad Gestora de Instituciones de Inversión Colectiva, SAU:

  The takeover of Bankia Fondos Sociedad Gestora de Instituciones de Inversión Colectiva, SAU (hereinafter Bankia Fondos, acquired entity) by CaixaBank Asset Management SGIIC SAU (hereinafter CaixaBank Asset Management, acquiring entity), was completed in July 2021, with no impact on the Group.

- CaixaBank Payments & Consumer (CPC):

  2021:

  In November 2021, it was agreed to sell to CaixaBank Payments&Consumer the card business from the business combination with Bankia to CaixaBank Payments&Consumer for EUR 414 million, determined based on generally accepted methods of measurement and reviewed by an independent expert. The operation did not have an impact on equity for the Group.

  2019:

  On 31 January 2019, the CaixaBank Board of Directors, the sole shareholder both of CaixaBank Consumer Finance and CaixaBank Payments, unanimously agreed to conduct a corporate reorganisation with the purpose of centralising the group's activity to issue and manage cards, provide payment services and provide consumer credit.

  The reorganisation entailed the merger through absorption of CaixaBank Payments (as the absorbed company) by CaixaBank Consumer (as the absorbing company), through the en bloc conveyance of the former to the benefit of the latter, which consequently acquired, through universal succession, of the rights and obligations of the Absorbed Company and the dissolution without liquidation of the Absorbed Company.

  The company resulting from this merger was renamed CaixaBank Payments & Consumer E.F.C., E.P., S.A (hereinafter, 'CaixaBank Payments & Consumer'). The merger deed was recorded in the Mercantile Register of Madrid on 25 July 2019.

  As a result of this merger, the following restructuring of the business scope was carried out, with no impact on the Group's balance sheet or statement of profit or loss:

  - Promo Caixa (currently Wivai), CaixaBank Payments & Consumer entered into a purchase agreement for 100% of the share capital of Promo Caixa, owned by CaixaBank, for a total price of EUR 212 million.
  - Comercia Global Payments, CaixaBank Payments & Consumer entered into a purchase agreement for 49% of the share capital of Comercia Global Payments, owned by CaixaBank, for a total price of EUR 585 million.

- Bankia Pensiones SA EGFP

  The merger of Bankia Pensiones SA EGFP (acquired entity) by VidaCaixa, SAU (acquiring entity) was completed in December 2021.

- BuildingCenter

In the context of the reorganization of the Group's real estate activities following the merger with Bankia (see Note 7), CaixaBank has conducted the following operations in order to concentrate these activities through BuildingCenter:

- On 15 November 2021, CaixaBank signed a non-monetary capital increase of EUR 1,466 million (EUR 1,361 million was made by provision of real estate and EUR 105 million in cash) to a new asset management company, LivingCenter, SA, wholly owned by CaixaBank. The capital increase was conducted through the contribution of a branch of business, and mainly includes real estate assets foreclosed or received in payment of debts originating in Bankia, as well as the rights, contracts or supplementary agreements related to such assets, including the service contract with Haya Real Estate. The operation was conducted at the fair value of the net assets contributed, having been verified by an independent expert appointed by the Commercial Registry.

- On 4 November 2021, CaixaBank transmitted to LivingCenter real estate assets consisting of closed branches originating from Bankia in the process of being marketed in the amount of EUR 194 million, corresponding to the net book value of the contributed assets (which is determined at the time of the business combination). The transmission was made through a shareholder contribution.

- On 15 November 2021, CaixaBank sold to BuildingCenter its 100% stake in LivingCenter, S.A. at fair value, amounting to EUR 1,660 million.

- On 15 November 2021, CaixaBank sold its 20% stake in Gramina Homes to BuildingCenter, a company that groups together the real estate assets from Bankia credit regularisations for which an agreement was reached in 2018 to sell 80% of the company to Lone Star. The takeover by BuildingCenter amounted to EUR 99 million and was at fair value.

- On 15 November 2021, CaixaBank sold to BuildingCenter its 100% stake in Bankia Habitat at fair value, amounting to EUR 687 million. This company mainly holds assets of a monetisable fiscal nature, as well as other investees and assets of a real estate nature undergoing the process of liquidation.

Furthermore, CaixaBank has made a shareholder contribution to BuildingCenter consisting of closed branches originating from CaixaBank in the process of being marketed for EUR 126 million, corresponding to the net book value of the contributed assets.

The operations described above for the reorganisation of the real estate activity do not, on the whole, have a significant impact on equity for the Group.

The most relevant operations of 2021, 2020 and 2019 with the significant shareholder, in addition to those mentioned in the previous notes of this report, are as follows:

- On 31 December 2021, 2020 and 2019, CriteriaCaixa holds derivatives with CaixaBank to cover the interest rates of bilateral banking loans, for a nominal value of EUR 250, 202 and 846 million, respectively. The fair value of this derivative at 31 December 2021, 2020 and 2019 was EUR 3, 2 and 10 million, respectively.
- The sale to the “la Caixa” Banking Foundation of two residential plots and one equipment plot owned by CaixaBank was formalised on 7 October 2019. The sale price was EUR 12.1 million, with the sale generating a profit of EUR 5.8 million.

Description of the relations with CriteriaCaixa and the 'la Caixa' Banking Foundation

The 'la Caixa' Banking Foundation (FBLC), CriteriaCaixa and CaixaBank have an Internal Protocol on Relations available on the CaixaBank website, last updated in 2021, which governs the mechanisms and criteria of relations between CaixaBank and FBLC and CriteriaCaixa, particularly in the following areas: i) management of related-party transactions, establishing mechanisms to avoid conflicts of interest; and ii) regulation of the information flows needed to fulfil reporting obligations in terms of trading and supervision.

The latest amendment to the Internal Protocol on Relations was made to adapt it to the entry into force of Act 5/2021, of 12 April, which amends the revised text of the Corporate Enterprises Act, among other matters, with respect to the regime governing related-party transactions carried out by listed companies. This affects transactions between CaixaBank and CaixaBank Group companies, on the one hand, and the "la Caixa" Banking Foundation and "la Caixa" Banking Foundation Group companies, such as Criteria, on the other.

CaixaBank (as licensee) has a license agreement in effect with FBLC (as licensor) governing the use of certain trade names and the assignment of Internet domain names. The trade names licensed out under that agreement include the “la Caixa” brand and the star logo. The trade name license was granted in 2014 with an indefinite nature. However, it may be terminated by withdrawal or complaint by the licensor after 15 years have passed from signing, or in the event the stake held by FBLC in CaixaBank is less than 30 per cent of the share capital and voting rights of CaixaBank, or in the event there is a shareholder with a bigger stake in CaixaBank. The Company pays FBLC a fee for this licence that can be reviewed annually.

FBLC assigned to CaixaBank and CaixaBank Group companies, free of charge, the trade marks corresponding to their corporate names and the trade marks related to banking, financial, investment and insurance products and services, except for those that contain the “Miró Star” (Estrella de Miró) graphic design or the ”la Caixa” denominative sign, which are covered by the licence. It also assigned the domain names used relating to the same company names.

Beyond the provisions of the above paragraphs, the Group's activities are not dependent on or significantly influenced by patents or licences, industrial contracts, new manufacturing processes or special commercial or financial contracts.

42. Other disclosure requirements

42.1. The environment

There is no significant environmental risk due to the activity of the Group, and therefore, it is not necessary to include any specific breakdown on environmental information in the document (Order of the Ministry of Justice JUS/794/2021). Furthermore, no significant tangible asset items at the Group are affected by environmental issues of any type.

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

The Group did not receive any relevant fines or sanctions related to compliance with environmental regulations in 2021.

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

42.2. Customer service

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

A number of potential improvements to the policies, procedures and documents for marketing the products and services of CaixaBank and its Group have been identified from an in-depth analysis of claims and especially, the reports issued by the Supervisors' Claims Services in 2021. These led to the Customer Service Office drawing up 17 improvement proposals respectively.

The average resolution time in 2021 is 21 calendar days, compared to 23 calendar days in 2020.

COMPLAINTS RECEIVED

(Number of complaints)

	2021	2020	2019
HANDLED BY THE CUSTOMER SERVICE OFFICE AND CUSTOMER CONTACT CENTER (CCC)	239,347	119,361	75,766
Customer Service Office (CSA) and Customer Contact Center (CCC)	239,347	119,361	75,766
FILED WITH THE SUPERVISORS' CLAIMS SERVICES	3,720	1,598	1,322
Bank of Spain	3,363	1,350	1,116
Comisión Nacional del Mercado de Valores (Spanish securities market regulator)	183	82	85
Directorate-General of Insurance and Pension Plans	174	166	121

The number of reports or resolutions issued by Customer Services and the Supervisors' Claims Services was as follows:

REPORTS ISSUED BY CUSTOMER SERVICES AND SUPERVISORS' CLAIMS SERVICES

	CS AND CSO			BANK OF SPAIN			CNMV			DGS (Directorate General of Insurance)		
TYPE OF RESOLUTION	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Resolved in favour of the claimant	109,270	54,791	34,811	518	179	193	65	22	18	7	15	
Resolved in favour of the entity	90,166	35,085	25,592	483	160	163	65	19	17	3	13	34
Acceptance				1,158	232	223	37	6	13	1		2
Other (rejected/unresolved)	36,398	19,963	12,107	547						7		
TOTAL	**235,834**	**109,839**	**72,510**	**2,706**	**571**	**579**	**167**	**47**	**48**	**18**	**28**	**36**

42.3. Branches

The branches of the Group are specified below:

BRANCHES OF THE GROUP

(No. of branches)

	2021	2020	2019
Spain	4,970	3,786	4,118
Abroad	355	432	484
TOTAL	**5,325**	**4,218**	**4,602**

43. Statements of cash flows

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

- Operating activities (EUR 38,628 million): It is mainly due to the increase in sight savings under the heading of financial liabilities at amortised cost (EUR 18,934 million) and sales and amortisations of debt securities under the heading of financial assets at fair value with changes in other comprehensive income (EUR 12,795 million).
- Investment activities (EUR 13,888 million): They mainly correspond to the cash flow from the Bankia Group for the business combination (EUR 12,091 million).
- Financing activities (EUR 88 million): arises from the cash flows resulting from the issue (EUR 4,222 million) and repayment of debt or equity-based instruments (EUR 4,526 million), as well as the dividends paid (EUR 216 million) in the year.

Appendix 1 – CaixaBank investments in subsidiaries of CaixaBank Group

(Thousands of euros)

CORPORATE NAME	BUSINESS ACTIVITY	REGISTERED ADDRESS	% OWNERSHIP DIRECT	% OWNERSHIP TOTAL	SHARE CAPITAL	RESERVES	PROFIT/ (LOSS)	COST OF THE DIRECT HOLDING (NET)
Abside Capital SICAV S.A. (*)	SICAVs	Madrid-Spain	90.96	90.96	1,546	-	-	1,200
Alicante Capital SICAV S.A. (*)	SICAVs	Madrid-Spain	99.99	99.99	2,555	(786)	(16)	1,278
Aris Rosen, S.A.U.	Services	Barcelona-Spain	100.00	100.00	15	381	(39)	60
Arquitrabe Activos, S.L.	Holding company	Barcelona-Spain	100.00	100.00	98,431	4,866	(376)	102,946
Arrendadora de Equipamientos Ferroviarios, S.A.	Lessor of trains	Barcelona-Spain	85.00	85.00	12,720	4,259	1,647	14,300
Banco BPI, S.A.	Banking	Portugal	100.00	100.00	1,293,063	2,253,478	293,368	2,060,366
BPI (Suisse), S.A. (2)	Asset management	Switzerland	-	100.00	3,000	1,657	3,217	-
BPI Gestão de Activos - Sociedade Gestora de Fundos de Investimento Mobiliário, SA	Management of collective investment institutions	Portugal	-	100.00	2,500	14,412	10,899	-
BPI Vida e Pensões - Companhia de Seguros, SA	Life insurance and pension fund management	Portugal	-	100.00	76,000	64,710	9,924	-
BPI, Incorporated (3) (L)	Banking	US	-	100.00	-	-	-	-
Bankia Commerce, S.L.U.	Product marketing	Madrid-Spain	100.00	100.00	3	787	(474)	-
Bankia Habitat, S.L.U.	Holding company	Madrid-Spain	-	100.00	755,560	(23,901)	(7,599)	-
Bankia Mediación, Operador de Banca de Seguros Vinculado, S.A.U.	Insurance agency	Madrid-Spain	100.00	100.00	269	263,962	(169,897)	91,891
Bankia Vida, S.A. de Seguros y Reaseguros	Life insurance	Madrid-Spain	100.00	100.00	22,686	369,589	76,829	774,791
BuildingCenter, S.A.U.	Holder of real estate assets	Madrid-Spain	100.00	100.00	2,000,060	(126,092)	(156,711)	2,083,628
Caixa Capital Biomed S.C.R. S.A.	Venture capital company	Barcelona-Spain	90.91	90.91	1,200	2,565	(48)	2,933
Caixa Capital Fondos Sociedad De Capital Riesgo S.A.	Venture capital company	Madrid-Spain	100.00	100.00	1,200	7,264	3,091	5,434
Caixa Capital Micro SCR S.A.	Venture capital company	Madrid-Spain	100.00	100.00	1,200	240	130	1,254
Caixa Capital Tic S.C.R. S.A.	Venture capital company	Barcelona-Spain	80.65	80.65	1,209	5,140	(108)	4,988
Caixa Corp, S.A.	Holding company	Barcelona-Spain	100.00	100.00	361	351	-	585
Caixa Emprendedor XXI, S.A.U.	Promotion of business and entrepreneurial initiatives	Barcelona-Spain	100.00	100.00	1,007	18,057	(29)	17,954
CaixaBank Asset Management, SGIIC, S.A.U.	Management of collective investment institutions	Madrid-Spain	100.00	100.00	86,310	109,975	140,815	177,016
Caixabank Asset Management Luxembourg, S.A.	Management of collective investment institutions	Luxembourg	-	100.00	150	3,937	841	-
CaixaBank Brasil Escritório de Representaçao Ltda. (1)	Representative office	Brazil	100.00	100.00	1,200	2,624	323	345
CaixaBank Business Intelligence, SAU	Development of digital projects	Barcelona-Spain	100.00	100.00	100	1,199	337	1,200
CaixaBank Equipment Finance, S.A.U.	Vehicle and equipment leasing	Madrid-Spain	-	100.00	10,518	40,124	9,673	-
CaixaBank Facilities Management, S.A.	Project management, maintenance, logistics and procurement	Barcelona-Spain	100.00	100.00	1,803	1,871	780	2,053
CaixaBank Notas Minoristas, S.A.U.	Finance	Madrid-Spain	100.00	100.00	60	1,654	96	2,250
Caixabank Operational Services, S.A.	Specialised services for back office administration	Barcelona-Spain	100.00	100.00	1,803	19,517	2,795	9,579
Caixabank Payments & Consumer, E.F.C., E.P., S.A.	Consumer finance	Madrid-Spain	100.00	100.00	135,156	1,442,066	218,729	1,571,634

CAIXABANK INVESTMENTS IN SUBSIDIARIES OF CAIXABANK GROUP
(Thousands of euros)

(2 /3)

CORPORATE NAME	BUSINESS ACTIVITY	REGISTERED ADDRESS	% OWNERSHIP DIRECT	% OWNERSHIP TOTAL	SHARE CAPITAL	RESERVES	PROFIT/ (LOSS)	COST OF THE DIRECT HOLDING (NET)
Caixabank Tech, S.L.	Provision of IT services	Barcelona-Spain	100.00	100.00	15,003	100,801	1,672	174,519
Caixabank Titulizacion S.G.F.T., S.A.	Securitisation fund management	Madrid-Spain	100.00	100.00	1,503	606	3,108	6,423
CaixaBank Wealth Management Luxembourg, S.A.	Banking	Luxembourg	100.00	100.00	12,076	18,845	(6,908)	40,725
Centro de Servicios Operativos e Ingeniería de Procesos, S.L.U.	Specialised services for back office administration	Madrid-Spain	100.00	100.00	500	14,209	481	18,617
Coia Financiera Naval, S.L.	Provision of financial services and intermediation in the shipbuilding sector	Madrid-Spain	76.00	76.00	3	59	(1)	2
Corporación Hipotecaria Mutual, E.F.C., S.A.	Mortgage lending	Madrid-Spain	100.00	100.00	5,000	69,261	775	71,987
El Abra Financiera Naval, S.L.	Provision of financial services and intermediation in the shipbuilding sector	Madrid-Spain	76.00	76.00	3	24	1	2
Estugest, S.A.	Administrative activities and services	Barcelona-Spain	100.00	100.00	661	161	22	781
Gestión y Recaudación Local, S.L.	Management of collection in city councils	Granada-Spain	-	99.75	900	841	190	-
Gestión y Representación Global, S.L.U.	Instrument	Madrid-Spain	100.00	100.00	12	27,715	(6)	27,732
Grupo Aluminios de Precisión, S.L.U. (*)	Aluminium smelting in sand moulds	Burgos-Spain	100.00	100.00	7,500	19,827	1,631	3,360
HipoteCaixa 2, S.L.	Mortgage loan management company	Barcelona-Spain	100.00	100.00	3	62,121	(596)	61,797
Hiscan Patrimonio II, S.A.U.	Holding company	Madrid-Spain	100.00	100.00	241,927	(18,723)	(1,129)	221,862
Hiscan Patrimonio, S.A.	Holding company	Barcelona-Spain	100.00	100.00	46,867	129,581	(16)	176,797
Imaginersgen, S.A.	Digital business	Barcelona-Spain	99.99	100.00	60	2,030	466	1,858
Inter Caixa, S.A.	Services	Barcelona-Spain	99.99	100.00	16	20	(3)	47
Inversiones Coridith SICAV S.A. (*)	SICAVs	Madrid-Spain	99.95	99.95	2,515	(742)	(18)	1,257
Inversiones Corporativas Digitales, S.L.	Holding company	Barcelona-Spain	-	100.00	3	(3,059)	9	-
Inversiones Inmobiliarias Teguise Resort, S.L.	Hotels and similar accommodation	Las Palmas-Spain	60.00	60.00	7,898	10,269	1,861	8,618
Inversiones y Desarrollos 2069 Madrid, S.L.U., in liquidation (L)	Real estate services	Madrid-Spain	100.00	100.00	6,711	(3,906)	(34)	115
Livingcenter Activos Inmobiliarios, S.A.U.	Real estate development	Barcelona-Spain	-	100.00	137,331	1,436,746	(43,009)	-
Líderes de Empresa Siglo XXI, S.L.	Private security for goods and people	Barcelona-Spain	100.00	100.00	378	1,116	192	753
Naviera Cata, S.A.	Shipowner	Las Palmas de Gran Canaria-Spain	100.00	100.00	60	39	(10)	118
Negocio de Finanzas e Inversiones II, S.L.	Finance	Barcelona-Spain	100.00	100.00	6	440	(2)	445
Nuevo Micro Bank, S.A.U.	Financing of micro-credits	Madrid-Spain	100.00	100.00	90,186	261,695	36,357	90,186
Participaciones y Cartera de Inversión, S.L.	Instrument	Madrid-Spain	0.01	100.00	1,205	314	(5)	-

CAIXABANK INVESTMENTS IN SUBSIDIARIES OF CAIXABANK GROUP
(Thousands of euros)

(3 /3)

CORPORATE NAME	BUSINESS ACTIVITY	REGISTERED ADDRESS	% OWNERSHIP DIRECT	% OWNERSHIP TOTAL	SHARE CAPITAL	RESERVES	PROFIT/ (LOSS)	COST OF THE DIRECT HOLDING (NET)
PremiaT Comunidad Online, S.L.	Marketing of cashless platform	Barcelona-Spain	-	100.00	100	749	(137)	-
Puertas de Lorca Desarrollos Empresariales, S.L.U., in liquidation "(L)"	Real estate services	Madrid-Spain	100.00	100.00	10,747	(6,446)	(3)	1,102
Puerto Triana, S.A.U.	Real estate developer specialised in shopping centres	Seville-Spain	100.00	100.00	124,290	(4,835)	1,664	120,894
Segurbankia, S.A.U. Correduria de Seguros del Grupo Bankia	Insurance agency	Madrid-Spain	100.00	100.00	150	4,397	629	4,890
Sercapgu, S.L.	Holding company	Barcelona-Spain	100.00	100.00	4,230	(222)	(18)	632
Silc Immobles, S.A.	Real-estate administration, management and operation	Madrid-Spain	-	100.00	40,070	107,442	(9,788)	-
Sociedad de Gestión Hotelera de Barcelona, S.L. (*)	Real-estate operations	Barcelona-Spain	-	100.00	8,144	9,150	(4,203)	-
Telefónica Consumer Finance E.F.C., S.A.	Consumer finance	Madrid-Spain	-	50.00	5,000	28,781	3,970	-
Tenedora Fintech Venture, S.A.U.	Holding company	Madrid-Spain	100.00	100.00	60	2,570	(1,445)	369
Unión de Crédito para la Financiación Mobiliaria e Inmobiliaria, E.F.C., S.A.U.	Mortgage loans	Madrid-Spain	100.00	100.00	53,383	6,383	(1,801)	51,501
Valenciana de Inversiones Mobiliarias, S.L.U.	Holding company	Valencia-Spain	100.00	100.00	4,330	109,602	(363)	113,784
VidaCaixa Mediació, Sociedad de Agencia de Seguros Vinculada, S.A.U.	Insurance agency	Madrid-Spain	-	100.00	60	3,478	219	-
VidaCaixa, S.A. de Seguros y Reaseguros Sociedad Unipersonal	Direct life insurance, reinsurance and pension fund management	Madrid-Spain	100.00	100.00	1,347,462	352,942	538,298	2,337,896
Wivai Selectplace, S.A.U.	Product marketing	Barcelona-Spain	-	100.00	60	1,894	30,656	-

(*) Companies classified as non-current assets held for sale
(L) Companies in liquidation.
(1) All data except cost are in local currency: Brazilian real (thousands).
(2) All data except cost are in local currency: Swiss franc (thousands)
(3) All data except cost are in local currency: US dollar (thousands)
Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.

Note: Besides the companies set out in the details of the Appendix, the Group holds a 100% share of the share capital of the following companies that are inactive: Cestainmob, S.L.U.; GDS Grupo de Servicios I, S.A.; Medicaixa, S.A.; Tot Caixa, S.A.; Web Gestión 1, S.A.; Web Gestión 2, S.A.; Web Gestión 3, S.A.; Web Gestión 4, S.A.; Cartera de Participaciones SVN, S.L.; Web Gestión 7, S.A.; Gestión Global de Participaciones, S.L.U.; Inmogestión y Patrimonios, S.A. and Valoración y Control, S.L. Similarly, the following companies of which the Group wholly owns the share capital, are currently in liquidation: Inmobiliaria Piedras Bolas, S.A. de C.V.; Playa Paraíso Maya, S.A. de C.V.; Inmacor Desarrollos, S.A. de C.V.; Proyectos y Desarrollos Hispanomexicanos, S.A. de C.V.; Grand Coral Property and Facility Management, S.A., de CV; Tubespa, S.A., Costa Eboris, S.L.U. and Encina de los Monteros, S.L.U. Lastly, CaixaBank as well as other investee companies of CaixaBank Group are joint entities participating in the Joint Prevention Service of "la Caixa" Group.

Appendix 2 – CaixaBank stakes in agreements and joint ventures of CaixaBank Group

(Thousands of euros) (1 / 1)

CORPORATE NAME	BUSINESS ACTIVITY	REGISTERED ADDRESS	% OWNERSHIP DIRECT	% OWNERSHIP TOTAL	ASSETS	LIABILITIES	ORDINARY INCOME	SHARE CAPITAL	RESERVES	PROFIT/ (LOSS)	TOTAL COMPREHENSIVE INCOME	COST OF DIRECT OWNERSHIP INTEREST (NET)	DIVIDENDS ACCRUED FROM THE TOTAL HOLDING
Cosec - Companhia de Seguros de Crédito, S.A.	Credit insurance	Portugal	-	50.00	142,288	88,981	18,674	7,500	36,563	5,630	5,630	-	2,356
Global Payments South America, Brasil – Serviços de Pagamentos, S.A.(*) (1)	Payment methods	Brazil	33.33	33.33	995,252	1,021,509	37,635	181,564	(184,184)	(23,637)	(23,637)	-	-
Inversiones Alaris, S.L. In liquidation (L)	Securities holding	Navarre-Spain	33.33	66.67	13,513	8,241	-	11,879	(6,092)	(515)	(515)	-	-
Payment Innovation HUB, S.A.	Payment methods	Barcelona-Spain	-	50.00	1,525	232	1,729	60	867	366	366	-	-
Vivienda Protegida y Suelo de Andalucía, S.A., in liquidation (L)	Real estate development	Seville-Spain	-	50.00	4,373	7,102	-	60	(2,744)	(45)	(45)	-	-

(*) A company considered as non-current assets classified as available for sale

(L) Companies in liquidation.

(1) All data are in local currency: Brazilian real (thousands).

Note: The information on companies corresponds with the last data available (real or estimated) at the time this Report was drawn up.

Appendix 3 – Investments in associates of CaixaBank

(Thousands of euros)

			% OWNERSHIP										
CORPORATE NAME	BUSINESS ACTIVITY	REGISTERED ADDRESS	DIRECT	TOTAL	ASSETS	LIABILITIES	ORDINARY INCOME	SHARE CAPITAL	RESERVES	PROFIT/ (LOSS)	TOTAL COMPREHENSIVE INCOME	COST OF DIRECT OWNERSHIP INTEREST (NET)	DIVIDENDS ACCRUED FROM THE TOTAL HOLDING
Abaco Iniciativas Inmobiliarias, S.L., in liquidation (L)	Real estate development	Seville-Spain	-	40.00	11,448	46,350	-	13,222	(48,025)	(98)	(98)	-	-
Ape Software Components S.L.	Computer programming activities	Barcelona-Spain	-	25.22	3,228	3,517	2,371	12	364	(664)	(664)	-	-
Arrendadora Ferroviaria, S.A.	Lessor of trains	Barcelona-Spain	54.15	54.32	164,466	164,998	10,473	60	(598)	7	7	-	-
Banco Comercial de Investimento, S.A.R.L. (2)	Banking	Mozambique	-	35.67	188,137,482	164,095,359	2,790,800	10,000,000	9,156,548	5,203,367	5,203,367	-	6,097
BIP & Drive, S.A. (*)	Teletoll systems	Madrid-Spain	-	25.00	24,725	11,126	223,052	4,613	6,646	2,340	2,340	-	-
Bizum, S.L. (*)	Payment entity	Madrid-Spain	8.54	31.46	10,885	7,359	30,273	2,346	(315)	1,494	1,494	196	-
Brilliance-Bea Auto Finance Co., L.T.D. (3)	Automotive sector financing	China	-	22.50	4,160,545	2,432,310	22,570	1,600,000	112,026	16,208	16,208	-	-
Comercia Global Payments, Entidad de Pago, S.L.	Payment entity	Madrid-Spain	-	20.00	777,440	322,652	183,814	4,625	395,745	54,418	54,418	-	-
Companhia de Seguros Allianz Portugal, S.A.	Insurance	Portugal	-	35.00	1,489,640	1,280,560	517,317	39,545	50,143	39,428	39,428	-	10,500
Concessia, Cartera y Gestión de Infraestructuras, S.A.	Infrastructure construction and operations	Madrid-Spain	24.20	32.20	18,304	932	12	17,249	207	(85)	(85)	878	-
Coral Homes, S.L.	Real estate services	Madrid-Spain	-	20.00	3,245,104	134,980	875,356	270,774	2,886,905	(47,555)	(47,555)	-	-
Drembul, S.L.	Real estate development	Logroño-Spain	21.83	46.83	40,376	5,780	9,538	30	3,366	(937)	(937)	3,550	-
Ensanche Urbano, S.A., in liquidation (L)	Real estate development	Castellón-Spain	-	49.30	36,063	27,500	-	9,225	-	(661)	(661)	-	-
Finweg, S.A.	Development of digital projects	Madrid-Spain	-	20.00	1,009	663	184	102	760	(516)	(516)	-	-
Girona, S.A.	Holding company	Girona-Spain	34.22	34.22	5,480	54	552	1,200	4,401	(175)	(175)	1,642	-
Global Payments Moneytopay, EDE, S.L.	Payment entity	Madrid-Spain	-	49.00	162,482	132,612	12,405	1,367	25,366	3,137	3,137	-	-
Global Payments – Caixa Acquisition Corporation S.A.R.L.	Payment methods	Luxembourg	-	49.00	42,897	80	-	14	42,860	(56)	(56)	-	-
Gramina Homes, S.L.	Real estate services	Madrid-Spain	-	20.00	506,029	16,125	47,679	27,626	467,722	(5,443)	(5,443)	-	-
Guadapelayo, S.L., in liquidation (L)	Real estate development	Madrid-Spain	-	40.00	312	5,049	-	1,981	(6,667)	(51)	(51)	-	-
IT Now, S.A.	Services for IT technology projects	Barcelona-Spain	39.00	49.00	157,352	150,540	283,013	3,382	1,948	1,481	1,481	1,323	-
Inter-Risco – Sociedade de Capital de Risco, S.A.	Venture capital	Portugal	-	49.00	963	362	1,306	400	347	(146)	(146)	-	-

CAIXABANK INVESTMENT IN ASSOCIATES OF CAIXABANK GROUP
(Thousands of euros)

(2 / 3)

CORPORATE NAME	BUSINESS ACTIVITY	REGISTERED ADDRESS	% OWNERSHIP DIRECT	% OWNERSHIP TOTAL	ASSETS	LIABILITIES	ORDINARY INCOME	SHARE CAPITAL	RESERVES	PROFIT/ (LOSS)	TOTAL COMPREHENSIVE INCOME	COST OF DIRECT OWNERSHIP INTEREST (NET)	DIVIDENDS ACCRUED FROM THE TOTAL HOLDING
Ircio Inversiones, S.L., in liquidation (L)	Real estate development	Burgos-Spain	35.00	35.00	1,906	7,361	-	675	(5,907)	(224)	(224)	-	-
Justinmind, S.L.	Development of IT systems	Barcelona-Spain	-	16.98	1,128	916	643	5	703	(497)	(497)	-	-
Murcia Emprende Sociedad de Capital Riesgo, S.A. (*)	Venture capital company	Murcia-Spain	28.68	28.68	2,136	76	-	2,557	(315)	(181)	(181)	600	-
Nlife Therapeutics, S.L. (L)	Research and development in biotechnology	Granada-Spain	-	37.18	13,245	10,096	1,928	6,930	(3,974)	(1,003)	(1,003)	-	-
Numat Medtech, S.L.	Other types of research and development in natural and technical sciences	Palma-Spain	-	17.86	1,002	378	-	7	613	(172)	(172)	-	-
Parque Científico y Tecnológico de Córdoba, S.L.	Science park operation and management	Córdoba-Spain	15.58	35.69	29,368	20,440	237	23,422	(18,133)	(243)	(243)	-	-
Peñíscola Green, S.L., in liquidation (L)	Real estate development	Castellón-Spain	-	33.33	11,740	4,856	-	12,000	(5,116)	-	-	-	-
Portic Barcelona, S.A.	Other services related to information technology and telecommunications	Barcelona-Spain	25.81	25.81	2,385	262	2,154	291	1,754	78	78	105	-
Redsys Servicios de Procesamiento, S.L.	Payment methods	Madrid-Spain	4.17	24.90	107,326	33,221	150,499	5,815	63,133	5,157	5,157	8,399	-
Sa Nostra Compañia de Seguros de Vida, S.A.	Life insurance	Balearic Islands-Spain	18.69	18.69	1,305,857	1,107,487	30,346	14,399	150,701	7,587	(1,142)	42,524	-
SegurCaixa Adeslas, S.A. de Seguros y Reaseguros	Non-life insurance	Madrid-Spain	-	49.92	5,531,668	3,710,362	3,873,605	469,670	872,009	420,000	420,538	-	-
Servired, Sociedad Española de Medios de Pago, S.A.	Payment methods	Madrid-Spain	19.20	41.21	109,650	83,581	2,675	16,372	7,967	(1,107)	(1,107)	5,844	-
Sistema de Tarjetas y Medios de Pago, S.A.	Payment methods	Madrid-Spain	2.50	20.61	1,925,228	1,920,219	6,823	240	4,272	497	497	116	-
Sociedad Española de Sistemas de Pago, S.A.	Payment entity	Madrid-Spain	26.91	26.91	11,737	2,505	9,593	512	7,185	1,535	1,535	2,012	178
Societat Catalana per a la Mobilitat S.A.	Development and implementation of the T-mobilitat project	Barcelona-Spain	23.50	23.50	128,266	118,749	8,616	9,874	(1,053)	622	622	1,846	-
Telefonica Factoring España, S.A.	Factoring	Madrid-Spain	20.00	20.00	72,674	57,158	8,706	5,109	1,740	8,667	8,667	2,525	1,428
Telefonica Factoring do Brasil, Ltda. (1)	Factoring	Brazil	20.00	20.00	339,753	299,513	56,603	5,000	(50)	35,289	35,289	2,029	865
Telefónica Factoring Colombia (4)	Factoring	Colombia	16.20	16.20	304,506,552	289,923,034	13,759,650	4,000,000	2,125,218	8,458,300	8,458,300	543	189
Telefónica Factoring Perú, S.A.C. (5)	Factoring	Peru	16.20	16.20	29,733	4,623	14,387	6,000	8,348	10,761	10,761	920	190
Unicre - Institução Financeira de Crédito, S.A.	Card issuance	Portugal	-	21.01	405,901	287,056	150,962	10,000	84,544	19,510	19,510	-	7,589

CAIXABANK INVESTMENT IN ASSOCIATES OF CAIXABANK GROUP
(Thousands of euros)

(3 / 3)

CORPORATE NAME	BUSINESS ACTIVITY	REGISTERED ADDRESS	% OWNERSHIP DIRECT	% OWNERSHIP TOTAL	ASSETS	LIABILITIES	ORDINARY INCOME	SHARE CAPITAL	RESERVES	PROFIT/ (LOSS)	TOTAL COMPREHENSIVE INCOME	COST OF DIRECT OWNERSHIP INTEREST (NET)	DIVIDENDS ACCRUED FROM THE TOTAL HOLDING
Zone2Boost, S.L.	Holding company for business acquisition	Barcelona-Spain	-	40.00	2,620	25	130	3	2,974	(382)	(382)	-	-

(*) Companies classified as non-current assets held for sale
(L) Companies in liquidation.
(1) All data except the cost and the dividend are in local currency: Brazilian real (thousand)
(2) All data except cost are in local currency: New Mozambique metical (thousands)
(3) All data except cost are in local currency: Renmimbi (thousands)
(4) All data except cost are in local currency: Colombian pesos (thousands)
(5) All data except the cost are in local currency: Peruvian soles (thousands)
Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.
Note: Furthermore, the company has significant influence over the investee companies Habitat Dos Mil Dieciocho, S.L. And Chimparra, A.I.E. that are currently in liquidation.

Appendix 4 - Disclosure on the acquisition and disposal of ownership interests in subsidiaries in 2021

(Article 155 of the Corporate Enterprises Act and Article 125 of the restated text of Spanish Securities Market Law).

The communication of CaixaBank, S.A. (hereinafter CaixaBank) informing of the registration in the Commercial Registry of Valencia of the merger by acquisition of Bankia S.A. by CaixaBank was registered in the CNMV on 26 March 2021. It was also reported that, in order to meet the exchange of the merger, CaixaBank increased its share capital by issuing 2,079,209,002 new common shares, the resulting share capital becoming 8,060,647,033 shares each with a par value of one euro, of the same single class and series.

On 5 November 2021, CaixaBank registered the communication of "Insider Information" in the CNMV, informing it of the transmission of all of its stake of 9.92% held in Erste Bank Group AG.

CaixaBank's communication of "Insider Information" was registered in the CNMV on 29 December 2021, informing it of the acquisition from Grupo Mapfre, S.A. of 51% of the company Bankia Vida, Sociedad Anónima de Seguros y Reaseguros. After this acquisition, CaixaBank came to wholly own the capital of Bankia Vida.

Appendix 5 – Annual banking report

In accordance with Article 87 of Act 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, credit institutions are required to publish the following information on a consolidated basis for the last financial year ended, broken down by country where the credit institutions are established. Pursuant to the above, the information required is provided hereon:

A Name, nature and geographic location of activity

In Note 1.1 to CaixaBank Group's consolidated Financial Statements the name, nature and geographical location of the activity is specified.

Appendices 1, 2 and 3 of CaixaBank Group's consolidated financial statements detail the subsidiaries, joint ventures and associates that make up CaixaBank Group.

Appendix 5 discloses notices on the acquisition and disposal of ownership interests in 2021, in accordance with Article 155 of the Corporate Enterprises Act and Article 125 of the restated text of the Securities Market Law.

B Business volume

CaixaBank, SA is established in Spain, and has 6 foreign branches, specifically in Poland, Morocco, the UK, Germany, France and Portugal.

CaixaBank also has 18 representative offices which do not carry out banking activities but provide information on the Entity's services in the following 16 jurisdictions: Algeria, Australia, Brazil, China (3), Chile, Colombia, Egypt, United Arab Emirates, the United States of America, India, Italy, Turkey, Peru, Singapore, South Africa and Canada.

Banco BPI has 349 branches in Portugal.

Business volume by country on a consolidated basis is as follows:

GEOGRAPHIC INFORMATION: DISTRIBUTION OF ORDINARY INCOME FROM CUSTOMERS *
(Millions of euros)

	BANKING AND INSURANCE BUSINESS			INVESTMENTS			BPI			TOTAL CAIXABANK GROUP		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Spain	13,077	11,039	11,170	85	62	106				13,162	11,101	11,276
Portugal	141	112	106				816	742	749	957	854	855
Poland	19	20	21							19	20	21
Morocco	11	9	7							11	9	7
United Kingdom	30	30	24							30	30	24
Germany	32	17	8							32	17	8
France	28	18	9							28	18	9
Angola				107	31	31				107	31	31
Share of profit/(loss) – accounted for using the equity method – **				145	84	233				145	84	233
Other							8	8	8	8	8	8
TOTAL ORDINARY INCOME	**13,338**	**11,245**	**11,345**	**337**	**177**	**370**	**824**	**750**	**757**	**14,499**	**12,172**	**12,472**

(*) Correspond to the following headings of CaixaBank Group's public statement of profit or loss calculated pursuant to Bank of Spain Circular 5/2014:
1. Interest income
2. Dividend income
3. Share of profit/(loss) of entities accounted for using the equity method
4. Fee and commission income
5. Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
6. Gains/(losses) on financial assets and liabilities held for trading, net
7. Gains/(losses) on assets not designated for trading compulsorily measured at fair value through profit or loss, net
8. Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net
9. Gains/(losses) from hedge accounting, net
10. Other operating income
11. Income from assets under insurance and reinsurance contracts

(**) of international associates and others. Mainly corresponds to the share of profit/(loss) of international associates accounted for using the equity method, primarily Erste Group Bank (Austria, until November 2021) and Banco Comercial e de Investimento (Mozambique).

C Full-time workforce by country

At 31 December 2021, the full-time workforce by country is as follows:

FULL-TIME WORKFORCE BY COUNTRY

	31-12-2021	31-12-2020	31-12-2019
Spain	44,912	30,421	30,615
Portugal	4,649	4,783	4,956
Poland	21	20	18
Morocco	28	27	24
United Kingdom	18	16	16
Germany	14	12	12
France	14	11	11
Switzerland	16	19	21
Other countries - Representative offices	90	77	63
TOTAL FULL-TIME WORKFORCE	**49,762**	**35,386**	**35,736**

D Gross profit/(loss) before tax

Gross profit before tax on a consolidated basis in 2021 amounted to EUR 5,315 million (EUR 1,600 and EUR 2,077 million in 2020 and 2019, respectively), and includes ordinary income from the branches set out in b) above.

E Income tax

The net income tax expense recognised on consolidated profit in 2021 amounted to EUR 88 million (EUR 219 million and EUR 369 million in 2020 and 2019, respectively), as shown in the consolidated statement of profit or loss.

Payments of income tax made during 2021 have reached EUR 717 million, of which EUR 693 million have been paid in Spain, EUR 10 million in Portugal, EUR 6 million in France, EUR 2 million in Poland, EUR 2 million in Morocco, EUR 2 million in the United Kingdom, EUR 2 million in Germany, EUR 1 million in Switzerland and EUR 1 million in Luxembourg.

Income taxes actually paid in the fiscal year in each jurisdiction include the final settlements derived from the payments on account and withholdings paid, which are reduced in turn in the income tax rebates in the current year. The result of the settlements deriving from tax assessments during that year is also included.

All ordinary income generated by CaixaBank Group is taxable.

The amount of the corporation tax payments do not correspond to the amount of the income tax expense recorded in the consolidated statement of profit or loss. The main cause of this divergence lies in the different timing of recognition of the items that make up the accrual and cash criteria in relation to income tax.

F Grants and public aid received

In 2021, the Group received the following grants and public aid:

- Grant from the Ministry of Industry, Energy and Tourism, through the department of shipbuilding, for EUR 10 million in aid for shipbuilding.
- A grant from the State Foundation for Training in Employment (FEFE) for meeting certain conditions required in employee training courses, for an amount of EUR 4 million.

G Indicators and ratios

The relevant indicators and ratios are shown in the "Changes in profit/(loss) and activity" section of the 2021 Management Report. The return on assets in 2021, calculated as net profit (adjusted to reflect the amount of the Additional Tier 1 coupon, after tax, reported in equity) divided by average total assets over the last twelve months, was 0.8% (0.3% not considering the extraordinary assets of the merger), 0.3% in 2020 and 0.4% in 2019).

CaixaBank

2021

Consolidated **Management Report**

Interactive document

Legal notice

This document is intended exclusively for informational purposes and does not aim to provide financial advice or constitute an offer or invitation to sell, exchange, or acquire any type of security or any financial service or product of CaixaBank, S.A. or of any other company mentioned herein. The information contained herein is subject to, and must be used as supplementary to, all other publicly information available. Anyone who purchases a security at any time must do so solely on the basis of their own judgement or the suitability of the security for their own purposes, and exclusively on the basis of the public information set out in the public documentation drawn up and registered by the issuer in the context of this specific information, availing themselves of advice if they consider this necessary or appropriate in accordance with the circumstances, and not on the basis of the information set out in this document.

CaixaBank wishes to emphasise that this document may contain statements relating to projections or estimates in respect of future business or returns, particularly in relation to financial information regarding the CaixaBank Group, which has been prepared primarily on the basis of estimates made by the Company. Take into account that these estimates represent our expectations in relation to the evolution of our business, so there may be different risks, uncertainties and other relevant factors that can cause a change that substantially differs from our expectations. These variables include market conditions, macroeconomic factors, regulatory and government requirements; fluctuations in national or international stock markets or in interest and exchange rates; changes in the financial position or our customers, debtors or counterparties, and so forth. These risk factors, together with any others mentioned in past or future reports, could adversely affect our business and the levels of performance and results described. Other unknown or unpredictable variables, or when there is uncertainty as to their evolution and/or potential impacts, may cause the results to differ materially from those described in the forecasts and estimates.

Past financial statements and previous growth rates are no guarantee of the future performance, results or price of shares (including earnings per share). Nothing contained in this document should be construed as constituting a forecast of future results or profit. Furthermore, this document was drawn up on the basis of the accounting records held by CaixaBank and the other Group companies, and includes certain adjustments and reclassifications to apply the principles and criteria operated by the Group companies on a consistent basis with those of CaixaBank, as in the specific case of Banco Português de Investimento ("BPI"). Therefore, the data contained in this presentation may not coincide in some aspects with the financial information published by said entity. Similarly, with regard to the historical information on Bankia and information on the evolution of Bankia and/or the Group contained in this presentation, take into account that it has been subject to certain adjustments and reclassifications for the purpose of adapting it to the CaixaBank Group's presentation criteria. In order to show the recurring evolution of the results of the new entity resulting from the merger, a Statement of Profit & Loss is drawn up by aggregating the profit of Bankia in the first quarter of 2021 to the profit of the CaixaBank Group, as well as in the entire 2020 financial year. Furthermore, the extraordinary impacts associated with the integration of Bankia have been excluded from the result.

The Statement of Profit & Loss and the consolidated balance sheet and the corresponding breakdowns of those statements provided in this report, are presented under management criteria, but have still been prepared in accordance with International Financial Reporting Standards (IFRS-EU) as adopted by the European Union under the terms of Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002, as subsequently modified. In preparing these statements, Circular 4/2017 of the Bank of Spain of 6 December, as subsequently modified, has also been taken into due account in that it adapts IFRS-EU to Spanish credit institutions.

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In addition to the financial information prepared in accordance with IFRS, this report contains a number of the Alternative Performance Measures (APMs) set out in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) ("the ESMA Guidelines") so as to provide a clearer picture of the company's financial performance and situation. Please be advised that these APMs have not been audited. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. As such, they may not be comparable. Please refer to the "Glossary" section of the document for details of the APMs used. The report also provides a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS.

This document also includes the non-financial information statement in accordance with the provisions of Act 11/2018 of 28 December, on matters relating to non-financial information and diversity, the content of which has been obtained essentially from the Company's internal records and using its own definitions, which are detailed in the "Glossary" section and which may differ and not be comparable to those used by other companies.

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The information contained in this document refers mostly to the CaixaBank Group, also referred to as CaixaBank or the Company. When the data or information has a different scope, this circumstance will be specified.

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

01

Our Identity

CaixaBank in 2021

CaixaBank is a financial group with a **socially responsible, long-term universal business model** based on **quality, trust and specialisation,** offering a value proposition of products and services for each segment, treating innovation as both a strategic challenge and a distinguishing feature of its corporate culture. As a leader in retail banking in Spain and Portugal, it is a key player in supporting sustainable economic growth.

CaixaBank, S.A. is the parent company of a financial services group whose shares are traded on the stock exchanges of Barcelona, Madrid, Valencia and Bilbao, and on the continuous market. Traded on the IBEX-35 since 2011, it is also listed on the Euro Stoxx Bank Price EUR, the MSCI Europe and the MSCI Pan-Euro.

Impact on Society

Our mission.
Improve **the financial well-being** of our customers **and help society prosper**

CaixaBank offers its customers the best tools and expert advice to make decisions and develop habits that form the basis of **financial well-being** and enable them to appropriately plan to meet recurring expenses, cover unforeseen events, maintain their purchasing power during retirement or to turn their dreams and projects into reality.

Besides contributing to our customers' financial well-being, our aim is to **support the progress of the whole of society.** We are a retail bank with deep roots wherever we operate. We therefore feel we must play our part in the progress of the communities in which we are based.

WE DO THIS WITH:

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

WE CONTRIBUTE TO THE PROGRESS OF SOCIETY:

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

Key indicators

Customers

- Be a leading provider for financial services
- Relationship based on proximity and trust
- Excellent service
- Value proposition for each segment
- Commitment to innovation

OMNICHANNEL PLATFORM CONTINUING LOOKING FOR INNOVATION

4,966 branches in Spain and 13,008 ATMs

~40% share of penetration of digital customers in Spain[1]

91.8% Spanish citizens with a branch or agent in their municipality

73.1% of digital customers in Spain

348 branches in Portugal and 1,418 ATMs

51.1% of digital customers in Portugal

#1 Bank in Spain with a strong position in Portugal

20.7 m CUSTOMERS
18.9 m IN SPAIN
1.8 m IN PORTUGAL

€680,036 m OF TOTAL ASSETS

€619,971 m OF CUSTOMERS FUNDS

€352,951 m OF LOANS AND ADVANCES TO CUSTOMERS GROSS

MARKET SHARE

SPAIN

24.2%	LOANS
25.9%	MORTGAGES
23.7%	CREDIT TO COMPANIES
32.7%	CREDIT CARDS
25.2%	DEPOSITS
24.5%	INVESTMENT FUNDS
33.9%	PENSION PLANS
23.3%	INSURANCE LIFE-RISK

PORTUGAL[2]

11.1%	LOANS
13.2%	MORTGAGES
10.6%	CREDIT TO COMPANIES
12.3%	INSURANCE LIFE-RISK
10.9%	DEPOSITS
17.2%	INVESTMENT FUNDS

CAIXABANK

- Best Bank in Spain 2021 and Best Bank in Western Europe 2021 by Global Finance
- Best Bank in Spain 2021 By Euromoney
- Bank of the Year in Spain in 2021 by The Banker
- Best Bank Transformation in the World in 2021 by Euromoney

BPI

- Mark of Excellence in Portugal by Superbrands
- Trust Mark by the magazine Selecções do Reader's Digest

[1] In Spain. Source: ComScore.
[2] Data as at November 2021.

Shareholders and Investors

- Long-term creation of value
- Attractive returns
- Close, transparent relationship

CaixaBank, best shareholder service for a listed company 2020 at the 6th Rankia Awards

GREATER SHAREHOLDER REMUNERATION

50% CASH PAY-OUT IN 2021

€0.1463 DIVIDEND PER SHARE[3]

50%-60% PAY-OUT OBJECTIVE 2022

INTENTION TO IMPLEMENT A SHARE BUYBACK PROGRAMME DURING FISCAL YEAR 2022 [4]

INCOME RESISTANCE AND LOWER ENDOWMENTS

€2,359 m ADJUSTED ATTRIBUTABLE PROFIT (EXCLUDING EXTRAORDINARY INCOME FROM THE MERGER) +71%

€10,597 m CORE INCOME +27.5%

7.6% ROTE[1]

SOLID CAPITAL POSITION

13.1% CET1 WITH TRANSITIONAL ADJUSTMENTS IFRS9

17.9% TOTAL CAPITAL

26.2% MREL[2]

STABILITY IN CREDIT QUALITY METRICS

3.6% NPL RATIO

63% NPL COVERAGE RATIO

23 bps COST OF RISK 12 MONTHS[1]

AMPLE LIQUIDITY

€168,349 m TOTAL LIQUID ASSETS

320% LIQUIDITY COVERAGE RATIO (12 MONTHS)

154% NET STABLE FUNDING RATIO (NSFR)

[1] These ratios do not include in the numerator the results generated by Bankia before 31 March 2021, which is the recognition date of the merger for accounting purposes or, for consistency, the contribution of the incorporated RWAs or balance items in the denominator. They neither consider the extraordinary impacts associated with the merger.
[2] As at December 2021, the issuance of €1,000 million of Senior Preferred in January 2022 is included. Without considering this issue, the ratio would be 25.8%
[3] Dividend charged against 2021 profits agreed by the Board of Directors, to be proposed at next AGM. Equivalent to 50% of the *pay-out* on the net attributable adjusted profit, excluding impacts of the merger with Bankia.
[4] It is the intention of CABK, subject to the appropriate regulatory approval, to implement an open-market *share buy-back* programme during the 2022 Fiscal Year, in order to bring down the CET1 ratio closer to our target level. More details are expected to be released in the second quarter of 2022.

Employees

- Promote talent and its development by encouraging equal opportunity, meritocracy and diversity
- Implement the best employee experience proposition that contributes to well-being and work-life balance
- Promote the attributes of agility and collaboration

49,762 Employees CaixaBank Group

55.5% Female

44.5% Male

Permanent contracts **99.8%**

Average age **46.0 years**

Average length of service **18.4 years**

COMMITMENT TO DIVERSITY

41.3% OF WOMEN IN MANAGERIAL POSITIONS[1]

1.05% GENDER PAY GAP

588 EMPLOYEES WITH DISABILITY

Global leaders in the Bloomberg 2021 GEI

Level of excellence A

In 2021, we were awarded the EFR Certification A level of excellence, being the first Spanish financial institution to achieve it.

ONGOING COMMITMENT TO TRAINING

81.8 hours OF TRAINING PER EMPLOYEE

1,163 INTERNAL TRAINERS[2]

Excellence in Practice Silver Award 2021 - Professional Development

Second prize in the "EFMD Excellence in Practice 2021" awards in the Risk School Project category.

In data we trust - Vidatathon

EFMA-Accenture Innovation in Insurance Awards 2021. Third place for the gamified programme to improve VidaCaixa's analytical capabilities.

REMUNERATION FOR RETENTION OF TALENT

The General Remuneration Policy is linked to ESG risks

The CaixaBank Employee Pension Plan (PC30) continues to be the leader in terms of assets and profitability by promoting social and environmental initiatives and investing in companies that follow good governance practices

13.64% OF YEARLY PROFIT

6.13% RETURN AT 5 YEARS

[1] From lower management in A and B branches. Scope CaixaBank, S.A. pre-merger.

[2] CaixaBank, S.A.

Environment and climate

– Transition to a carbon-neutral economy

OUR COMMITMENTS

CaixaBank signed on to the **Net Zero Banking Alliance, NZBA),** promoted by the UNEP FI, as a founding member

The agreement commits the Company to becoming emission neutral in 2050 and represents a higher ambition with respect to the United Nations Collective Commitment to Climate Action, signed by the Company in December 2019.

VidaCaixa is the first insurer in Spain to sign on to **Net Zero Asset Owner Alliance**, committing to move towards a zero net CO_2 emission investment portfolio by 2050

SEEKING OPERATIONAL EFFICIENCY

100%

OFFSETTING FOR CALCULATED CO_2 EMISSIONS

Direct issuances of CaixaBank's activity. Does not include indirect emissions.

EMAS | ISO | ISO 50001

SUSTAINABLE ENVIRONMENTAL FINANCING

€3,582 m
OF OWN GREEN BONDS
ISSUED 2020-2021

1,435,861 tCO_2/year
EMISSIONS AVOIDED FINANCED BY CAIXABANK

€1,706 m
NEW RENEWABLE ENERGY PROJECTS FUNDED THROUGH 29 PROJECTS

6,350 MW
OF RENEWABLE ENERGY CAPACITY INSTALLED

€10,832 m
LOANS INDEXED TO SUSTAINABILITY VARIABLES THROUGH 92 SIGNED TRANSACTIONS

€1,625 m
OF GREEN LOANS VIA 36 OPERATIONS

REFINITIV

REFINITIV RECOGNISES CAIXABANK IN ITS LEAGUE TABLE AS

16th Global bank - *Global Top Tier Green & ESG Loans*

6th Bank at EMEA[1] - *EMEA Top Tier Green & ESG Loans*

Bloomberg

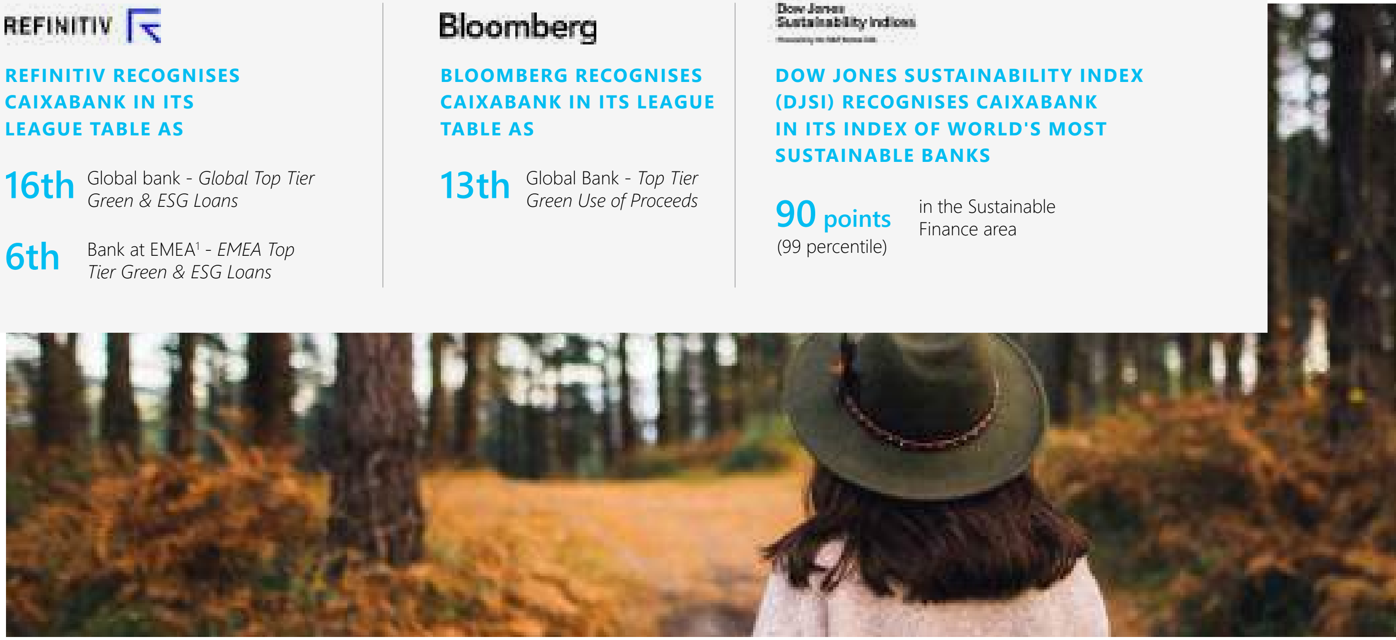
BLOOMBERG RECOGNISES CAIXABANK IN ITS LEAGUE TABLE AS

13th Global Bank - *Top Tier Green Use of Proceeds*

Dow Jones Sustainability Indices

DOW JONES SUSTAINABILITY INDEX (DJSI) RECOGNISES CAIXABANK IN ITS INDEX OF WORLD'S MOST SUSTAINABLE BANKS

90 points (99 percentile) in the Sustainable Finance area



[1] Europe, Middle East and Africa.

Investee

- Maximising our contribution to the economy
- Establishing stable relationships and trust with the environment
- Helping to solve the most urgent social challenges

TAXES PAID, THIRD-PARTY TAX COLLECTION AND OTHER CONTRIBUTIONS

€2,254 m Taxes paid

€1,820 m Third-party taxes collected[2]

€748 m Other contributions[3]

CONTRIBUTION TO GDP

0.96%

€11,519 m direct and indirect contribution to Spanish GDP

17% Gross added value of CaixaBank in the financial and insurance sector

0.43%

€913 m direct and indirect contribution to Portuguese GDP

6.8% Gross added value of BPI in the financial and insurance sector

BOOSTING ECONOMIC ACTIVITY

57,108 SPAIN

6,738 PORTUGAL

Job positions generated through the multiplier effect of purchases from suppliers[1]

~ €30,000 m of new production of loans to companies

107,222 New Microloans and other social impact financing initiatives for **€953 m**

17,007 Jobs created by supporting entrepreneurs through microloans

FINANCING AND INVESTMENT WITH IMPACT

€4,000 m OF OWN SOCIAL BONDS ISSUED SINCE 2019[4]

> €51,000 m Assets under management with a high sustainability rating according to SFDR (articles 8 and 9)[6]

WIDELY ACKNOWLEDGED

9th bank in the Dow Jones Sustainability Index World

Maximum rating in sustainable investment by the UN (A+) in Governance and Strategy[5]

Sustainable Finance Certification under ESG criteria - Environmental, Social and Good Governance AENOR (VidaCaixa, S.A. and CaixaBank Asset Management, SGIIC)

Support for companies during the COVID-19 crisis CaixaBank, recognised by Global Finance for its leadership in supporting businesses during the COVID-19 crisis

[1] CaixaBank Research, based on the added value of CaixaBank, Spanish GDP and employment according to National Accounting and productivity figures per worker and based on the input/output tables of the National Statistics Institute (INE) with 4th-quarter data.
[2] Taxes payable by third parties arising from their economic relationship with CaixaBank.
[3] Contribution to the Deposit Guarantee Fund, Extraordinary contribution to the banking sector (Portugal), Contribution to the Single Resolution Fund and Financial Contribution monetisable DTAs
[4] €1,000 m issued in January 2022.
[5] VidaCaixa, S.A., CaixaBank Asset Management, S.A and BPI Gestão de Ativos.
[6] According to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR).

2021

JANUARY

CaixaBank, the **world's highest-ranking entity in gender equality** according to Bloomberg's international index

FEBRUARY

The Board of Directors of CaixaBank proposes a **new Management Committee**

CaixaBank launches **Food&Drinks** to boost its specialisation in the catering industry

CaixaBank, **worldwide silver medal in the report *Sustainability Yearbook* 2021**

CaixaBank issues **its second green bond for €1 billion**

MARCH

CAIXABANK COMPLETES LEGAL PROCEDURES FOR MERGER WITH BANKIA TO BECOME THE LEADING BANK IN SPAIN

CaixaBank's Board of Directors appoints **José Ignacio Goirigolzarri as executive chairman**

CaixaBank, recognised by Global Finance **for its leadership in supporting businesses during the COVID-19 crisis**

CaixaBank, the **first financial institution to achieve the A Excellence level in the EFR Certification** (Family Responsible Company) awarded by Fundación Másfamilia

CaixaBank issues its **first Tier 2 subordinated green bond for amount of €1 billion**

APRIL

CaixaBank, named **Best Bank in Spain 2021 and Best Bank in Western Europe 2021** by Global Finance magazine

CaixaBank signs the *Net Zero Bank Alliance* (NZBA), an initiative that promotes net zero emissions by 2050, as a founding member

MAY

CaixaBank, named the **Most Innovative Bank in Western Europe 2021** by Global Finance magazine

CaixaBank, **a Europe Climate Leader in the fight against climate change**, according to the Financial Times

CaixaBank issues **a new €1 billion social bond** linked to finance education and anti-poverty programmes

JUNE

CaixaBank drives impact investing with a **strategic partnership with BlackRock**

CaixaBank Group, **the first bank in Spain to receive the AENOR Sustainable Finances certification for asset management**

CaixaBank places its **fourth green bond in senior non-preferred format for £500 million**, its first public issuance in a non-euro market

JULY

CaixaBank and trade unions reach a **labour agreement for the restructuring of the Bank**

CaixaBank, named **Best Bank in Spain 2021** by Euromoney

CaixaBank opens ***all in one* Madrid**

CaixaBank launches a plan **to facilitate its customers' access to European Next Generation funds**

CaixaBank joins the **Partnership for Carbon Accounting Financials (PCAF)**

AUGUST

SEPTEMBER

CaixaBank awarded **World's Best Bank Transformation** by Euromoney

CaixaBank launches a **support programme for those affected by the volcano in La Palma**

CaixaBank acknowledged for **Outstanding Leadership in Social Bonds in Western Europe 2021** by Global Finance magazine

CaixaBank reinforces its capital position **with a €750 million issue of contingent convertible preferred securities**

OCTOBER

CaixaBank, **Best digital bank for Private Banking** in Spain by Global Finance

NOVEMBER

CAIXABANK COMPLETES THE LARGEST TECHNOLOGICAL INTEGRATION TO DATE IN SPAIN

CaixaBank **reports that it has transferred its entire 9.92% stake in Erste Group Bank, AG**

CaixaBank, chosen **Most Innovative Bank in the World 2021** by EFMA-Accenture

CaixaBank, named **Best Private Bank in Spain** by The Banker/PWM

The Dow Jones Sustainability Index ranks CaixaBank among the world's most sustainable banks

Sustainalytics ranks CaixaBank as the **best bank in Spain in its ESG risk rating**

DECEMBER

CaixaBank announces that it has signed an **agreement with the Mapfre Group to acquire 51% of Bankia Vida**, after which it will hold 100% of the share capital

CaixaBank Asset Management obtains the EFQM 500 Seal for its strategy focusing on excellence, innovation and sustainability

The Banker magazine names CaixaBank **Bank of the Year 2021 in Spain**

CaixaBank adheres to the **new initiative within the framework of the United Nations Principles for Responsible Banking**, focusing on financial health and inclusion measures

CDP acknowledges CaixaBank as a **leading company in sustainability** for its action to combat climate change

S&P upgrades CaixaBank's rating, which obtains a rating of "A"

2022

Letter from the **Chairman**

***Thanks to the merger and the work done** on integrating the two companies over the course of 2021, we begin this year from a privileged starting point*

José Ignacio Goirigolzarri

Chairman

2021 was marked by a recovery in our economy following the sharp deterioration in the first part of 2020. This recovery is expected to come full circle at some point in 2022.

The economic policies adopted by the authorities have supported the recovery, particularly those aimed at financing the business fabric and families.

This is where the financial sector has played a key role since the outbreak of the crisis. Thanks to the moratoria given to individuals and the loans partially guaranteed by the ICO (Official Credit Institute of Spain), the sector has managed to mobilise funds equivalent to 14% of Spanish GDP.

I think we should be proud of what we have accomplished as a sector, and particularly at CaixaBank, which, as a leading company in Spain, has contributed decisively to this progress.

For our company, 2021 has undoubtedly been one of the most important years in our history. We saw CaixaBank merge with Bankia, which has made us the leading bank for more than 20 million customers in Spain and Portugal. This is not only a source of pride, but also of great responsibility, as we work on behalf of our customers, the country and society as a whole.

Over the course of the year, we have completed milestone after milestone in the merger of the two companies. Following the legal formalisation of the merger in March, we sat down with the workers' representatives to sign a voluntary redundancies process for 6,452 of our company's employees, whom I would like to thank once again for their contribution over the years to the success of our company.

Similarly, on last November, 15th, we completed the technological integration of both companies. This operation goes down as the greatest technological integration in Spanish history—one that has ended with immense success.

And, finally, during the last quarter we began integrating 1,500 branches as a result of the overlap of networks following the merger. During this process, we have employed strict criteria regarding proximity and financial inclusion as reflected in our commitment to personalised advice and our presence in rural areas, while maintaining our commitment not to abandon towns where we are the only financial institution present.

In parallel to this enormous task of integration, our company has continued to show great commercial dynamism, which has allowed us to improve our business volume by 4.8% despite such a complex year. This growth has mainly been driven by the marketing of higher-value added services such as long-term savings products, which have seen a 12.7% increase, and new consumer loans, which have increased by 7%.

This commercial activity, together with excellent risk management, accounting for €1,222 million of loan-loss provisions, 44% less than last year, has contributed to a profit after taxes of €2,359 million. If we include the extraordinary adjustments deriving from the merger with Bankia, our reported profit reaches €5,226 million.

These results and our ability to generate capital organically have allowed us to continue increasing our capital ratio, which has closed the year above 13%.

Looking ahead, I think we are on the right track. Thanks to the merger and the work done on integrating the two companies over the course of 2021, we begin this year from a privileged starting point to confidently take on the important challenges that we must face as an entity, as a sector and as a society.

Our objective is to continue supporting society, families and companies, because this is the best contribution that CaixaBank can make to support the recovery and the economic and social progress of our country.

We want to accompany and support the transformation we expect from our economy, both in terms of digitisation and the development of a more sustainable social and environmental fabric with greater opportunities for all.

To do so, we plan to lead the transformation that is taking place in our sector. Our transformative vision will take shape in our new Strategic Plan 2022-2024, which will be presented during the first part of this year.

The plan will continue within the framework of a unique banking project based on our founding origins and committed to our different stakeholders: our customers, our team, our shareholders and, of course, society as a whole.

A management model underpinned by excellent corporate governance.

In short, a project based on a model of making banking very inclusive and available to society and the needs of families and companies. A model which not only addresses what we do—our objectives—, but how we do it.

We look towards the future with great enthusiasm and ambition.

Our objective is to continue supporting society, families and companies, because this is the best contribution that CaixaBank can make to support the recovery and the economic and social progress of our country

Letter from **the CEO**

*We had a **highly satisfactory conclusion to an extraordinary year:** culminating the largest merger in the sector in Spain and continuing to provide our services by engaging closely with our customers*

Gonzalo Gortazar Rotaeche
CEO

CaixaBank closed out the 2021 by consolidating its leadership position in the Spanish market after successfully completing the largest merger in the history of the sector in Spain.

In just eight months, we integrated the human resources, the commercial model and the technological systems of the two original companies, thanks to the excellent work done by all the professionals involved and, ultimately, by the entire organisation. More importantly, this great coordination effort did not prevent us from continuing to carry out our recurring activities by closely engaging with and serving our more than 20 million customers in Spain and Portugal.

The result was a highly satisfactory conclusion to an extraordinary year.

With regard to the balance sheet, we closed out the year with assets of €680,036 million, and industry-leading market shares in terms of our main products and services. In long-term savings, which is a traditional area of strength of the CaixaBank Group and which combines investment funds, pension plans and savings insurance, net subscriptions doubled in 2021 and managed assets total €215,639 million, equivalent to a combined market share of 29.4% in Spain.

With regard to credit, after the integration of Bankia, the total portfolio is €352,951 million, 44.7% more than the previous year, with an acceleration in new production in the second half of the year and a market share of household and family loans of 24.3%.

The activity had a positive effect on our profit and loss statement. The profit, without taking into account the extraordinary impacts of the merger, was €2,359 million, 71% more than in the previous year. Income from services increased by 6% in a comparable scope and partially offset the negative impact on the net interest income of the lower interest rates. Recurring expenses are evolving as expected and in the last quarter of the year, started to reflect the savings associated with the merger. Finally, there was a significant standardisation of the cost of risk following the pandemic, which fell to 0.23% from 0.75% in 2020.

In 2021, we also continued to grow financially, which allowed us to continue to provide strong support to families and companies so they could emerge from the crisis and boost the economic recovery. The CET1 capital ratio exceeds the minimum required by almost 500 points, and liquidity remains at the highest levels of the Spanish financial system, exceeding €168,000 million. We also reduced non-performing loans since the merger and have the lowest NPL ratio among large banks in Spain.

This strong balance sheet, together with the gradual normalisation of the economic and financial environment, allowed us to return to our traditional cash dividend policy and propose the distribution of 50% of the year's recurring profit among our 663,000 shareholders. In addition, for 2022, we have announced our intention to pay out between 50% and 60% in cash and carry out a share buyback programme.

In 2021, we made considerable progress in terms of sustainability. We approved a new master plan, increasing initiatives and enhancing the governance framework at every level of the organisation. We deem it to be essential to facilitate the economic transition towards a sustainable model, which is why we are integrating ambitious environmental policies into our lending processes. After reducing our CO_2 emissions to zero since 2018, CaixaBank signed on to the *Net Zero Banking Alliance*, promoted by the United Nations, as a founding member. By doing so, we took on the commitment to achieve neutral greenhouse gas emissions in our credit and investment portfolios by 2050.

We also signed onto the *Collective Commitment to Financial Health and Inclusion*, promoted as part of the Principles for Responsible Banking, and we remain firmly committed to the United Nations Global Compact. Both our asset management company, CaixaBank Asset Management, and our insurance firm, VidaCaixa, maintained the highest rating (A+) in the United Nations' Principles for Responsible Investment (PRI), in the strategy and governance section, and we launched a new line of impact funds and plans. In addition, for the second year in a row, we were the largest European issuer of bonds linked to contributing to the United Nations Sustainable Development Goals (SDGs), and we continued to receive high ratings from the leading international sustainability indexes.

We began 2022 with the challenge of consolidating our growth and continuing to support the economic recovery. This is an exciting challenge and we have full trust in the abilities of our people, who demonstrated their worth yet again in 2021. We are very aware that we can only succeed if we continue to be guided by our traditional values, and act at all times at the service of our customers and society as a whole.

We began 2022 with the challenge of consolidating our growth and continuing to support the economic recovery. *We look forward to this new year, very aware that we can only succeed if we continue to be guided by our traditional values, and act at all times at the service of our customers and society as a whole*

Materiality

CaixaBank (hereinafter, CaixaBank, CaixaBank Group or the Bank) conducts an annual Materiality Analysis with the aim of identifying the priority financial, economic, social and environmental issues for its stakeholders and its business. The conclusions drawn are used to help manage the sustainability strategy, the bank's Strategic Plan, and to determine the proper scope of the information to be reported.

This report covers the material issues identified in 2021 for which the Bank is accountable to its stakeholders.

The Materiality Analysis for 2021 has the following objectives:

- **To collect the opinions of the main stakeholders** with regard to the topics considered to be material to the Bank in the short term. To focus on the changes with respect to the 2020 study, taking into account the current Covid situation and the integration with Bankia.
- **To integrate the materiality analysis as a valuable tool for defining the Bank's strategy and the new Sustainability Master Plan.** A question regarding which topics are considered key for the new Strategic Plan has been added following the merger. Furthermore, the results of the study for the design of the new Sustainability Master Plan, and the trend of the 2019-21 Socially Responsible Banking Plan, have been taken into consideration.
- **Prioritising the topics** that require more attention in corporate reporting.

Issues are considered to be material when there is a high likelihood they could generate a significant impact on the business or on stakeholders perceptions

Methodology

The preparation of the CaixaBank Group Materiality Analysis, undertaken by an independent expert, was an exhaustive and collaborative process involving the Bank's main stakeholders (customers, employees, shareholders), as well as CaixaBank representatives and external experts.

01. IDENTIFICATION OF MATERIAL ISSUES

Update of material topics with respect to the previous edition through an exhaustive documentary analysis of internal and external sources

List with 26 topics

02. PRIORITISATION OF MATERIAL TOPICS

Ad hoc internal and external consultations with stakeholders based on a random, representative sample, and interviews with external experts, media analysis, trend analysis and benchmarking in the sector.

Prioritisation of material issues in 2021

03. MATERIALITY MATRIX

The overall results are synthesised to determine priorities for the business and for the stakeholders of CaixaBank and BPI

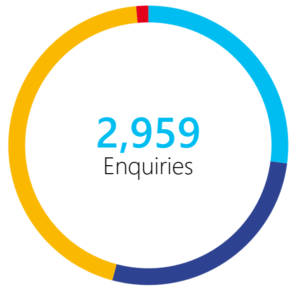
CaixaBank's 2021 Materiality Matrix

The **material topics are initially identified** through an exhaustive documentary analysis including, among other sources, strategic company data, as well as information on trends and reports from the sector, the media and other companies in the sector.

This phase includes surveys for customers, shareholders and employees and in-depth interviews with internal experts from CaixaBank and external experts from various fields. This is complemented by extensive media and trend analysis.

In the calculation of materiality, the weight of stakeholders is based on the reputational weight given to each in the Global Reputation Index (GRI), where customers carry the most weight (24%), followed by society as a whole (22%).

ENQUIRIES MADE IN ORDER TO PRIORITISE MATERIAL ISSUES[1]



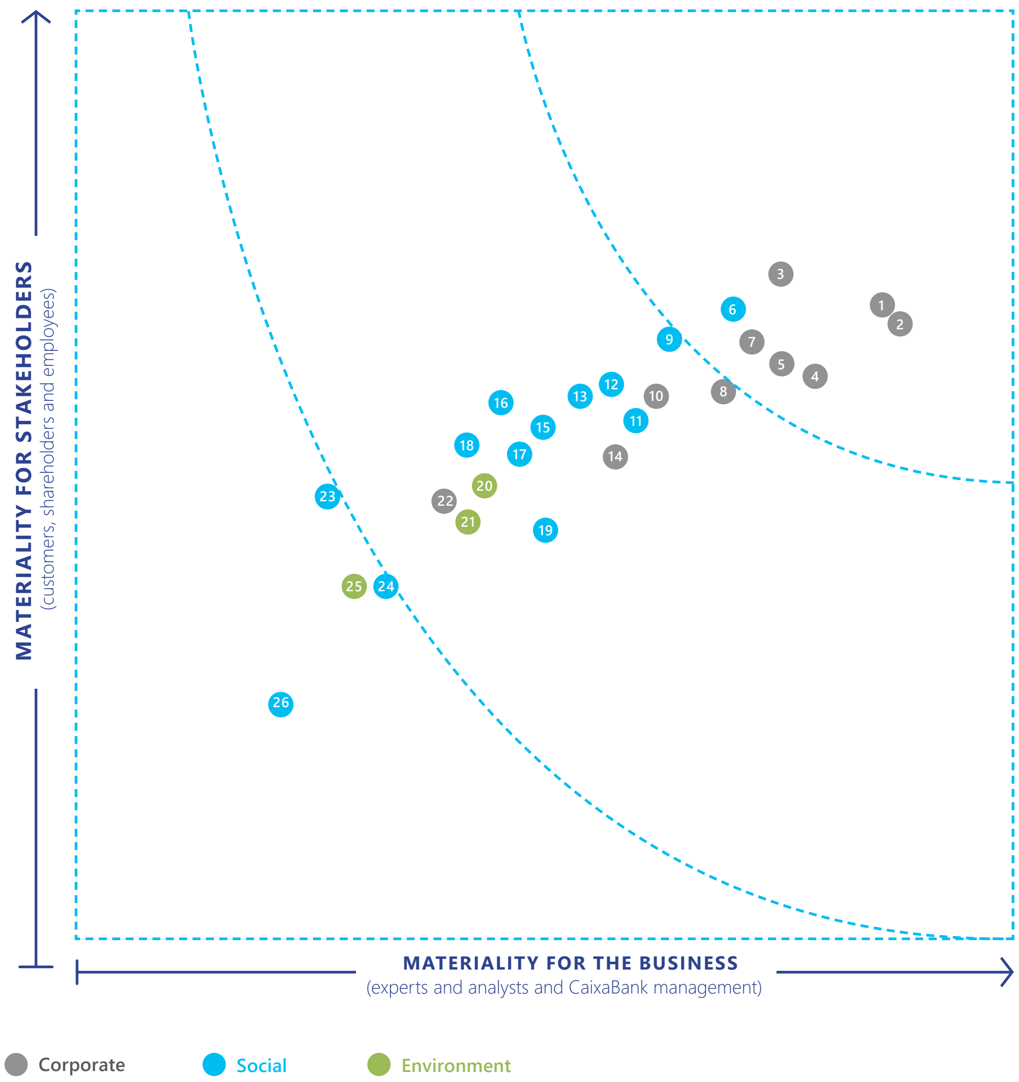
[1] In 2021, unlike previous years, surveys of customers and shareholders were carried out over the telephone instead of through an online survey. This has led to a smaller sample, which however still remains representative at a confidence level of 95%.

[2] 36 internal and external experts (Business) and 9 analysts, society and media (stakeholders).

Issues are prioritised according to their score on two axes, one for the stakeholders and one for the business.

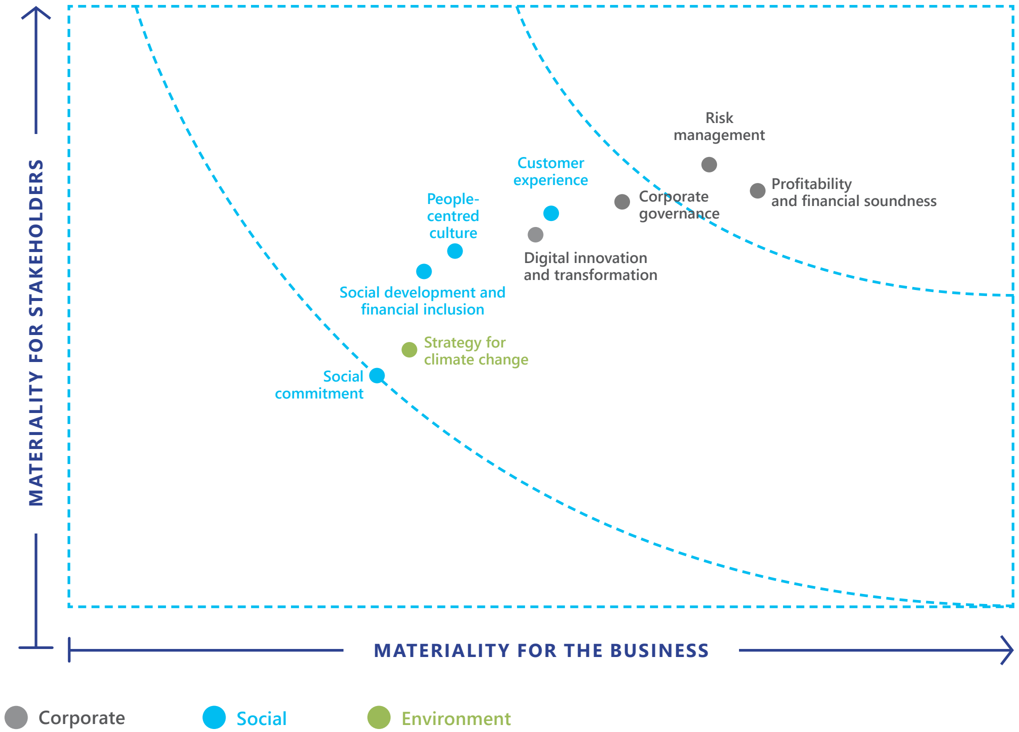
The exercise reflects the principle of dual materiality by preparing the surveys from a dual perspective of materiality for the development of the business and how it impacts its environment.

CaixaBank Group 2021 **Materiality Matrix**

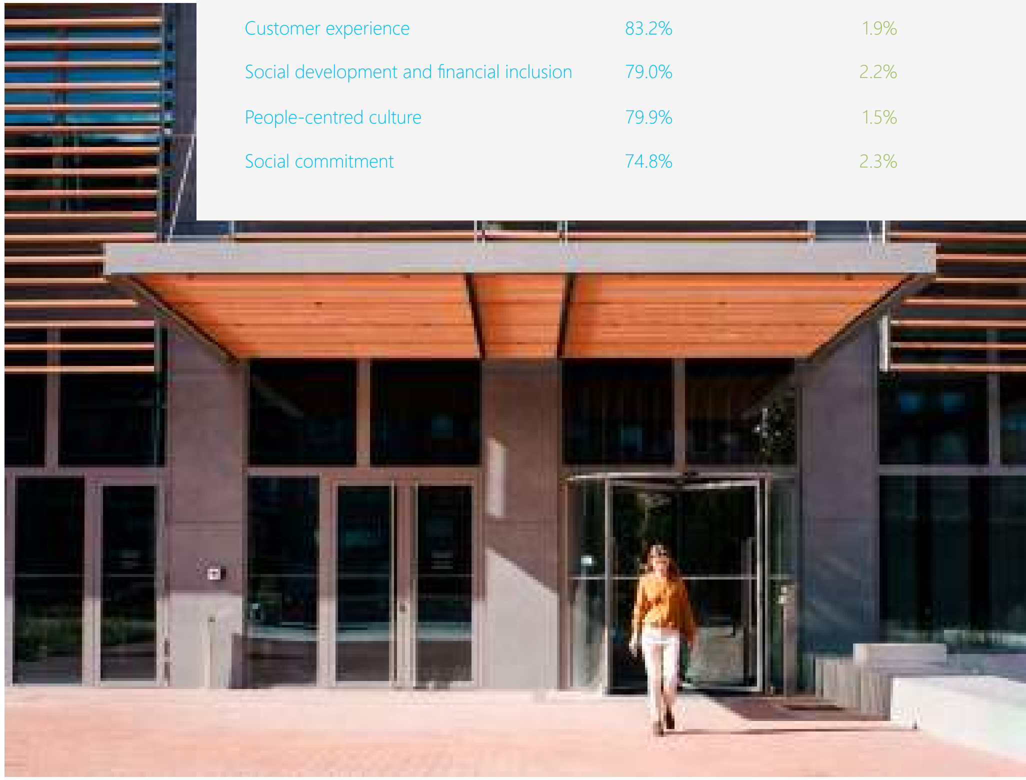


		MATERIALITY 2021	VARIATION 2021-20
1	Principled, responsible and sustainable conduct	89.7%	1.7%
2	Balance sheet soundness and profitability	89.5%	0.3%
3	Cybersecurity and data protection	88.1%	-1.4%
4	Good corporate governance practices and compliance	86.7%	1.9%
5	Active management of financial and non-financial risks	86.5%	-0.4%
6	Responsible marketing	86.5%	2.1%
7	Long-term vision and anticipating change	86.2%	-2.6%
8	Clear and transparent communication	84.7%	-0.4%
9	Close to the customer service and specialised advice	84.6%	2.3%
10	Responsible use of new technology and ethical data handling	83.2%	2.7%
11	Managing talent and professional development	82.9%	2.1%
12	Financial solutions for people with financial difficulties	82.6%	2.3%
13	Employees' health, safety and welfare	81.7%	0.4%
14	Technological innovation and development of new products and services	81.5%	3.9%
15	Diversity, equality and work-life balance	80.4%	0.8%
16	Investment with a social impact and microloans	80.2%	3.3%
17	Working with the Decentralised Social Programme and promoting the activities of "la Caixa" Foundation	79.7%	1.3%
18	Close to customer and accessible sales channels	78.6%	3.9%
19	Development of digital and remote customer service channels	78.4%	1.2%
20	Managing climate change and environmental risks	78.1%	0.8%
21	Commercialisation of green investment and financing products and services	77.1%	3.0%
22	Responsible and transparent procurement	77.0%	1.0%
23	An agile and collaborative work culture	74.6%	2.9%
24	Financial education	74.5%	-0.7%
25	Environmental management and carbon footprint	73.8%	1.7%
26	Corporate volunteering	69.9%	3.2%

Materiality matrix by issue cluster



	MATERIALITY 2021	VARIATION 2021-20
Profitability and financial soundness	87.9%	-1.1%
Corporate governance	84.5%	1.1%
Risk management	87.3%	-0.1%
Digital innovation and transformation	82.3%	3.3%
Strategy for climate change	76.3%	2.4%
Customer experience	83.2%	1.9%
Social development and financial inclusion	79.0%	2.2%
People-centred culture	79.9%	1.5%
Social commitment	74.8%	2.3%



Evolution 2021

Priority topics remain those related to principled conduct, good governance, financial soundness, risk management and cybersecurity, although they drop a few percentage points in materiality.

On the contrary, innovation, digital transformation and strategy for climate change are increasing in materiality.

Materiality and **Strategy**

The Bank's strategy forms the basis for the materiality analysis and the selection of issues. The analysis is in turn fed back into the strategy, to ensure it reflects the views and concerns of stakeholders and society and the current trends affecting the climate in which CaixaBank operates.

The material issues linked to the 2019-2021 Strategic Plan are as follows:

STRATEGIC LINE	MATERIAL ISSUES (IN ORDER OF PRIORITY)
Offer the best customer experience	9 Close to the customer service and specialised advice 14 Technological innovation and responsible development of new products and services 19 Development of digital and remote service channels
Speeding up digital transformation to become more efficient and flexible	3 Cybersecurity and data protection
Fostering an agile and collaborative culture that puts people first	11 Managing talent and professional development 13 Employee's health, safety and welfare 15 Diversity, equality and work-life balance 23 An agile and collaborative work culture
Generating an attractive return, while maintaining financial stability	2 Balance sheet soundness and profitability
Leading the way on responsible management and social commitment	12 Financial solutions for people with financial difficulties 16 Investment with a social impact and microloans 17 Working with the Decentralised Social Programme and promoting the activities of "la Caixa" Foundation 18 Close to the customer service and accessible sales channels 20 Managing climate change and environmental risks 21 Commercialisation of green investment and investment products and services 22 Responsible and transparent procurement 24 Financial education 25 Environmental management and carbon footprint 26 Corporate volunteering

CROSS-CUTTING ISSUES

1 Principled, responsible and sustainable conduct

4 Good corporate governance practices compliance

5 Management of financial and non-financial risk

6 Responsible marketing

7 Long-term vision and anticipating change

8 Clear and transparent communication

10 Responsible use of technology and ethical data handling

Corporate | Social | Environment

Criteria and scope of the report

The contents of this report address the material issues for the CaixaBank Group and its stakeholders identified in the 2021 Materiality Analysis and in the requirements of Law 11/2018 on the disclosure of non-financial and diversity information. This includes the information needed to understand the Group's performance, results and financial situation, and the environmental and social impact of its activities, together with matters relating to employees, respect for human rights and combating corruption and bribery.

This report has been prepared in line with the following principles to ensure that the information therein is transparent, reliable and thorough completeness:

- ***Global Reporting Initiative (GRI) Guide***, under the "exhaustive" option. The criteria and principles set out in this guide for the definition of the content and quality of the report have been applied.
- ***Sustainability Accounting Standards Board* (SASB)**, set out in the industry standard for commercial banks. Incorporating its materiality analysis and responding to the specific associated metrics.
- ***Task Force on Climate-Related Financial Disclosure* (TCFD)**, following its recommendations, reports on the details of governance, strategy, objectives and metrics related to climate change risk.
- **Framework of the International Integrated Reporting Council (IIRC)**, covering strategic focus and future orientation; connectivity of information; stakeholder relationships; materiality; conciseness; reliability; completeness and consistency and comparability.
- **Principles of the UN Global Compact and Sustainable Development Goals (SDGs)**, within the 2030 Agenda.
- **Guide for Preparing the Management Report for Listed Companies from the CNMV.**

>> PRINCIPLES FOR THE DEFINITION OF THE CONTENT OF THE REPORT

- Stakeholder engagement
- Context
- Materiality
- Completeness

>> PRINCIPLES FOR THE QUALITY OF THE REPORT

- Precision
- Balance
- Clarity
- Comparability
- Reliability
- Timeliness

This report contains performance data for CaixaBank and the subsidiary companies that form the CaixaBank Group. When the indicators reported do not refer to the Group but rather a part of it, this will be clearly stated. The information corresponding to GRI, SASB and the requirements of Law 11/2018 on the disclosure of non-financial and diversity information conforms the ISAE 3000 standard, as verified by an independent expert.

In 2021, the takeover merger of Bankia, S.A. by CaixaBank S.A. resulted in the performance of most indicators being affected due to the new size of the Bank. The non-financial information for 2020 will not be restated. However, in some cases CaixaBank and Bankia aggregate data from 2020 may be presented for a correct interpretation of the information.

The non-financial information indicators of 2021 contain information of Bankia Group companies as of 1 January 2021. It must be indicated explicitly when this is not the case due to the nature or unavailability of the data.

Ethical and responsible behaviour

Ethics and integrity

Respect for human rights is at the heart of CaixaBank's corporate values and is the starting point for the development of any legitimate business. To uphold these values, its **Human Rights Principles and its Code of Ethics and Action Principles** form the top level of CaixaBank's internal standards and regulation. They are approved by the Board of Directors and are based on the principles of the UN Universal Declaration of Human Rights and the Declaration of the International Labour Organization.

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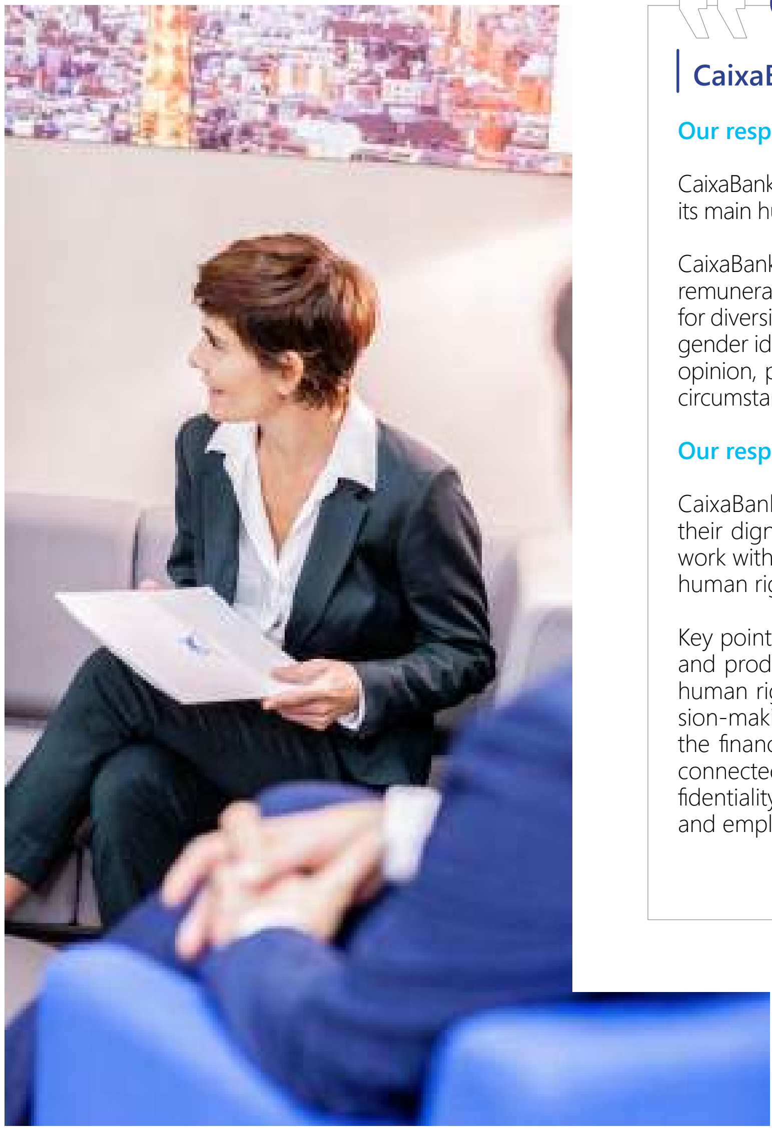
Human Rights

CaixaBank strives to understand what impacts its activities have on Human Rights. To this end, it implements regular due diligence processes to assess the risk of non-compliance, which form the basis for proposing measures to prevent or remedy negative impacts and to maximise positive impacts. In the first half of 2020, CaixaBank completed its regular human rights due diligence and assessment process, which it carries out with a third party. The assessment obtained was satisfactory and showed that the control environment is appropriate.

In 2021, in line with the action plans deriving from the Due Diligence, CaixaBank's Human Rights Principles were reviewed and updated, and were approved by the Board of Directors in January 2022. The main changes are: (i) renaming of the current *CaixaBank Corporate Human Rights Policy* to the *CaixaBank Human Rights Principles*, which corresponds more closely to the content of the document itself; (ii) incorporation of new commitments and principles of action in line with the highest standards, such as the *European Union Action Plan on Human Rights 2020-2024*, the United Nations Principles for Responsible Banking and the commitment made in this framework involving measures for financial inclusion and financial health, and; (iii) commitment to perform the due diligence exercise every three years or earlier if circumstances so warrant.

CaixaBank will promote and disseminate these Principles among its stakeholders.

CaixaBank's Human Rights Principles [1]

Our responsibility to employees

CaixaBank considers its relationship with its employees to be one of its main human rights responsibilities.

CaixaBank's policies on the recruitment, management, promotion, remuneration and development of people are linked to respect for diversity, equal opportunities, meritocracy regardless of gender, gender identity, ethnicity, race, nationality, religious beliefs, political opinion, parentage, sexual orientation, status, disability and other circumstances protected by law.

Our responsibility to customers

CaixaBank requires its employees to have respect for people, their dignity and their fundamental values. Likewise, it strives to work with customers who share CaixaBank's values of respect for human rights.

Key points in this area include: developing new financial services and products in line with CaixaBank's aspirations with regard to human rights, building social and environmental risks into decision-making processes, fostering financial inclusion and avoiding the financing of or investment in companies and/or businesses connected with serious human rights violations, respect for confidentiality, the right to privacy and the confidentiality of customer and employee data.

Our responsibility to suppliers

CaixaBank requires its suppliers to respect human and labour rights and encourages them to implement these rights in their value chain.

Therefore, CaixaBank's practices include: requiring its suppliers to understand and respect its Code of Conduct for Suppliers and Procurement Principles, and to understand and respect the Principles of the United Nations Global Compact, carrying out additional controls on suppliers that are considered internally to be of potentially medium-high risk, and taking any necessary corrective measures in response to failures to comply with its standards.

Our responsibility to the community

CaixaBank is committed to supporting human rights in the communities where it operates, by complying with current legislation, cooperating with government institutions and courts of law, and respecting internationally recognised human rights wherever it conducts business.

CaixaBank also promotes initiatives to raise awareness of international human rights principles, initiatives and programmes, and the UN Sustainable Development Goals (SDGs).

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[1] https://www.banktrack.org/download/corporate_human_rights_policy/200511_humanrightspolicyoct2019.pdf

DUE DILIGENCE MEASURES CLASSIFIED IN FOUR BLOCS AND MAIN INDICATORS AT 31 DECEMBER 2021

Purchasing management

882
Suppliers approved or reapproved in the year
688 IN 2020

€7.3 m
Volume of procurement contracts awarded to Special Employment Centres
€5.4 m IN 2020

Financing and investment

APPROPRIATE MORTGAGE COMMITMENTS

13,235
Homes in social rent programme
14,455 IN 2020

FINANCING OF CORPORATE PROJECTS

€10,832 m
Loans granted to sustainability factors
€2,997 m IN 2020

Human Resources management

EQUAL TREATMENT

41.3%
Women in management positions from deputy managers of large branches and up[1]
41.6% IN 2020

40.0%
Women on the Board of Directors
42.9% IN 2020

FAIR WORKING CONDITIONS

3,059
Employees on paid leave[2]
2,344 IN 2020

FREEDOM IN THE WORKING ENVIRONMENT

74%
Participation in Commitment Study
70% IN 2020

ENVIRONMENT AND WORKPLACE (ACCESSIBILITY, SAFETY AND HEALTH)

0.90
Accident frequency index (Accident Rate)
1.04 IN 2020

3.5%
Manageable absenteeism rate
3.4% IN 2020

Marketing

ACCESSIBILITY OF CUSTOMERS

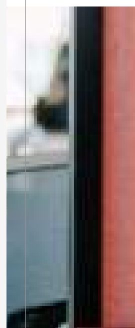
99% / 63%
Towns and cities >5,000 inhabitants with operations (Spain and Portugal, respectively)
98.8% / 64% IN 2020

MARKETING (PRODUCT DESIGN, MARKETING AND ADVERTISING, SALES)

32,088
Employees with MiFID II certification
18,710 IN 2020

INFORMATION SECURITY AND DATA PROTECTION (CUSTOMER PRIVACY)

99%
of employees have completed the security course
98% IN 2020



[1] From lower management in A and B branches. Scope CaixaBank, S.A. pre-merger.
[2] CaixaBank, S.A.

CaixaBank **Code of Ethics and Business Principles**[1]

CaixaBank's Code Ethics includes the following **action principles**:

Compliance with current laws and standards

Everyone at CaixaBank must comply with prevailing laws, rules and regulations at all times.

Social responsibility

We are engaged with society and the environment and we take these objectives into account in our operations.

Respect

We respect people, their dignity and fundamental values. We respect the cultures of the regions and countries where CaixaBank operates. We respect the environment.

Integrity

By having integrity, we generate trust, a fundamental value for CaixaBank.

Transparency

We are transparent, publishing our main policies and relevant information about our activities on our corporate website.

Excellence and professionalism

We work rigorously and effectively. Excellence constitutes one of CaixaBank's fundamental values. For this reason, we place our customers' and shareholders' satisfaction at the centre of our professional activity.

Confidentiality

We uphold the confidentiality of the information that our shareholders and customers entrust in us.

Corporate Anti-corruption **Policy**[2]

Through the Corporate Anti-Corruption Policy that complements the Code of Ethics and Principles of Action, an integral part of the CaixaBank Group Crime Prevention Model, CaixaBank underlines the total **rejection of any conduct that may be directly or indirectly related to corruption**. It works under the basic principle of compliance with the laws and regulations in force at any given time, and it bases its action on the highest standards of responsibility. As a signatory to the UN global Compact, CaixaBank undertakes to comply with its 10 Principles, and in particular to work to combat corruption in all its forms, including extortion and bribery (Principle No. 10).

The Policy serves as an **essential tool** to prevent both the Company, the Group companies and its external partners, directly or through third-parties, from engaging in conduct that may be contrary to the law or to CaixaBank's basic principles of action set out in its Code of Ethics.

The Policy also details the types of conduct, practices and activities that are prohibited, to prevent situations that could involve extortion, bribery, facilitation payments or influence peddling.

The Policy establishes the standards of conduct to be followed in relation to:

The acceptance and giving of gifts

It is prohibited to accept gifts of any amount if the purpose is to influence the employee. Subject to the above, gifts with a market value of more than 150 euros cannot be accepted. In any case, they must be voluntary and received at the workplace. Gifts must not be given to public officials and authorities.

Travel and hospitality expenses

These expenses must be reasonable and related to the Entity's activity, always at the expense of CaixaBank and paid directly to the service provider.

Relationships with political parties and officials

It is prohibited to make donations to political parties and their associated foundations or institutions. Full or partial debt waivers to political parties may not be carried out. CaixaBank shall not contract direct lobbying or interest representation services to position itself with authorities, but rather it will generally share its opinions through various associations to try to come to an understanding on the industry's position. Standards of action are also included in the areas of: (i) Sponsorships; (ii) Donations; and (iii) Suppliers.

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[1] https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad_corporativa/Code_of_Business_Conduct_and_Ethics_jan2019.pdf
[2] https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad_corporativa/Anti_corruption_Policy_jan2019.pdf

The main policies on **ethics and integrity** approved by the Board of Directors are:

Remuneration Policy	Objective	Last update	Published on the corporate website of CaixaBank
Code of Business Conduct and Ethics	Manifesto on the values and ethical principles that underpin our activity and should govern CaixaBank's operations.	March 2021	✓
Human Rights Principles	Standard for carrying out activities legally.	January 2022	✓
Anti-corruption Policy	To prevent both the Company and its external partners, directly or through third-parties, from engaging in conduct that may be contrary to the law or to the basic principles of CaixaBank's activity.	September 2021	✓[1]
Corporate Policy on Compliance with Criminal Law	To ensure that no criminal acts occur within the organisation.	April 2020	✓[1]
Corporate Policy for the Prevention of Money Laundering and the Financing of Terrorism (AML/CFT) and managing sanctions and international financial countermeasures within the CaixaBank Group	To actively promote the implementation of the highest international standards in this area, in all jurisdictions in which the CaixaBank Group has a presence and operates.	September 2021	✓[1]
Corporate Policy regarding the Defence Sector	Regulates the conditions for maintaining business relations in the sector, as well as establishing restrictions and exclusion criteria.	December 2019	✓[1]
Internal Regulations on Conduct Concerning the Securities Market	To promote transparency in markets and preserve the legitimate interest of investors at all times, in accordance with Regulation 596/2014 of the European Parliament and the Spanish Securities Market Act.	November 2021	✓
General Corporate Policy on Conflicts of Interest	To prevent or deal with potential conflicts of interest that may arise in different areas and scenarios.	January 2020	✓[1]
Principles of action in relation to the Privacy and Rights of CaixaBank customers	To establish fundamental rights to data protection and privacy.	January 2020	✓[1]
Corporate Policy on Regulatory Compliance	It establishes and develops the nature of Regulatory Compliance as the component responsible for promoting the ethical business principles, reaffirming a corporate culture of respect for the law and verifying the effectiveness of the associated controls.	July 2021	✓[1]

CaixaBank is firmly committed to **preventing money laundering and the financing of terrorism**. It is considered fundamental to establish the necessary measures and to revise them regularly in order to ensure, as far as possible, that CaixaBank products and services are not used for any illegal activity. In this regard, it is key to actively collaborate with the regulators and security agencies and report any suspicious activity that is detected. To do this, CaixaBank has a risk management model for money laundering and the financing of terrorism that it implements in its activities, businesses and relationships, both nationally and internationally, to prevent this risk, to which it is exposed. Spanish law requires an annual review by an independent external expert of the organisation's anti-money laundering measures. No significant deficiencies were identified in the review carried out in 2021.

Respect for the fundamental right to data protection and privacy is reflected in our code of ethics, and is the pillar upon which one of our corporate values is based: trust. The bank has a **Corporate Policy on Customer Privacy and Rights**, as well as internal regulations on confidentiality and the processing of personal data. To ensure risks affecting personal data management and processing are regularly reviewed, the Privacy Committee and *Privacy Impact Assessment* **(PIA)** Committee are responsible for analysing and approving new processes and for monitoring the implementation of the agreed measures.

[1] Some Principles, extracted from the Policy, are published.

Compliance – A mature and recognised model

ISO 37301 Certification - Compliance Management Systems

In July 2021, CaixaBank obtained the ISO 37301 Certification - Compliance Management Systems, an international standard that specifies the requirements and provides guidelines for compliance management systems and recommended practices.

The certification process carried out satisfactorily by AENOR, concluding that CaixaBank's Compliance Management System complies with the requirements of the ISO 37301 Standard and the other criteria of the audit.

ISO 37001 Certification - Anti-bribery management systems

In February 2021, CaixaBank obtained the ISO 37001 Certification - Anti-bribery Management Systems, an international standard (ISO) that specifies the requirements and provides guidelines for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.

The audit was carried out by AENOR, which verified that CaixaBank's management systems are being implemented properly with regard to the specific requirements of the standard.

UNE 19601 Certification - Criminal Compliance Management System

The UNE 19601 standard is the national standard for Criminal Compliance issued by the Spanish Association for Standardisation (UNE). It establishes the structure and methodology necessary to implement organisational and management models for crime prevention.

In 2020, CaixaBank obtained this certification, in recognition of its commitment, in accordance with best practice, to promote a responsible culture aimed at preventing crime within the organisation.

This certification is valid for 3 years, but annual monitoring audits must be carried out during the period.

Between January and February 2021, AENOR carried out the audit to monitor the UNE 19601 certification. The review was carried out satisfactorily, concluding that CaixaBank's Criminal Compliance Management System complies with the requirements of the Standard and the other criteria of the audit.

CaixaBank has an effectively implemented compliance management system with a high degree of maturity

Measures to ensure compliance with policies

Promoting and developing an effective culture of conduct throughout the institution is key to ensuring codes and policies are properly implemented. A communication and awareness strategy designed to strengthen this culture operates throughout the organisation. The main tools used in this strategy are:

Training

In 2021, the variable remuneration of all[1] CaixaBank, S.A. employees was linked to attending and passing compulsory training courses on regulatory matters or issues of particular sensitivity with regard to conduct. This was also extended to the rest of the Group in 2021.

33,974

EMPLOYEES WITH BONUS LINKED TO TRAINING

34,605 IN 2020

Communication

In 2021, in addition to training courses, specific awareness-raising sessions were held in branches and specialised areas. News items, FAQs and circulars were also published on the intranet (*PeopleNow*).

361

AWARENESS-RAISING ACTIVITIES

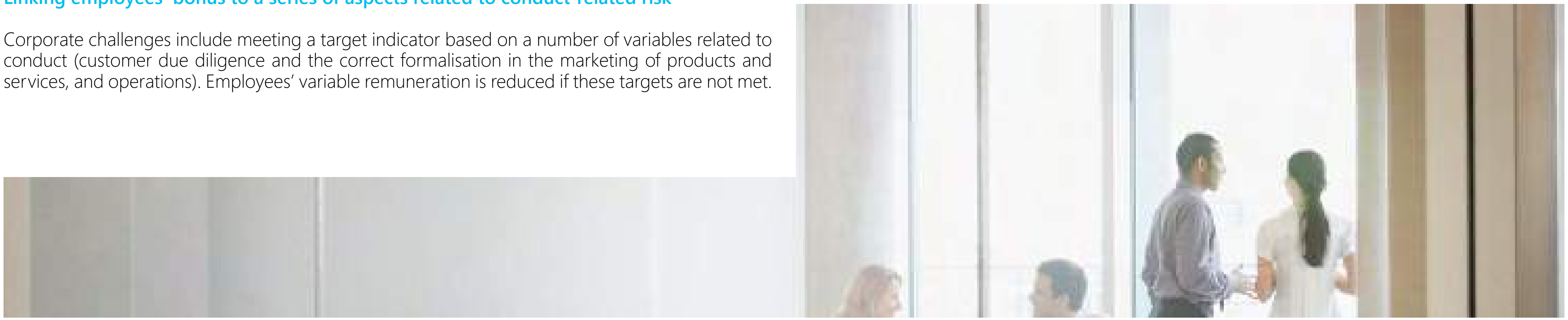
260 IN 2020

Linking employees' bonus to a series of aspects related to conduct-related risk

Corporate challenges include meeting a target indicator based on a number of variables related to conduct (customer due diligence and the correct formalisation in the marketing of products and services, and operations). Employees' variable remuneration is reduced if these targets are not met.

MAIN TRAINING COURSES ATTENDED BY EMPLOYEES ON RESPONSIBLE PRACTICES

	Training in 2021	
	Linked to remuneration	Total CaixaBank Group employees who have passed the course[2]
Criminal Risk Prevention in CaixaBank	✓	29,049 employees
Marketing of Insurance and Social Welfare Products	✓	27,296 employees
Prevention of Money Laundering and the Financing of Terrorism	✓	32,515 employees
ESG (Environmental, Social and Governance)	✓	27,854 employees



[1] Excluding employees who joined during 2021 following the merger with Bankia, for whom training is mandatory and must be passed, but is not linked to variable remuneration. In addition, these employees have carried out 5 further regulatory training courses in this area, previously carried out at CaixaBank S.A.

[2] Training carried out at CaixaBank, S.A., which has been extended to other Group companies according to prioritisation based on the risk of the different companies.

Enquiries and reporting channel

CaixaBank Group has made the Queries and Reporting Channel available to all users defined in CaixaBank and each of the Group companies with access to this Channel. For CaixaBank, the users with access to it are the following: Directors, employees, temporary staff, agents and suppliers.

Through this channel, it is possible to send reports on acts or behaviour, past or present, related to the scope of the Code of Ethics, the Corporate Anti-Corruption Policy, the Corporate Policy on Criminal Compliance, the CaixaBank Group Corporate Conflict of Interest Policy, the Internal Code of Conduct in Securities Markets, the Code of Conduct for Suppliers, the Code of Conduct regarding Data Communication or any other policy or internal standards in CaixaBank. Complaints submitted by customers are processed through CaixaBank's established customer service channels.

There are two types of reports:

- **Queries:** understood as requests for clarification of specific questions, as a result of the application or interpretation of the texts mentioned above.
- **Reports:** understood as reports of possible irregularities that may involve offences.

The **main characteristics** of the Channel are as follows:

- **Environment:** implementation of a platform that allows access to the Queries and Complaints Channel 24 hours a day, 365 days a year, through the following access routes: Internet, Corporate Intranet or similar platforms.
- **Possibility of anonymous reporting:** complaints can be made anonymously or otherwise, whereas queries must be submitted with a name.
- **Processing partially outsourced:** some of the complaint handling process is carried out by external experts in order to bolster the independence, objectivity and respect for the guarantees offered by the Channel. Specifically, the receipt and pre-analysis of admissibility are outsourced.

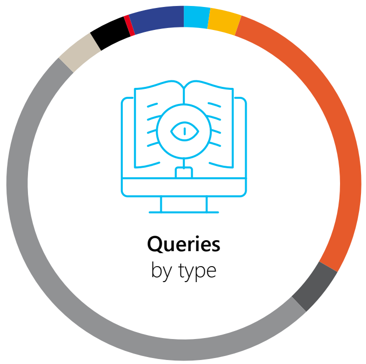
Both queries and reports are resolved by means of a rigorous, transparent and objective procedure, with strict guarantees of confidentiality, anonymity and the prohibition of reprisals. If any employees of the CaixaBank Group engage in potentially fraudulent activities or corruption, in the course of their work, such conduct will be considered an extremely serious breach of conduct under the current collective agreement, and the employees involved will incur the sanctions envisaged in the aforementioned agreement for such offences.

The Queries and Reporting Channel is an **essential tool in the prevention and correction of regulatory non-compliance**. The CaixaBank Group corporate channel is aligned with national and international best practices

THE QUERIES AND REPORTING CHANNEL IN FIGURES IN 2021

33
REPORTS
38 IN 2020

417
QUERIES
489 IN 2020



Reports		Queries
17	Product marketing, transparency and customer protection	10
4	Data protection / Confidentiality of information	12
3	Conflicts of interest	117
1	Non-compliance with Prevention of Money Laundering and Terrorist Financing regulations	19
0	Non-compliance with the Internal Code of Conduct (ICC)	207
0	Anti-corruption Policy	15
0	Inside information	14
0	Crime prevention	2
8	Other	21

Of the 33 **complaints received** in 2021, 21 are CaixaBank complaints and the remaining 12 correspond to the Group companies incorporated into the corporate channel.

Of these 33 received, complaints received in 2021, 20 were admitted to proceedings (60.6%), 12 were inadmissible (36.4%) and the remaining complaint was pre-admitted by the external expert on the date of this report.

While it is true that there has been a decrease in the number of complaints, 33 in 2021 compared to 38 in 2020, there has been an improvement in the filing of complaints as 12 were inadmissible compared to 18 in 2020. In other words, the percentage of inadmissible cases has been reduced from 47% in 2020 to 36% in 2021, which translates into a better understanding of the admission criteria by the groups with access to the Channel. In this sense, it is important to consider the actions taken to bring more attention to the existence and operation of the Queries and Complaints Channel, including training actions, news items and periodic communications throughout the year.

There may be several reasons for the decrease in the number of complaints, notably the current situation arising from the COVID-19 pandemic and, above all, from the process of integration with Bankia.

Of the total number of complaints received in 2021, three are still being processed (9.1%).

In relation to admitted complaints which have been processed in their entirety (18 cases in total), in seven cases (39%) no non-compliance has been detected and, of the 11 cases (61%) with non-compliance, disciplinary measures have been applied in nine. For the remaining 2 cases: One is pending analysis and possible application of a disciplinary measure (competence of the CaixaBank Incidents Committee), and in one case the disciplinary measure could not be applied because, prior to this, the employee's employment relationship was terminated.

It is also worth mentioning that, of the total number of complaints in 2021, two were filed in the Reporting Channel of the former Bankia and were resolved by CaixaBank Regulatory Compliance after the merger of both companies.

Lastly, with regard to distribution by geographical area, the most noteworthy are Catalonia (11 cases, representing 33%), Portugal (9 cases, representing 27%), the Canary Islands (4 cases, representing 12%) and Andalusia (3 cases, representing 9%).

With regard to the **417 quiries received**, it should be noted that 274 correspond to CaixaBank and 143 to the rest of the Group companies with access to the Channel.

As with the complaints, there has been a decrease in the number of quiries received (417 in 2021 compared to 489 in 2020). The reasons for this may be the same as those indicated above. Similarly, there has been a decrease in the number of inadmissible quiries, from 12% in 2020 (58 out of 489) to 9% in 2021 (37 out of 417), once again reflecting the improvement in quality of submissions.

For the management periods provided for in internal regulations, all quiries have been resolved and finalised on the date of this report. In terms of types of queries, the most noteworthy are those relating to the Internal Code of Conduct (207 cases, representing 49.6%) and Conflicts of Interest (117 cases, representing 28%).

Finally, with regard to the geographical area, the most noteworthy are Madrid (135 cases, representing 32.3%), Portugal (123 cases, representing 29.5%) and Catalonia (100 cases, representing 24%).

CaixaBank has a **specific reporting channel** for employees to report harassment. This is accessible via the corporate intranet. During 2021, seven formal complaints were received regarding possible occupational and sexual harassment. External consultants determined that in two of the cases there were potential indications of harassment, one of which was upheld as in fact involving harassment. In 2020, three formal complaints were received, and it was determined that there was one case of harassment.

As established in the Protocol, reports were prepared by external consultants on the seven formal complaints, with the following result: there were potential indications of harassment in two cases; five cases of non-harassment.

The section on the Prevention of Harassment was a key feature of the *Wengage Diversity* section of the corporate intranet in 2021.

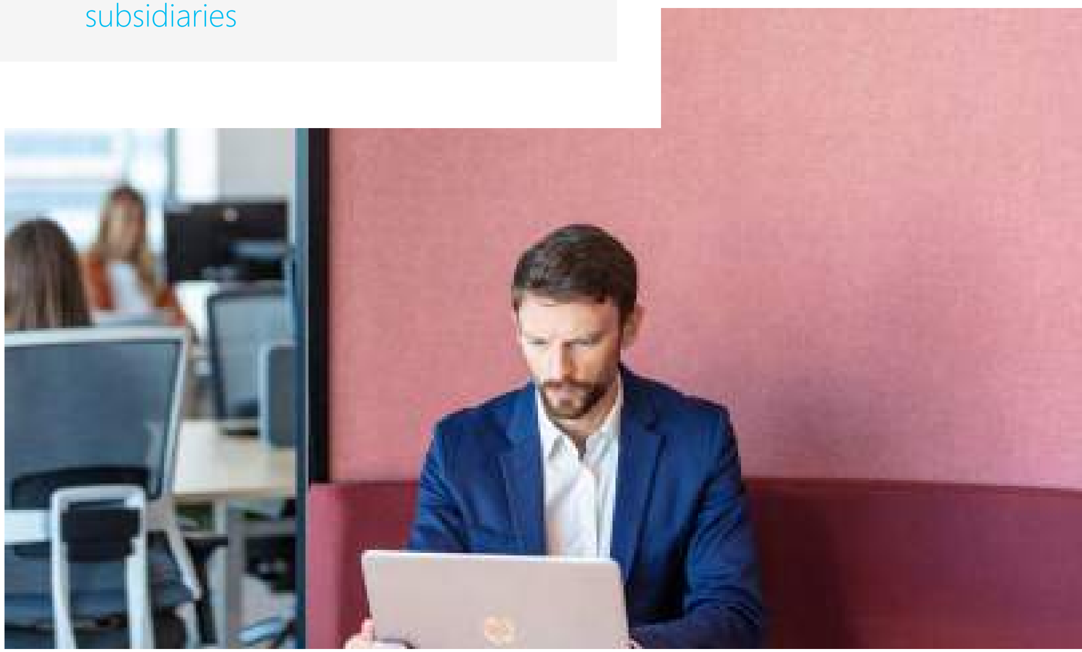
Training was also provided to raise awareness of the protocol for the prevention of harassment. Attention is also drawn to the Harassment Protocol channel during the training course on the Code of Ethics.

Management of **conflicts of interest**

The CaixaBank Group has a communication channel available on the corporate intranet so that all employees can report or raise situations that may involve a conflict of interest and obtain the necessary guidelines for action through mitigating measures.

Employees have at their disposal a Conflict Catalogue identifying the most common situations and activities that may constitute a conflict of interest, with the mitigation measures proposed for each of them.

During 2021, the **conflict of interest management model** was implemented in the Group's main subsidiaries



Responsible marketing and communication

Product design

The correct design of financial products and services, including financial instruments and banking and insurance products and services, and their proper marketing are a priority. The application of regulations governing different products and services: (i) financial instruments (Markets in Financial Instruments Directive - MiFID); (ii) banking products and services (Guidelines of the European Banking Authority on governance procedures and the monitoring of retail banking products); and (iii) insurance products (the Insurance Distribution Directive-IDD), ensures that CaixaBank has adequate processes in place regarding knowledge of its customers and communicating clearly and truthfully about risks of their investments.

The **Product Governance Policy**, approved by the CaixaBank Board of Directors, and updated in July 2020, establishes the principles for approving the design and marketing of new products and services, and for monitoring the product's life cycle, based on the following premises:

- To meet the needs of customers or potential customers in a flexible manner.
- To strengthen customer protection.
- To minimise legal and reputational risks arising from the incorrect design and marketing of products and services.
- To ensure all relevant areas are involved in the approval and monitoring of products and services, and senior management is engaged in defining and supervising the Policy.

The Policy applies to all companies controlled by the Group that produce or distribute banking, financial or insurance products.

The members of the **CaixaBank, S.A. Product Committee** are drawn from the control, support and business divisions to ensure it has sufficient specialised knowledge to understand and oversee products, their associated risks, and regulations on transparency and customer protection.

In 2021, all products from Bankia that have been kept in the CaixaBank catalogue have been analysed by the Product Committee.

41
NUMBER OF SESSIONS HELD BY THE PRODUCT COMMITTEE[1]
52 IN 2020

224
PRODUCTS / SERVICES ANALYSED
247 IN 2020

6
PRODUCTS / SERVICES REJECTED IN THE FIRST INSTANCE
4 IN 2020

The Product Committees of BPI, CaixaBank Wealth Management Luxembourg and CaixaBank Payments&Consumer have analysed 124, 27 and 19 products, respectively.

[1] 23ordinary sessions and 15 written agreements without a session.

Transparent and responsible marketing

The **CaixaBank Marketing Communications Policy**, which was updated in October 2020, includes a detailed description of the internal mechanisms and controls in place to minimise the risks related to publicity. The Policy details relevant considerations and the formal requirements that the Group's advertising must meet.

Advertising has a major impact on customer expectations and the resulting decision-making process. The Group's advertising and publicity activities must, therefore, always respect the following principles:

- **Legality:** Advertising must comply with the standards established in Law 34/1988, of 11 November, on advertising, in Law 3/1991, of 10 January, on unfair competition and other general rules applicable to the advertising of products and services.
- **Clarity:** Advertising must help the target customers understand the product without causing doubts or confusion.
- **Balance:** The advertising message must reflect the complexity of the product or service and the channel used.
- **Objectivity and impartiality:** The message must be objective with no subjective assessments.
- **Transparency:** The message must not deceive.

Advertising must also respect the dignity of individuals, any image and intellectual property rights held by third parties, and the corporate image of each of the Group's companies.

CaixaBank is a voluntary member of **Autocontrol,** the association for self-regulation in advertising, which encourages good advertising practices.

ADVERTISEMENTS OR ADVERTISING CAMPAIGNS REFERRED TO AUTOCONTROL FOR REVIEW

ADS

6,611

4,764 IN 2020

4,060 POSITIVE: NO DISADVANTAGES APPARENT IN THE CONTENT 2,602 IN 2020	**2,540** WITH CHANGES: RECOMMENDATION TO INTRODUCE CHANGES IN THE ADVERTISEMENT 2,161 IN 2020	**11** NEGATIVE: PUBLISHING THE ADVERTISEMENT WAS DISCOURAGED 1 IN 2020

16

PROFESSIONALS CERTIFIED

Employees' knowledge of products and services is key to ensuring that the information conveyed to customers is clear and complete. Training and awareness-raising help to ensure that employees have adequate knowledge of products and services.

32,088
PROFESSIONALS CERTIFIED IN MIFID II
18,710 IN 2020

30,664
EMPLOYEES WITH CERTIFICATION IN REAL ESTATE CREDIT LAW
18,066 IN 2020

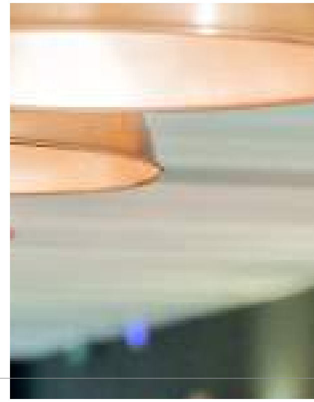
33,259
EMPLOYEES WITH CERTIFICATION IN THE INSURANCE DISTRIBUTION DIRECTIVE (IDD)
21,465 IN 2020

RESPONSIBLE LENDING PRINCIPLES

Given the nature of CaixaBank's business, the general principles applicable to responsible lending set out in **Annex 6 of Bank of Spain Circular 5/2012 of 27 June on transparency in banking services and responsible lending are of particular importance.** In particular, with a view to tailoring products and services to customer needs. In this regard, the internal regulations reflected in the **Corporate Credit Risk Policy** (recently updated in November 2021) expressly reflect the principles of responsible lending in the granting and monitoring of all types of financing.

In addition, the company has incentive plans that incorporate quality scales and best practices, governance and product surveillance procedures, digital files that guarantee the maintenance and updating of financial documentation in order to study the analysis and study of operations, monitoring indicators and internal communications that favour compliance with the principles of responsible lending in the commercial network.

TRANSPARENT CONTRACTS PROJECT



CaixaBank has operated a **Transparent Contracts Project** since 2018 designed to ensure transparent and responsible marketing and communication. The aim of the project is to simplify the language of contractual and pre-contractual documents for the products and services sold by CaixaBank. Since the start of the project, 15 contracts have been reviewed for the main products and services, as well as the corresponding pre-contractual documentation: Current Account, CaixaBank Now, Mortgage and Consumer Loan, MyBox Home, MyBox Life, among others.

TRANSPARENT CONTRACT PROJECT AIMS

TRANSPARENCY
IMPROVING THE TRANSPARENCY DURING SIGNING OF CONTRACTUAL DOCUMENTS BY CUSTOMERS

CLARITY
THROUGH CLEAR AND COMPREHENSIBLE LANGUAGE

TRUST
IMPROVING THE CUSTOMER'S EXPERIENCE AND INSPIRING CONFIDENCE WHEN THEY SIGN

SECURITY
LEGAL SECURITY FOR THE CUSTOMER AND THE BANK

Tax transparency

CaixaBank's social commitment is reflected in **responsible tax management,** which contributes to sustaining the public finances that fund the infrastructures and public services that are essential for progress and social development.

CaixaBank's tax strategy is based on the values that underpin its corporate culture, while it manages compliance with its tax obligations in line with its **low tax-risk profile**. The minimal adjustments required to CaixaBank's tax returns reflect this low risk approach.

CaixaBank defines the tax risk as the potential loss or decrease in the profitability of the CaixaBank Group as a result of changes in the legislation or in the regulation in force or due to conflicts of standards (in any field, including tax), in its interpretation or application by the corresponding authorities, or in its transfer to administrative or court rulings. It is covered under Legal/Regulatory Risk in the Risk Taxonomy.

The CaixaBank Group has fully integrated Banco BPI, so that its traditional activity in Spain—its most important jurisdiction—is complemented by the activity in Portugal as the second most important jurisdiction for all purposes, including taxes paid and those of third parties collected in favour of the tax administration. Likewise, the growing activity and subsequent generation of taxes by branch offices should not be underestimated.

In all jurisdictions where CaixaBank operates, it diligently complies with any tax obligations arising from its economic activity. Tax compliance mainly refers to:

i. The payment of all taxes generated on CaixaBank's own business activities,

ii. Collection of taxes from third parties arising from their economic relationship with CaixaBank,

iii. Contribution to the collection of taxes from third parties and their payment into the public coffers in its capacity as a collaborating entity,

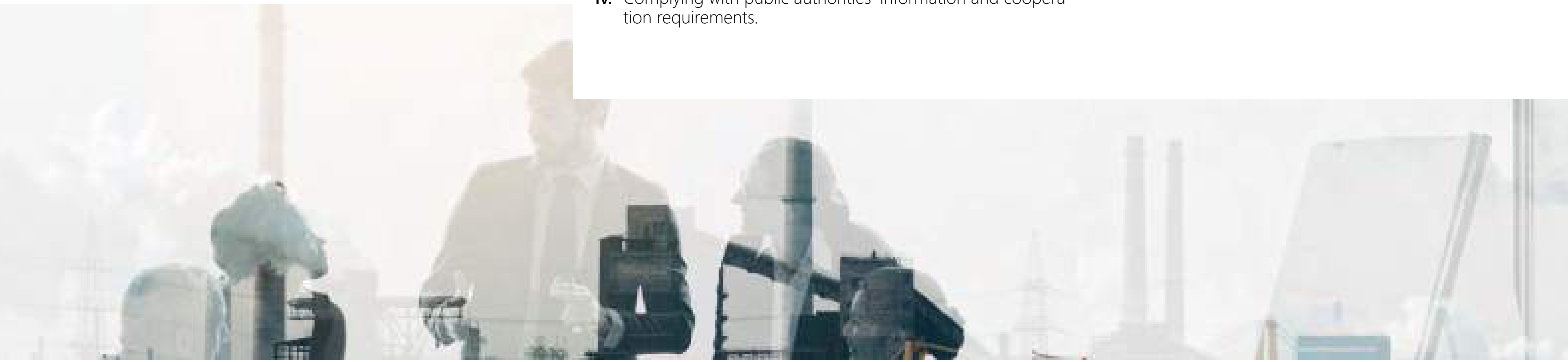
iv. Complying with public authorities' information and cooperation requirements.

CaixaBank tax strategy [2]

CaixaBank's Tax Risk Control and Management[1]

[1]Periodically reviewed. Latest update January 2020.

[2] https://www.caixabank.com/en/sustainability/responsible-practices/responsible-management.html



VOLUNTARY CODES OF GOOD TAX PRACTICE

CaixaBank is a voluntary member and participates actively in the Large Companies Forum. The Forum includes the Tax Agency (AEAT) and major large taxpayers. Its aim is to extend and deepen their cooperative relationship through a forum where the main tax issues can be analysed jointly and sector by sector.

CaixaBank is voluntarily adhered to:

Code of Good Tax Practices in Spain

- Approved by the Large Companies Forum.
- It contains a series of recommendations, voluntarily assumed by both the Tax Agency and companies, to improve the tax system through:
  - Increased legal certainty.
  - Mutual cooperation based on good faith.
  - Legitimate trust.
  - The application of responsible tax policies in companies with the knowledge of their governing bodies.

Code of Tax Practice for UK Banks

- Through your London branch.
- Driven by the United Kingdom tax authorities, it is committed to maintaining high standards of governance and conduct in compliance with its tax obligations.

INTERPRETATION OF TAX RULES

Compliance with the obligations imposed by tax regulations means paying taxes.

- CaixaBank takes the following into account:
  - The will of the legislator.
  - The underlying economic reasonableness, in line with the OECD tax principles (Organisation for Economic Cooperation and Development) embodied in the BEPS project (Base Erosion and Profit Shifting).
- Our interpretation of tax regulations is verified by tax consultants of recognised standing, when the complexity or importance of the issue requires it, and we may request clarification from the tax authorities, if this is deemed necessary.
- Decisions on tax matters resulting from these interpretations are subsequently reviewed by CaixaBank's external auditors. In order to safeguard the independence of CaixaBank's audit, it does not employ as tax advisers the same professionals who audit its accounts.
- As a corollary of the reasonableness of the interpretation of tax rules, tax inspections verify compliance with tax obligations.

Conclusion

The interpretation of tax regulations by CaixaBank results in fair and reasonable tax management in accordance with applicable tax legislation

Taxes managed by the CaixaBank Group and amount

OWN TAXES	THIRD PARTIES' TAXES	COLLECTION AND COOPERATION
Payment of CaixaBank's taxes, excluding Other Contributions (FGD, SRF, Financial Contributions, Contributions to the Portuguese Banking Sector)	**Contribution to the collection of taxes for the public treasury of taxes payable by third parties arising from their economic relationship with CaixaBank**	**Acting as a partner to the tax authorities of Spain, its autonomous regions and local authorities, assisting them in the collection of taxes.**
Direct taxes – Corporate income tax – Business and property taxes – Taxes on deposits **Indirect taxes** – Non-deductible VAT payments – Duty on transfers of assets and documented legal transactions (ITP-AJD) – Employers' social security contributions	– Personal income tax withholdings on salaries, interest and dividends – Social Security contributions (employer contributions) – VAT paid in to the tax authority	– Through the network of branches and ATMs and online channels – It cooperates transparently and proactively with government agencies to combat tax evasion and fraud.

CaixaBank is committed to paying taxes wherever it operates and generates value. The bulk of the taxes it pays is in Spain. It also pays taxes in countries where it has international branches. The taxes paid in relation to representative offices are principally related to employees contracted in these countries

OWN TAXES AND TAXES COLLECTED FROM THIRD PARTIES IN 2020 AND 2021, ON A CASH FLOW BASIS

2020

€2,654 m

BY LOCATION

€2,301 m
Spain

- **€1,132 m** Correspond to own taxes paid in their capacity as taxpayers
- **€1,169 m** Taxes payable by third parties deriving directly from CaixaBank activities and collected by CaixaBank on behalf of the relevant public authorities

€328 m
Portugal

- **€81 m** Correspond to own taxes paid in their capacity as taxpayers
- **€247 m** Taxes payable by third parties deriving directly from BPI activities and collected by BPI on behalf of the relevant public authorities

€25 m
Branches and subsidiaries

- **€5 m** United Kingdom
- **€3 m** Switzerland
- **€4 m** France
- **€3 m** Poland
- **€4 m** Germany
- **€3 m** Morocco
- **€3 m** Other

BY TYPE

€1,232 m[4]
Own taxes paid

- **€291 m** Direct taxes
  - **€170 m** Corporate income tax
    - 150 Spain
    - 5 Portugal
    - 14 Other[3]
  - **€62 m** Tax on bank deposits (IDEC)
  - **€59 m** Other[2]
- **€479 m** Indirect taxes
- **€462 m** Employers' social security

€1,422 m
Third-party taxes collected

€1,601 m
CONSOLIDATED PROFIT BEFORE TAX

43%
TOTAL TAX RATE[1]

2021

€4,074 m[5]

BY LOCATION

€3,669 m
Spain

- **€2,147 m** Correspond to own taxes paid in their capacity as taxpayers
- **€1,522 m** Taxes payable by third parties deriving directly from CaixaBank activities and collected by CaixaBank on behalf of the relevant public authorities

€377 m
Portugal

- **€85 m** Correspond to own taxes paid in their capacity as taxpayers
- **€292 m** Taxes payable by third parties deriving directly from BPI activities and collected by BPI on behalf of the relevant public authorities

€28 m
Branches and subsidiaries

- **€3 m** United Kingdom
- **€2 m** Switzerland
- **€7 m** France
- **€4.5 m** Poland
- **€4.4 m** Germany
- **€4.2 m** Morocco
- **€2.5 m** Luxembourg
- **€2 m** Switzerland

BY TYPE

€2,254 m[4]
Own taxes paid

- **€895 m** Direct taxes
  - **€719 m** Corporate income tax
    - 693 Spain
    - 10 Portugal
    - 16 Other[3]
  - **€105 m** Tax on bank deposits (IDEC)
  - **€71 m** Other[2]
- **€687 m** Indirect taxes
- **€672 m** Employers' social security

€1,820 m
Third-party taxes collected

€5,315 m
CONSOLIDATED PROFIT BEFORE TAX

30%
TOTAL TAX RATE[1]

1 The total tax rate is measured as the percentage that the total taxes paid represent-excluding Other Contributions (FGD, SRF, Financial Contribution monetisable DTAs and Contributions to the Portuguese Banking Sector) - of the profit before tax (2,254/(2,254 + 5,315) = 30%.

[2] This mainly corresponds to business tax (€31 million) and property tax (€28 million)

[3] Other: €2.4 million United Kingdom, €6 million France, €2.5 million Poland, €2 million Germany, €2 million Morocco, €0.5 million Switzerland and €0.5 million Luxembourg.

4 Excludes other contributions (FGD, SRF, Financial Contributions, Contributions to the Portuguese Banking Sector)

[5] Includes taxes paid and collected on behalf of Bankia third parties in the 1st quarter.

CAIXABANK AS A PARTNER ENTITY IN THE HANDLING OF TAX AND SOCIAL SECURITY CONTRIBUTIONS

CaixaBank performs an important social function as a partner entity to the national, regional and local tax authorities and the social security authority in Spain:

- Collecting taxes and social security contributions from third parties.
- Paying out tax refunds to these third parties when ordered by the tax authorities.

It also cooperates transparently and proactively with public authorities to combat tax evasion and fraud. Funding and resources were dedicated to combating fraud in 2021.

AMOUNT OF PUBLIC AUTHORITY RECEIPTS AND PAYMENTS HANDLED

€87,968 m
CHARGES
€75,350 m IN 2020

€39,395 m
PAYMENTS
€33,974 m IN 2020

CAIXABANK'S ROLE IN COMBATING TAX EVASION AND FRAUD

5,566
INDIVIDUAL REQUESTS FOR INFORMATION RECEIVED FROM THE SPANISH AUTHORITIES
3,914 IN 2020

34,539
PROCESSED ON BEHALF OF THE SPANISH AUTHORITIES
11,123 IN 2020

OTHER CONTRIBUTIONS

In addition to the aforementioned taxes, CaixaBank makes other contributions specific to financial institutions to:

- Supervisory funds for banking systems, both at the European and national level.
- Funds for the maintenance and operation of the banking system in general.
- Financial Contribution monetisable DTAs.

	2021	2020
Deposit Guarantee Fund contributions	396	244
Extraordinary contribution to the banking sector (Portugal)	22[1]	16
Contribution to the Single Resolution Fund	181	111
Financial Contribution monetisable DTAs	149	58

[1] Includes €3.6 million in solidarity tax, Social Security system.

DETAILS BY REGION, IN MILLIONS OF EUROS

	Ordinary revenue [1]		Pre-tax profit (loss)		Tax of companies accrued		Tax of companies paid	
	2021	2020	2021	2020	2021	2020	2021	2020
Spain	13,284	11,177	4,842	1,258	(44.8)	(169.0)	693.0	150.0
Portugal	1,070	886	372	270	(58.2)	(67.0)	10.0	6.0
France	28	18	22	15	4.2	6.0	6.0	3.0
Poland	19	20	11	12	1.8	2.0	2.5	1.0
United Kingdom	30	30	23	23	3.2	4.0	2.4	6.0
Germany	32	17	23	13	3.9	2.0	2.0	1.0
Morocco	11	9	6	4	2.1	3.0	2.0	1.0
Switzerland	8	7	4	2	(0.5)	0.3	0.5	2.0
Luxembourg	17	8	12	4	0.3	0.1	0.5	-
Total	**14,499**	**12,172**	**5,315**	**1,601**	**(88)**	**(219)**	**719**	**170**

[1] Corresponding to the following items in the Group's public statement of profit or loss. 1. Interest income 2. Dividend income 3. Share of profit or loss of equity-accounted institutions 4. Fee and commission income 5. Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net 6. Gains/(losses) on financial assets and liabilities held for trading, net 7. Gains/(losses) on assets not designated for trading compulsorily measured at fair value through profit or loss, net 8. Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net 9. Gains/(losses) from hedge accounting, net 10. Other operating income 11. Income from assets under insurance and reinsurance contracts.

The cash outflow related to the corporate income tax expense does not correspond to the amount disclosed in the consolidated statement of profit or loss. There are three main reasons for this:

– **Timing differences:** cash flows include corporate income tax inflows (refunds) to the tax group in Spain and companies in Portugal in respect of prior years' corporate income tax and payments on account in the current financial year. The tax expense recognised in the consolidated statement of profit or loss corresponds to the amount accrued against profits in the current year.

– **Scope of consolidation:** the tax consolidation regime in Spain treats "la Caixa" Banking Foundation and CriteriaCaixa as part of the tax group although they do not form part of the business group.

– **Unused tax credits brought forward:** finally, the last global financial recession resulted in losses for entities that were subsequently absorbed by the Group, thereby generating tax credits for the absorbing entities giving rise to a difference between the tax accrued and the tax expense payable.

CaixaBank's position in relation to tax havens and non-cooperative territories in the European Union's tax matters

As a general rule, CaixaBank avoids operating in jurisdictions classified as tax havens. Nor does it use tax structures that involve such territories or low- and zero-tax territories when there is no real economic substance for such structures. Any investment in entities that are domiciled in territories classified as tax havens is subject to a prior report on the economic basis for the investment and the approval of the governing bodies.

CaixaBank's policy on tax havens is based on the principles set out in the Group's statutory documents:

CODE OF ETHICS

TAX STRATEGY

LEGAL RISK AND CONTROL MANAGEMENT POLICY WHICH INCLUDES TAX RISK

CaixaBank does not currently have any direct holdings in territories classified as tax havens

CaixaBank Group activity in Luxembourg

Luxembourg is a key jurisdiction for the financial sector for a number of reasons:

- **Efficiency** in financial matters, thanks to a specialist focus on investment products that allows financial services providers to offer attractive yields.
- Its high levels of **legal protection** based on the prompt application of legislation and a stable legal system.

The CaixaBank Group operates in a key global market for investment management, reaching more international and domestic customers.

PRINCIPLES GOVERNING THE CAIXABANK GROUP'S ACTIVITIES IN LUXEMBOURG

- CaixaBank's operations in Luxembourg are, like those of the entire Group, completely transparent and subject to the controls required of a regulated business, supervised by bodies that adhere to common European and international standards.
- CaixaBank has adopted the OECD’s fiscal principles, as set out in the Base Erosion and Profit Shifting (BEPS) project. It does not use artificial corporate structures to transfer profits to low-tax jurisdictions. Any international expansion of its business, therefore, has real economic substance.
- The identities of our investors in Luxembourg are disclosed to the tax authorities to ensure they meet their tax obligations within a framework of complete transparency.

Sustainable Development Goals
CaixaBank's contribution to the 2030 Agenda

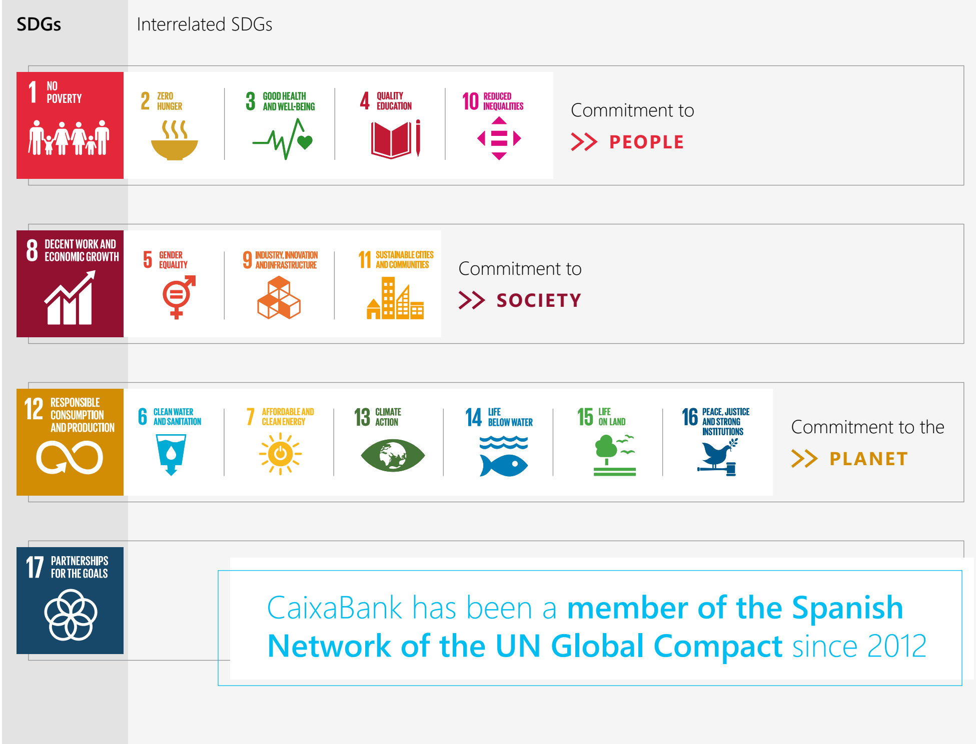
Owing to its size and social commitment, CaixaBank contributes to all the SDGs through its activity, social action and strategic alliances

The Sustainable Development Goals are a United Nations-driven initiative with **17 goals and 169 targets** that include new areas such as climate change, economic inequality, innovation, sustainable consumption and peace and justice, among other priorities. Following talks on the SDGs involving 193 UN member states, on 25 September 2015, at a high-level plenary meeting of the General Assembly, an agenda entitled "Transforming our World:**the 2030 Agenda for Sustainable Development"** was approved, entering into force on 1 January 2016.

The Bank has integrated the 17 SDGs into its Strategic Plan and Socially Responsible Banking Plan, and contributes to all of them in a transversal manner. Consistent with its commitment to the Principles of Responsible Banking promoted by UNEP FI, it places greater emphasis on four priority SDGs that enable it to carry out the mission of the Company. The 4 priority SDGs are interconnected with the other SDGs and CaixaBank contributes to all of them conjointly.

CaixaBank, aware of the role played by financial institutions in promoting the mobilisation of capital towards an inclusive and low-carbon economy, **has issued two social bonds and a green bond within its Framework for issuing bonds related to the SDGs (August 2019).** CaixaBank channels funds towards specific actions that contribute directly to the SDGs through these issuances.

[1]



[2] For more information, see the Publication on Sustainability, Socio-Economic Impact and Contribution to the SDGs

[1] https://www.caixabank.com/en/shareholders-investors/fixed-income-investors/sdg-bonds.html
[2] https://www.caixabank.com/en/about-us/publications.html

1 NO POVERTY

- Microloans and other finances with a social impact
- Social Bonds
- Banking products for vulnerable groups
- Capilarity Social Action projects and Solidarity Partnerships
- AgroBank
- Active Housing Policy
- Range of impact-generating solutions (investment funds and pension plans)
- Adherence to the *Commitment to Financial Health and Inclusion* of UNEPFI

2 ZERO HUNGER
- Family microloans
- Eco-loans agricultural sector
- Social Action with the "la Caixa" Foundation
- No home without food

3 GOOD HEALTH AND WELL-BEING
- Health and wellness loans
- We're Healthy Programme (CaixaBank team)
- School of Sustainable Performance
- Collaboration with GAVI, the Vaccine Alliance

4 QUALITY EDUCATION
- Financial Culture Plan
- Classroom Programme for Shareholders
- Chairs[1]
- CaixaBank Research
- CaixaBank Talks
- Sustainability School for employees
- CaixaBank doubles down on Dual Training

10 REDUCED INEQUALITIES
- Microloans and other finances with a social impact
- Banking products for vulnerable groups
- Social action with the "la Caixa" Foundation
- Active housing policy and Impulsa programme
- Financial Culture Plan

[1] IESE's CaixaBank Chair on Sustainability and Social Impact, AgroBank Chair - "Quality and innovation in the agri-food sector"

8 DECENT WORK AND ECONOMIC GROWTH

- Financing for companies and self-employed workers
- Microloans to businesses
- Investment in R&D
- Job creation
- Social bonds

5 GENDER EQUALITY
- Equality Plan
- *Wengage* diversity programme
- Signing on to the *Women Empowerment* and BPI Female Entrepreneur awards and WONNOW awards (women in STEM, with Microsoft)
- Support for major women's associations[1]
- Accession to STEAM Partnership "Girls at the foot of science" of the Ministry of Education and FP

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- Support for *Start-ups* (DayOne)[2]
- Financing companies with social impact
- Investment in R&D
- Information Security
- Digitisation plan

11 SUSTAINABLE CITIES AND COMMUNITIES
- Capilarity
- Active housing policy
- Accession to UNWTO[3]
- Real Estate & Homes
- Hotels & Tourism

[1] Equality in the company, Diversity Charter, More women better companies, Eje&Con.
[2] Specialised network and services for *start-ups* and *scale-ups*.
[3] *United Nations World Tourism Organisation.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Accession to the Net Zero Banking Alliance (NZBA)
- Mobilization of sustainable finance
- Impact Solutions GAMA SI (investment products and insurance)
- Policies on ethics and integrity
- Due diligence in Human Rights
- Accession to the UNEP FI Principles of Responsible Banking
- VidaCaixa and CaixaBank Asset Management membership of PRI
- Verified reporting
- Certification in BCorp imagin

6 CLEAN WATER AND SANITATION
- AgroBank
- Framework for issuance of SDG bonds

7 AFFORDABLE AND CLEAN ENERGY
- Accession to the *Net Zero Banking Alliance* (NZBA)
- Renewable energy financing
- Accession to RE100
- Reduction in energy consumption
- Renewable energy consumption
- Green bonds
- Accession to the European Clean Hydrogen Alliance

13 CLIMATE ACTION
- Accession to the *Net Zero Banking Alliance* (NZBA)
- Membership in GECV (Spanish Green Growth Group)
- Signatories of the Equator Principles
- Consumption if renewable energy
- Compensation for 100% of operational CO_2 emissions
- Financing renewable energies
- Accession to the Partnership for Carbon Accounting Financials (PCAF)
- Accession to the VidaCaixa Sustainable Insurance Principles
- Accession to the European Alliance for Green Hydrogen

14 LIFE BELOW WATER
- AgroBank

15 LIFE ON LAND
- Framework for issuance of SDG bonds

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- Policies on ethics and integrity and external compliance certifications
- Due diligence and evaluation in Human Rights
- Information security
- Accession to Autocontrol

17 PARTNERSHIPS FOR THE GOALS

- Alliances directly related to the SDGs

Fundación "la Caixa": The first Social Action Project in Spain and one of the largest foundations in the world. Strategic alliance for the dissemination of its projects and active participation in key programmes such as Incorpora and GAVI Alliance

Initiative of the Leadership and Sustainability Chair of ESADE with the collaboration of "la Caixa" Foundation

Corporate Governance

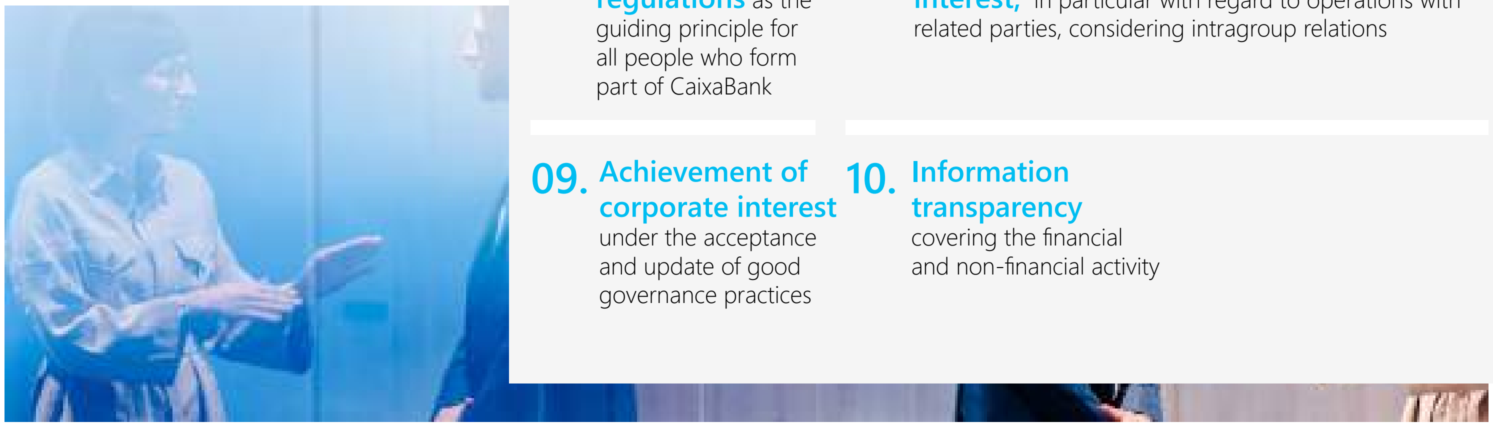
Robust Corporate Governance enables companies to maintain an efficient and methodical decision-making process, as it incorporates clarity in the allocation of roles and responsibilities and, in turn, fosters proper management of risks and efficient internal control, which promotes transparency and limits the occurrence of potential conflicts of interest. All of this drives excellence in management that results in greater value for the company and therefore for its stakeholders.

As part of our commitment to our mission and vision, we implement good Corporate Governance practices in our activity. This enables us to be a well-governed and coordinated company that is recognised for its good practices.

The information regarding the corporate governance of the Company is supplemented by the Annual Directors Remuneration Report (ADRR), which is prepared and submitted to a non-binding vote at the Annual General Meeting.

Once approved by the Board of Directors and published on the CNMV website, the ADRR and this ACGR report are available on the CaixaBank corporate website (www.caixabank.com).

CaixaBank's Corporate Government Policy is based on the Company's corporate values and also on good practices for governance, particularly recommendations in the Good Governance Code of Listed Companies approved by the CNMV in 2015. This policy establishes the action principles that will regulate the Company's corporate governance, and its text was reviewed in December 2021.



Corporate governance **principles and practices**

01. Competencies and efficient self-organisation of the Board of Directors

02. Diversity and balance in the composition of the Board of Directors

03. Professionalism for the proper performance of the duties of members of the Board of Directors

04. Balanced remuneration aimed at attracting and retaining the appropriate profile of members of the Board of Directors

05. Commitment to ethical and sustainable action

06. Protection and promotion of shareholders' rights

07. Compliance with current regulations as the guiding principle for all people who form part of CaixaBank

08. Prevention, identification and appropriate treatment of conflicts of interest, in particular with regard to operations with related parties, considering intragroup relations

09. Achievement of corporate interest under the acceptance and update of good governance practices

10. Information transparency covering the financial and non-financial activity

Best Corporate Governance practices (G)

Of the 64 Recommendations in the Good Governance Code (excluding one non-applicable recommendation), CaixaBank is fully compliant with 57, partially compliant with five and non-compliant with one. The following list contains the recommendations with which CaixaBank is non-compliant or partially compliant, and the reason:

CAIXABANK IS PARTIALLY COMPLIANT WITH THE FOLLOWING RECOMMENDATIONS:

RECOMMENDATION 5

Because the Annual General Meeting of 22 May 2020 and of 14 May 2021 approved each agreement included in a motion which allows the Board to issue bonds and other instruments convertible into shares with the exclusion of pre-emptive subscription rights by making any capital increases that the Board of Directors may approve under this authorisation subject to the legal limitation of 50% of the capital and not 20%. The foregoing not withstanding that since 3 May 2021, the Law 5/2021 includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions, such as in the case of CaixaBank, the possibility of not applying this 20% limit to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

RECOMMENDATION 10

Because the regulations of CaixaBank's Annual General Meeting provide for a different voting system depending on whether resolutions are proposed by the Board of Directors or by shareholders. This is to avoid counting difficulties in respect of shareholders who are absent before the vote and to resolve new proposals dealing with resolutions that contradict the proposals submitted by the Board, ensuring in all cases the transparency of counting and the proper recording of votes.

RECOMMENDATION 27

Because the proxies for voting at the headquarters of the Board, when applicable, in cases when attendance in not possible, may be carried out with or without specific instructions at the discretion of each director. The freedom to appoint proxies with or without specific instructions is considered a good Corporate Governance practice by the Company and, specifically, the absence of instructions is seen to facilitate the proxy's ability to adapt to the content of the debate.

RECOMMENDATION 36

Because with respect to the 2021 financial year, the Board of Directors has carried out the self-assessment of its operation internally after ruling out the benefit of the assistance of an external advisor, as given the partial renewal process the Board will undertake once the merger of CaixaBank with Bankia takes effect, and given the short period of time the current Board had been constituted after the merger, it was more advisable and reasonable to postpone the external collaboration to the next self-assessment exercise.

RECOMMENDATION 64

Payments for termination or expiry of the Chairman's and CEO's contracts, including severance pay in the event of termination or expiry of the relationship in certain cases and the post-contractual non-competition agreement, do not exceed the amount equivalent to two years of the total annual remuneration for each of them.

In addition, the Bank has recognised a social security supplement for the CEO to cover retirement, death and permanent total, absolute or severe disability, and for the Chairman to cover death and permanent total, absolute or severe disability.

In the case of the commitment to cover the retirement contingency, this is a system established under a defined contribution plan, for which the annual contributions to be made are fixed in advance.

By virtue of this commitment, the CEO is entitled to receive a retirement benefit when he/she reaches the legally established retirement age. This benefit will be the result of the sum of the contributions made by the Bank and their corresponding returns up to that date, provided that he/she is not terminated for just cause, and without prejudice to the applicable treatment of discretionary pension benefits in accordance with the remuneration regulations applicable to credit institutions.

With the termination of the CEO's contract, the contributions would be consolidated (except in the event of termination for just cause attributable to the CEO) but in no case is there any provision for the possibility of receiving an early retirement benefit, since its accrual and payment would occur only on the occasion and at the time of retirement (or the occurrence of the other contingencies covered) and not on the occasion of the termination of the contract.

The nature of these savings systems is not to indemnify or compensate for the loss of rights to the assumption of non-competition obligations, as they are configured as a savings system that is endowed over time with periodic contributions and which form part of the fixed components of the usual remuneration package of the Executive Directors; unlike indemnities or compensations for not competing, it grows over time and is not set in absolute terms.

Therefore, the institution would only be in breach of recommendation 64 if the mere consolidation of savings scheme entitlements, without actual accrual or payment at the time of termination, were to be included in the concept of termination payments or termination of contract payments as defined therein.

NON-COMPLIANT

RECOMMENDATION 62

Because the shares awarded to the executive directors as part of their annual bonus have a one-year retention period with no other requirements after this time. It is important to note that the Board of Directors is expected to submit to the next Ordinary General Shareholders' Meeting a proposal to amend its Remuneration Policy extending the limitation period for executive directors to transfer the shares received under their remuneration package to 3 years, according to the terms of this Recommendation.

Recommendation 2 is not deemed to be applicable as CaixaBank is not a company controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code.

Changes in the composition of the Board and its committees in the 2021 financial year

On 26 March 2021, the resignation of the following members of CaixaBank's Board of Directors became effective: Jordi Gual, Maria Teresa Bassons, Alejandro García-Bragado, Ignacio Garralda, and Fundación CajaCanarias, represented by Natalia Aznárez.

On this same date, the following became part of CaixaBank's Board of Directors: José Ignacio Goirigolzarri, Joaquín Ayuso, Francisco Javier Campo, Eva Castillo, Teresa Santero and Fernando María Ulrich, having verified their suitability as directors by the competent banking supervisor.

On 30 March 2021, the CaixaBank's Board of Directors agreed to appoint José Ignacio Goirigolzarri as Executive Chairman of the Board of Directors.

The 2021 Ordinary General Shareholders' Meeting held on 14 May approved the re-election of José Serna as a non-executive proprietary board member at the proposal of the FBLC and CriteriaCaixa, and Koro Usarraga as an independent non-executive board member.

In addition to changes in the composition of members of the Board, the reorganisation of the composition of the Board committees was agreed in March 2021:

Appointment	Board Position and Committee	Replaces
José Ignacio Goirigolzarri	Chairman and member of the Executive Committee	Jordi Gual
	Chairman of the Innovation, Technology and Digital Transformation Committee	Jordi Gual
Joaquín Ayuso	Member of the Remuneration Committee	Incorporation, an increase of one member on the Committee
	Member of the Risk Committee	Incorporation, an increase of one member on the Committee
Francisco Javier Campo	Member of the Appointments and Sustainability Committee	Incorporation, an increase of one member on the Committee
	Member of the Audit and Control Committee	Incorporation, the number of Committee members is increased by two on the Committee
Eva Castillo	Member of the Executive Committee	Incorporation, an increase of one member on the Committee
	Member of the Innovation, Technology and Digital Transformation Committee	Incorporation, an increase of one member on the Committee
Teresa Santero	Member of the Audit and Control Committee	Incorporation, the number of Committee members is increased by two on the Committee
José Serna	Member of the Remuneration Committee	Alejandro García-Bragado
Fernando María Ulrich	Member of the Appointments and Sustainability Committee	María Teresa Bassons
	Member of the Risk Committee	Fundación CajaCanarias, represented by Natalia Aznárez

Corporate Governance Progress in 2021

Aside from what we have discussed previously, such as the compositional changes in the Board of Directors due to the merger with Bankia that will become effective with the registration of the merger and the subsequent acceptance of the new directors following the verification of their suitability by the European Central Bank—, it is worth noting that the Board had established some opportunities for improvement regarding its operation and that of its Committees in 2021, based on the results of the self-assessment process undertaken by the Board and its committees last year. In this regard, and in relation to the opportunities for improvement identified, during 2021, there has been clear and solid progress in this direction.

The efficiency and quality of the functioning of the Board and its Committees has been improved, notably including matters relating to the agenda, with proposals to optimise the allocation of time to focus discussion on strategic and business issues, as well as to establish the analysis of the group's main subsidiaries as a recurring, as far as possible. Along these lines, efforts have been made, to the extent possible and considering the circumstances of an extraordinary year marked by the materialisation of the takeover merger of Bankia by CaixaBank, to expand on the information and further discuss topics related to the subsidiaries and strategic matters.

In that regard, progress has been made in establishing the Board's annual planning, in monitoring the resolutions, mandates and requests of both the Board and the Committees, as well as the annual scheduling in each session. In addition, in 2021, continued improvements were made to the functionality of the IT tools used by the Board and its members, specifically guaranteeing the remote connection to meetings in the best conditions. Thus, and once again, the effectiveness thereof and of the Company's IT services was demonstrated by the fact that the Board was able to carry out its activities normally during the year in the exceptional context of the COVID-19 pandemic, which made it necessary to guarantee the operability of the Board meetings also through digital channels with the appropriate guarantees and legal security.

And, with regard to the committees, in terms of the annual plans, as well as reporting to the Board, in some cases, it is worth mentioning the following progress in the year: the Appointments and Sustainability Committee approved its annual planning (which has been adapted when required, especially to focus further on sustainability matters) and the Innovation, Technology and Digital Transformation Committee reporting its meetings to the Board of Directors.

Meanwhile, and with regard to corporate matters, in May 2021, the CaixaBank General Shareholders' Meeting agreed to amend the By-laws and the corresponding additional provision of the AGM Regulations relating to exclusively holding the General Shareholders' Meetings telematically. With respect to the functioning of the Board, the following changes to the Regulations of the Board approved in December 2020 were reported in the General Shareholders' Meeting: the incorporation of the amendments to the Code of Good Governance of June 2020 (and some aspect about non-financial information and diversity) and those of March 2021 to incorporate a new article relating to the Innovation, Technology and Digital Transformation Committee, as well as changing the name of the Appointments Committee to "Appointments and Sustainability Committee" and reinforcing its competencies in sustainability matters. This shows evidence of the Company's commitment not only to good governance, but also to a global perspective of sustainability.

Lastly and in a bit to strengthen and develop the governing bodies' capacity to carry out their work with standards of excellence, training has been delivered both within the Board and its committees, which due to the new composition of the Board following the merger have been restructured. They now include a higher number of independent directors, which is in line with the Company's commitment to advancing in the standards of good corporate governance.

Challenges for 2022

In light of the results obtained from the self-assessment process of the management body, which considers that the Board of Directors and its committees in 2021 have shown an overall positive performance in the efficiency and quality of their operation and with the aim of continuing to progress and turning the challenges of an increasingly complex environment into opportunities, the Board of Directors has determined and established a series of development objectives for 2022.

Firstly, in terms of functioning, and considering the visible progress in recent years, relevance has been given to maintaining and consolidating the excellent standard achieved not only in the anticipation and quality of the information provided by the governing bodies, but also in the meeting's dynamics in terms of their duration and time distribution; all this without losing sight of the new strategic plan and its monitoring.

With regard to the composition of the governing bodies, the solid progress, not only resulting from the gradual increase of independent directors, but also due to the number of specialised committees, has been considered a valuable contribution that needs to be maintained and, in some cases, even improved, in terms of its composition's diversity, organisational matters in relation to schedule planning, or planning activities in order to include certain issues to be treated during the year. Moreover, and in line with the reinforcement in 2021 of aspects related to sustainability within the scope of corporate regulations, the aim is to continue progressing in the Board's training in Environmental, Social and Governance (ESG) themes, improving the suitability of the directors, both collectively and individually, in regard to knowledge, competencies, experience and diversity.

Lastly, also in line with the Corporate Governance advancements implemented by the Company in recent years with the further presence of independent directors on the Board and its committees and given the importance of the Independent Coordinating Director's role, particularly relevant is the establishment of a regular meeting between the latter and the non-executive directors, which comprise most of the Board, to address corporate governance matters and the functioning of the Board and its Committees. It is worth noting that we have external collaboration for the self-assessment of the governing bodies in 2022.

Ownership

Share capital (A.1 + A.11 + A.14)

At the close of the financial year, the share capital of CaixaBank was 8,060,647,033 euros, represented by 8,060,647,033 shares each with a face value of 1 euro, belonging to a single class and series, with identical political and economic rights, and represented through book entries. The shares into which the Company's share capital is divided are listed for trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through the Automated Trading System (Continuous Market).

The Company's By-laws do not contain the provision of shares with double loyalty voting. On 26 March 2021 the deed documenting the takeover merger of Bankia, S.A. by CaixaBank, S.A. was registered in the Commercial Register of Valencia, which involved CaixaBank performing a capital increase to cover the share exchange arising from the merger by issuing 2,079,209,002 new ordinary shares with a par value of 1 euro each, of the same class and series as those that were in circulation, and represented by book entries, to deliver to Bankia shareholders. These shares began trading on the Stock Exchanges of Barcelona, Bilbao, Madrid and Valencia on 29 March 2021 at market opening.

As a result of the merger, CaixaBank's share capital was set at 8,060,647,033 shares with a par value of 1 euro each, of the same and only class and series.

As regards the issuance of securities not traded in a regulated EU market, thus, referring to non-participating or non-convertible securities, in 2021, CaixaBank performed a non-preference ordinary bond issue for 200 million Swiss francs (ISIN CH1112011593), which has been admitted to trading in the SIX Swiss market.

Furthermore, as a result of the takeover merger of Bankia, the issues of securities not traded on a regulated EU market have been incorporated into CaixaBank, specifically the following:

- Preference share issues made amounting to 500 million euros (ISIN XS1880365975): listed on the unregulated market of Ireland (Global Exchange Market or GEM).
- Preference share issues made amounting to 750 million euros (ISIN XS1645651909): listed on the unregulated market of Ireland (Global Exchange Market or GEM).
- Ordinary bonds issues amounting to 7.9 million euros (ISIN XS0147547177): listed on the unregulated market of Luxembourg.

Shareholder structure

Share tranches	Shareholders[1]	Shares	% of share capital
from 1 to 499	303,164	57,303,624	0.71
from 500 to 999	120,835	86,815,857	1.08
from 1,000 to 4,999	187,552	409,887,754	5.09
from 5,000 to 49,999	50,161	569,748,064	7.07
from 50,000 to 100,000	1,049	70,975,776	0.88
more than 100,000[2]	696	6,865,915,958	85.18
Total	**663,457**	**8,060,647,033**	**100**

[1] For shares held by investors trading through a custodian entity located outside of Spain, the custodian is considered to be the shareholder and appears as such in the corresponding book entry register.

[2] Includes treasury shares.

Significant shareholders (A.2)

In accordance with the CNMV definition, significant shareholders are those who hold voting rights representing at least 3% of the total voting rights of the issuer (or 1% if the shareholder is a resident of a tax haven). As at 31 December 2021, in accordance with the public information available on the CNMV website, the significant shareholders were as follows:

>> SIGNIFICANT SHAREHOLDERS

	% of voting rights attributed to the shares		% of voting rights attributed through financial instruments		
Name or corporate name of the	Direct	Indirect	Direct	Indirect	% total voting rights
Blackrock, Inc.	0.00	3.00	0.00	0.21	3.21
"la Caixa" Banking Foundation	0.00	30.01	0.00	0.00	30.01
Criteria Caixa, S.A.U.	30.01	0.00	0.00	0.00	30.01
FROB	0.00	16.11	0.00	0.00	16.11
BFA Tenedora de Acciones, S.A.	16.11	0.00	0.00	0.00	16.11

Details of indirect holding

Details of direct and indirect owners of significant holdings at the end of the financial year, excluding directors with a significant shareholding:

Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% of voting rights attributed to shares	% of voting rights through financial	% total voting rights
Blackrock, Inc	Other controlled entities belonging to the Blackrock, Inc Group.	3.00	0.21	3.21
"la Caixa" Banking Foundation	CriteriaCaixa, S.A.U.	30.01	0.00	30.01
FROB	BFA Tenedora de Acciones, S.A.	16.11	0.00	16.11

The most relevant changes with regard to significant shareholdings in the last financial year are detailed below:

		Status of significant shareholding	
Date	Shareholder name	% previous share	% subsequent share
08/02/2021	Blackrock, Inc.	3.23	3.32
29/03/2021	"la Caixa" Banking Foundation (through Criteria)	40.02	30.01
30/03/2021	FROB (through BFA)	0	16.11
30/03/2021	Blackrock, Inc.	3.32	3.13
06/05/2021	Blackrock, Inc.	3.13	3.57
10/05/2021	Blackrock, Inc.	3.57	3.58
27/05/2021	Blackrock, Inc.	3.58	3.59
04/08/2021	Blackrock, Inc.	3.59	3.62
25/08/2021	Blackrock, Inc.	3.62	3.63
01/09/2021	Blackrock, Inc.	3.63	3.63
07/09/2021	Blackrock, Inc.	3.63	3.61
09/09/2021	Blackrock, Inc.	3.61	3.61
15/09/2021	Blackrock, Inc.	3.61	3.61
09/12/2021	Blackrock, Inc.	3.61	3.21
10/12/2021	Blackrock, Inc.	3.21	3.21

Shareholders' agreements (A.7 + A.4)

The Company is not aware of any concerted actions among its shareholders or shareholders' agreements, now any other type of relationship, whether of a family, commercial, contractual or corporate nature, among the significant shareholders.

Treasury shares (A.9 + A.10)

As at 31 December 2021, the Board has the 5-year authorisation granted at the AGM of 22 May 2020 to proceed with the derivative acquisition of treasury shares, directly and indirectly through its subsidiaries, on the following terms:

- The acquisition may be in the form of a trade, swap, dation in payment or any other form allowed by law, in one or more instalments, provided that the nominal amount of the shares acquired does not amount to more than 10% of the subscribed share capital when added to those already owned by the Company.
- When the acquisition is for consideration, the price shall be the price of Company shares on the Continuous Market at the close of the day prior to the acquisition, +/-15%.

Furthermore, the shares acquired by virtue of this authorisation may be subsequently disposed of or redeemed, or else extended to employees and directors of the Company or its group as part of the remuneration systems. In accordance with the provisions of the Internal Code of Conduct in matters relating to the securities market, CaixaBank share transactions must always be for legitimate purposes, such as contributing to the liquidity and regularising the trading of CaixaBank shares. Under no circumstances may the transactions aim to hinder the free process of formation of market prices or favour certain shareholders of CaixaBank. In this regard, the Board of Directors set the criteria for intervention in treasury shares on the basis of a new alerts system to define the margin of discretion of the inside area when managing treasury shares.

6,797,987
>> NUMBER OF SHARES HELD DIRECTLY

428,039
>> NUMBER OF SHARES HELD INDIRECTLY*

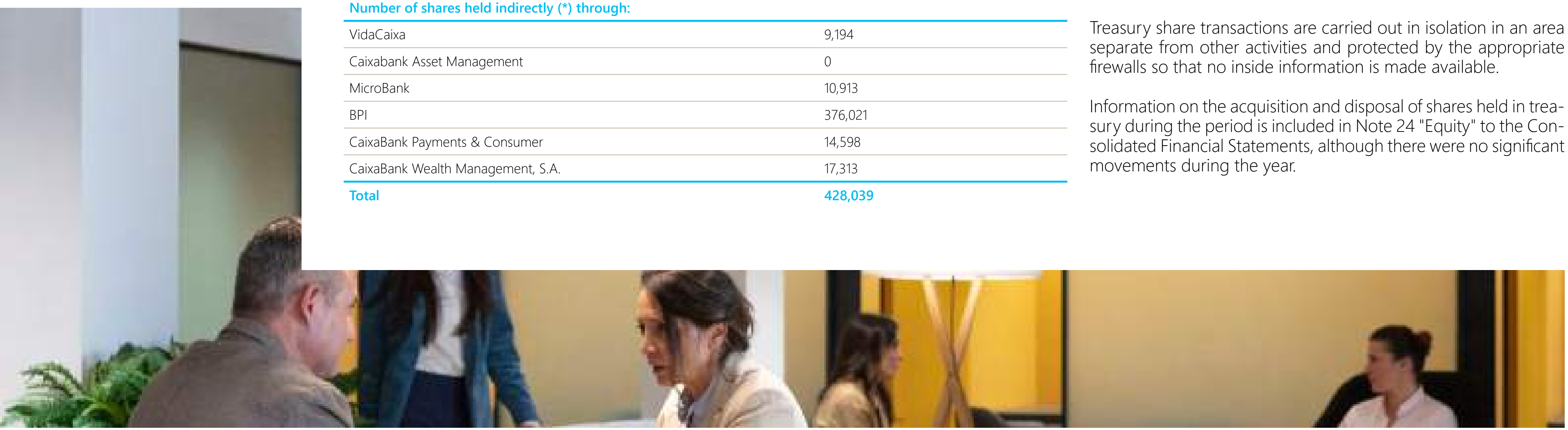
0.09%
>> % OF TOTAL SHARE CAPITAL

Number of shares held indirectly (*) through:

VidaCaixa	9,194
Caixabank Asset Management	0
MicroBank	10,913
BPI	376,021
CaixaBank Payments & Consumer	14,598
CaixaBank Wealth Management, S.A.	17,313
Total	**428,039**

Treasury share transactions are carried out in isolation in an area separate from other activities and protected by the appropriate firewalls so that no inside information is made available.

Information on the acquisition and disposal of shares held in treasury during the period is included in Note 24 "Equity" to the Consolidated Financial Statements, although there were no significant movements during the year.



Regulatory floating capital (A.11)

The CNMV defines "estimated working capital" as the part of share capital that is not in the possession of significant shareholders (according to information in previous section) or members of the board of directors or that the company does not hold in treasury shares.

49.34%	Significant shareholders (Total)
50.54%	Regulatory Working Capital (CNMV criterion)
0.03%	Board
0.09%	Treasury shares

Available floating capital

In order to specify the number of shares available for the public, a definition of "available working capital" is used that takes into account the issued shares minus the shares held in the treasury, shares owned by members of the Board of Directors and shares held by "la Caixa" Bankia Foundation and the FROB, and it differs from the regulatory calculation.

16.1%	FROB[2]
30.0%	"la Caixa" Banking Foundation[1]
0.1%	Treasury and Board of Directors
53.7%	*Free float*

28%	Retail
1.7%	Employees
57.7%	International Institutional
12.6%	National Institutional

Geographical distribution of institutional investors

66% Institutional

6%	Asia and rest of the world	15%	United Kingdom
33%	USA and Canada	16%	Rest of Europe
18%	Spain	12%	Unidentified (foreign)

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

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

Authorisation to increase capital (A.1)

As at 31 December 2021, the Board relies on the authorisation granted by the AGM until May 2025 to increase capital on one or more occasions up to the maximum nominal amount of 2,991 million euros (50% of the share capital at the date of the proposal on 22 May 2020), under such terms as it deems appropriate. This authorisation may be used for the issue of new shares, with or without premium and with or without voting rights, for cash payments.

The Board is authorised to waive, in full or in part, the pre-emptive rights, in which case the capital increases will be limited, in general, to a total maximum amount of 1,196 million euros (20% of the share capital at the date of the proposal on 16 April 2020). As an exception, this limit does not apply to capital increases for the conversion of convertible bonds, which will be subject to the general limit of 50% of share capital. As a result of the authorisation granted by the AGM in May 2021, the Board is authorised to waive the pre-emptive rights without being subject to the aforementioned limit of 1,196 million euros if it decides to issue convertible securities for the purpose of meeting certain regulatory requirements. Along these lines, as of 3 May 2021, the Corporate Enterprises Act includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions the possibility of not applying this 20% (and only the general limit of 50%) to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

CaixaBank holds the following bonds, as preference shares *(Additional Tier 1)* that may be convertible into new issue shares under certain terms and conditions without pre-emptive rights:

BREAKDOWN OF PREFERENCE SHARE ISSUES[1]
(Millions of euros)

				Amount pending redemption	
Issue date	Maturities	Nominal amount	Nominal interest rate	31-12-2021	31-12-2020
June 2017	Perpetual	1,000	6.750%	1,000	1,000
July 2017[2]	Perpetual	750	6.000%	750	
March 2018	Perpetual	1,250	5.250%	1,250	1,250
September 2018[2]	Perpetual	500	6.375%	500	
October 2020	Perpetual	750	5.875%	750	750
September 2021	Perpetual	750	3.675%	750	
PREFERENCE SHARES				5,000	3,000
Own securities purchased				0	0
Total				**5,000**	**3,000**

[1] The preference shares that may be convertible into shares are admitted to trading on the AIAF (Spanish Association of Financial Intermediaries).

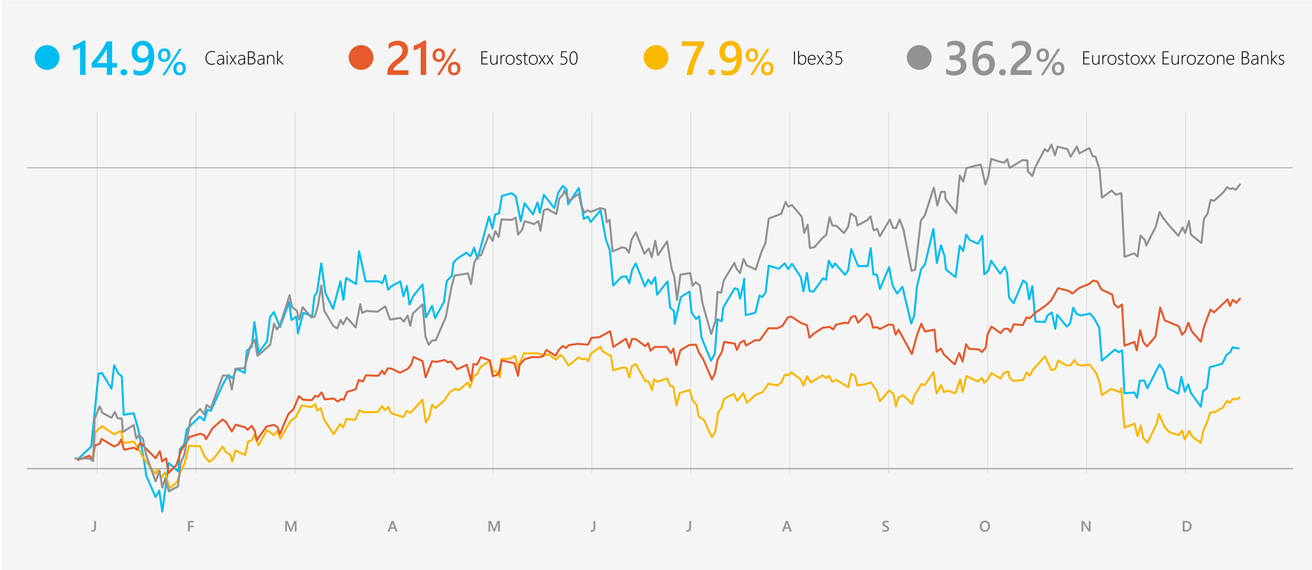
[2] Perpetual issuance placed for institutional investors on organised markets, with a discretionary coupon, which may be redeemed under specific circumstances at the discretion of the Company.

Performance of stocks (A.1)

The CaixaBank share closed 2021 at 2.414 euros per share, up 14.9% in the year (-10.1% in the fourth quarter) vs+36.2% of the EUROSTOXX Banks European selective and +23.1% of the IBEX 35 Banks (+0.1% and -8.3% in the quarter, respectively). The general indices, on the other hand, recorded lower gains in 2021 than the banking indices: EURO STOXX 50 rose 21.0% (+6.2% in the quarter) and IBEX 35 increased by 7.9% (-0.9% in the quarter), the cumulative rise in the year slowed down when compared to the main European markets.

The year 2021 was a year of widespread recovery in the stock markets and of a gradual reactivation of the global economic activity, mainly thanks to the progress in the vaccination and its effectiveness, as well as to the monetary and fiscal support measures put in place to mitigate the pandemic's economic impacts. In this context, especially in the first half of the year, banking securities have benefited the most, with European banking additionally driven by the withdrawal of the ECB's limitation on dividend distribution. However, at the end of the year, the emergence of a new COVID-19 variant (Omicron) and the restrictions to certain activities spurred renewed risk aversion in the stock markets, whereas investors remained attentive to the decisions of monetary authorities and the persistence of the inflationary pressures on both sides of the Atlantic. Not surprisingly, both the Fed and the ECB turned towards a more hawkish stance, while the Bank of England took the lead among the main central banks with a rate increase before the end of the year.

PERFORMANCE OF THE MAIN INDICES IN 2021 (YEAR-END 2020 BASE 100 AND ANNUAL VARIATIONS IN %)



Stock market ratios	December 2021	December 2020	December 2019	Change 2021-2022	Change 2020-2019
Share price at end of period	2.414	2.101	2.798	0.313	(0.70)
Average daily trading volume	16,315	23,637	23,583	(7,322)	54
Net earnings per share (EPS) (€/share) (12 months)[1]	0.28	0.21	0.26	0.07	(0.05)
Book value per share (€/share)	4.39	4.22	4.20	0.17	0.02
Tangible book value per share (€/share)	3.73	3.49	3.49	0.24	0.00
PER (Price/Earnings, times)[1]	8.65	10.14	10.64	(1.49)	(0.50)
Price/ Tangible BV (share price / tangible book value)	0.65	0.60	0.80	0.05	(0.20)
Dividend yield[1]	1.11%	3.33%	6.08%	(2.22)	(2.75)

[1] Excluding impacts of merger in 2021. Calculated by dividing the remuneration for the financial year 2020 (0.0268 euros/share) by the closing price at the end of the period (2.414 euros/share).

Shareholder **rights**

There are no legal or statutory restrictions on the exercise of shareholders' voting rights, which may be exercised by attending the AGM either in person or telematically, or, if certain conditions are met[1], through remote communication methods. Furthermore, in the context of the healthcare crisis caused by COVID-19, in the 2021 financial year the By-laws and AGM Regulations were amended to provide for the possibility of the General Shareholders' Meeting being held telematically and, therefore, without the shareholders, their representatives and, where applicable, the members of the Board of Directors being present. (A.12 and B.6)

The Company's By-laws do not contain the provision of shares with double loyalty voting. In addition, there are no statutory restrictions on the transfer of shares, other than those established by law. (A.1 and A.12)

CaixaBank has not adopted any neutralisation measures (according to the definitions in the Securities Market Law) in the event of a takeover bid. (A.13)

On the other hand, there are legal provisions[2] that regulate the acquisition of significant shareholdings in credit institutions as banking is a regulated sector (the acquisition of shareholdings or significant influence is subject to regulatory approval or non-objection) without prejudice to those related to the obligation to formulate a public takeover bid for the shares to acquire control and for other similar operations.

Regarding the rules applicable to amendments to the By-laws, as well as the rules for shareholders' rights to amend them, CaixaBank's rules and regulations largely include the provisions of the Corporate Enterprises Act. In addition, as a credit institution, amendments to the By-laws are governed by the authorisation and registration procedure set forth in Royal Decree 84/2015, of 13 February. Notwithstanding the above, it should be mentioned that certain changes (including the change of registered office in Spain, the increase in share capital or the textual incorporation of legal or regulatory provisions that are imperative or prohibitive, or to comply with judicial or administrative resolutions) are not subject to the authorisation procedure, although they must always be reported to the Bank of Spain to be recorded in the Registry of Credit Institutions. (B.3)

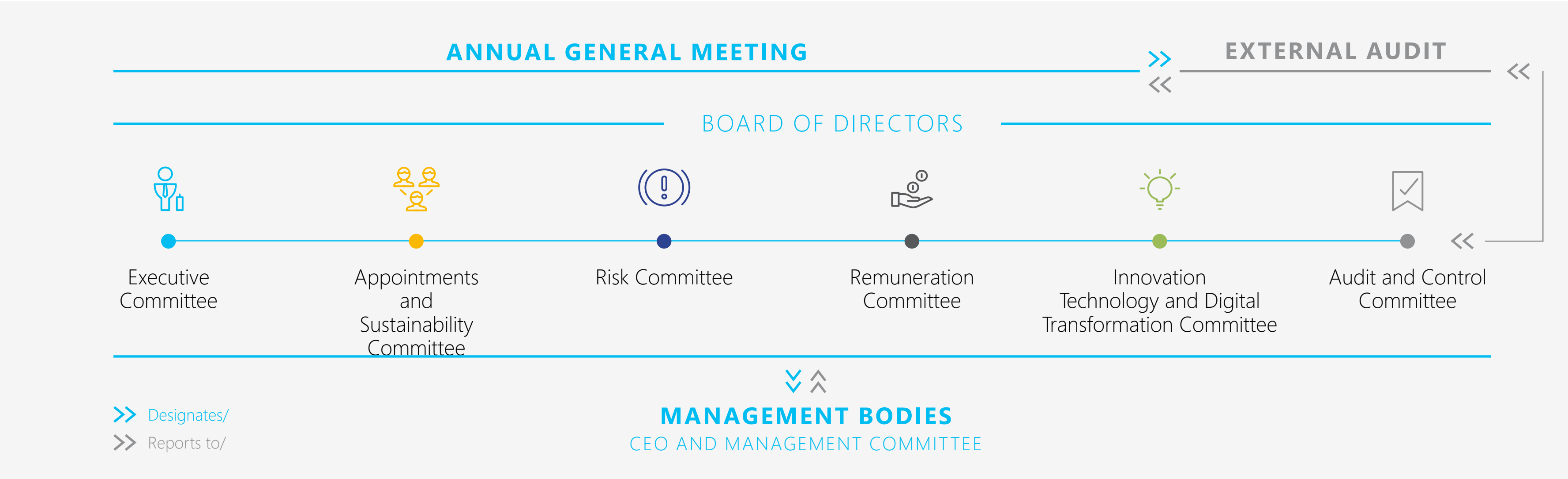
In relation to the right to information, the Company acts under the general principles of transparency and non-discrimination contained in current legislation and set out in internal regulations, especially in the Policy on communication and contact with shareholders, institutional investors and proxy shareholders, which is available on the corporate website. With regard to inside information, in general, this is made public immediately through the CNMV and the corporate website, as well as any other channel deemed appropriate. Notwithstanding the foregoing, the Company's Investor Relations area carries out information and liaison activities with different stakeholders, always in accordance with the principles of the aforementioned Policy.

[1] Registration of ownership of shares in the relevant book-entry ledger, at least 5 days in advance of the date on which the General Meeting is to be held and ownership of at least 1,000 shares, individually or in a group with other shareholders.

[2] Regulation (EU) 1024/2013 of the Council, of 15 October 2013, conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions; Securities Market Law; and Act 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions (art. 16 to 23) and Royal Decree 84/2015, of 13 February, which implements it.

The Administration

At CaixaBank, the management and control functions in the Company are distributed among the Annual General Meeting, the Board of Directors, and its committees:



Annual General Meeting

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

Accordingly, in order to facilitate the participation of shareholders in the General Shareholders' Meeting and the exercise of their rights, the Board will adopt such measures as appropriate so that the AGM may effectively perform its duties.

ATTENDANCE AT GENERAL MEETINGS (B.4)

			Distance voting		
Date of general meeting	Physically present	Present by proxy	Electronic means	Other	Total
06/04/2018	41.48%	23.27%	0.03%	0.23%	65.01%
Of which: Free float[1]	3.78%	19.57%	0.03%	0.23%	23.61%
05/04/2019	43.67%	20.00%	0.09%	1.86%	65.62%
Of which: Free float[1]	3.02%	15.96%	0.09%	1.86%	20.93%
22/05/2020[2]	40.94%	24.92%	0.11%	0.30%	66.27%
Of which: Free float[1]	0.28%	16.90%	0.11%	0.30%	17.59%
03/12/2020[3]	43.05%	25.85%	1.17%	0.27%	70.34%
Of which: Free float[1]	2.36%	15.90%	1.17%	0.27%	19.70%
14/05/2021[4]	46.18%	26.94%	1.24%	1.07%	75.43%
Of which: Free float[1]	0.01%	23.96%	1.24%	1.07%	26.28%

[1] Approximate information given that significant foreign shareholders hold their stakes through nominees.

[2] The General Shareholders' Meeting of May 2020 was held exclusively via electronic means (in application of the extraordinary measures in relation to COVID-19) and therefore the figure for physical attendance corresponds to remote participation by shareholders.

[3] The General Meeting of December 2020 was held in hybrid format (in person and electronically) and therefore figure for physical attendance corresponds to both in-person and remote participation by shareholders.

[4] The General Shareholders' Meeting of May 2021 was held in hybrid format (in person and remotely) and therefore figure for physical attendance corresponds to both in-person and remote participation by shareholders.

All points on the agenda were approved at the General Meeting in May 2021 (B.5):

>> GENERAL SHAREHOLDERS' MEETING OF 14 MAY 2021

75.43% QUORUM
>> OF TOTAL SHARE CAPITAL

92.43%
>> AVERAGE APPROVAL

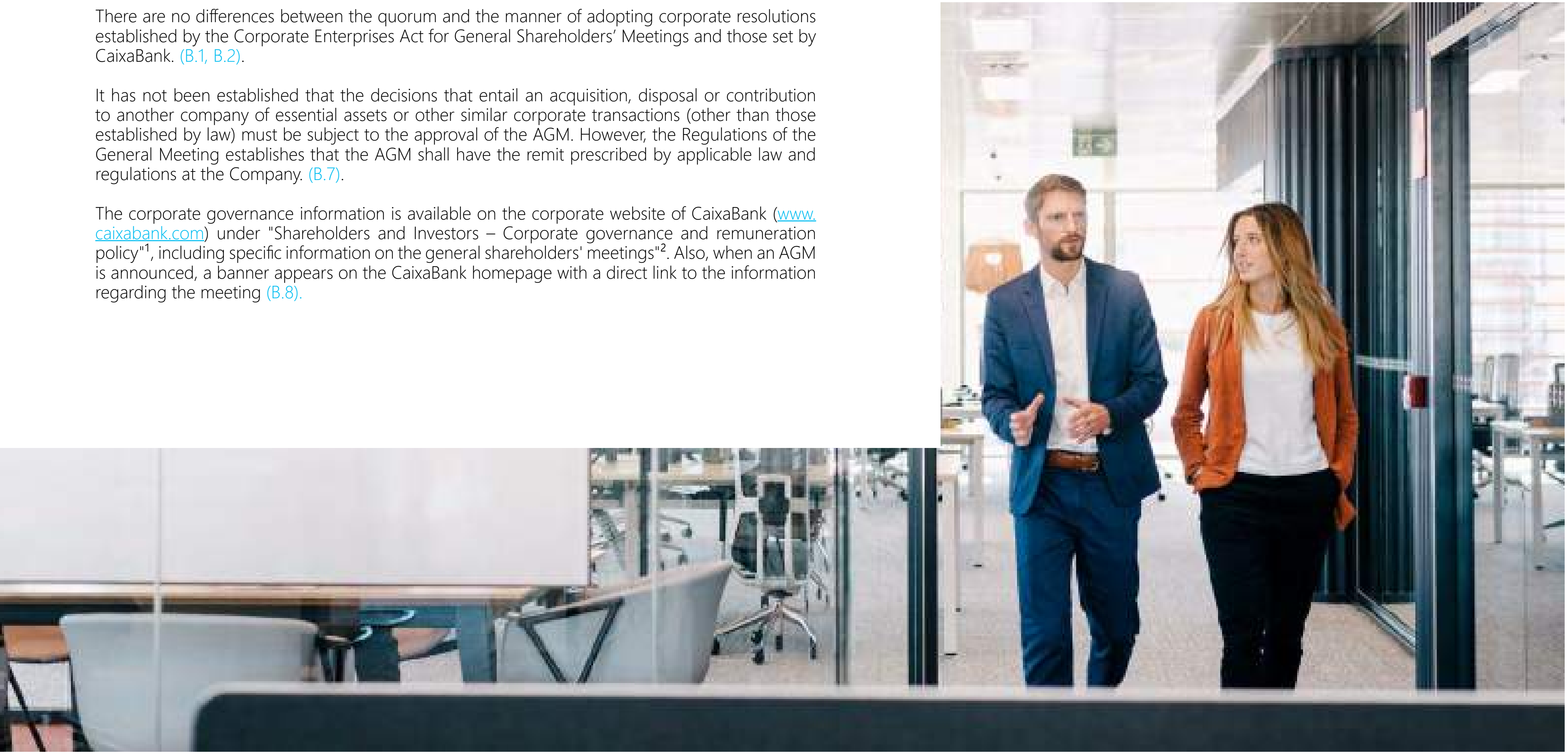
	Resolutions of the General Shareholders' Meeting 14/05/2021	% of votes issued in favour	% votes in favour out of
1	Individual and consolidated annual financial statements and the respective Management Reports for 2020	98.57%	74.35%
2	2020 consolidated non-financial information statement	98.96%	74.65%
3	Management of the Board of Directors in 2020	98.40%	74.22%
4	Allocation to legal reserve	99.07%	74.73%
5	Approval for the application of the 2020 financial results	98.95%	74.64%
6	Reclassification of the goodwill reserve to voluntary reserves	99.07%	74.73%
7	Re-election of CaixaBank and consolidated group auditors for 2022	98.90%	74.60%
8.1	Re-election of Mr José Serna Masiá	94.63%	71.38%
8.2	Re-election of Ms Koro Usarraga Unsain	98.62%	74.39%
9.1	Introduction of a new article 22 bis in the By-laws (exclusively telematic meeting)	96.51%	72.80%
9.2	Amendment of article 24 of the By-laws (Granting of representation and voting by means of remote communication)	99.03%	74.70%
9.3	Amendment of articles 31 (functions of the Board), 35 (appointment of Board positions) and 37 (development of Board meetings) of the By-laws	98.84%	74.56%
9.4	Amendment of article 40 of the By-laws (Audit and Control Committee, Risk Committee, Appointments Committee and Remuneration Committee)	99.01%	74.69%
9.5	Amendment of article 46 of the By-laws (Approval of the financial statements)	99.02%	74.69%
10	Amendment of additional provision of the Regulation of the Annual General Meeting (remote assistance to the Annual General Meeting)	96.62%	72.88%
11	Delegation to the Board of Directors of the power to issue contingent convertible securities or securities that may convertible into Company shares or similar instruments that allow or are intended to meet the regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments; the power to increase the share capital; and to exclude pre-emptive subscription rights if the corporate interest so justifies.	97.96%	73.90%
12	Amendment of the Directors' Remuneration Policy	75.76%	57.13%
13	Setting of the Directors' remuneration	77.08%	58.13%
14	Maximum number of shares to be provided and extension of the number of beneficiaries in the third cycle of the annual conditioned incentive plan linked to the 2019-2021 Strategic Plan	75.73%	57.11%
15	Issue of shares to Executive Directors as part of the variable remuneration programme	76.78%	57.90%
16	Maximum level of variable remuneration for employees whose professional activities have a significant impact on the risk profile	77.07%	58.10%
17	Authorisation and delegation of powers to interpret, rectify, supplement, execute, implement, convert to public documents and register the resolutions	99.06%	74.72%
18	Advisory vote on the Annual Report on Remuneration of the members of the Board for the 2020 financial year	72.31%	54.53%

Data AGM 14 May 2021. For further information about the results of the votes, go to:
https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Gobierno_Corporativo/JGA/2021/QuorumEN.pdf

There are no differences between the quorum and the manner of adopting corporate resolutions established by the Corporate Enterprises Act for General Shareholders' Meetings and those set by CaixaBank. (B.1, B.2).

It has not been established that the decisions that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions (other than those established by law) must be subject to the approval of the AGM. However, the Regulations of the General Meeting establishes that the AGM shall have the remit prescribed by applicable law and regulations at the Company. (B.7).

The corporate governance information is available on the corporate website of CaixaBank (www.caixabank.com) under "Shareholders and Investors – Corporate governance and remuneration policy"[1], including specific information on the general shareholders' meetings"[2]. Also, when an AGM is announced, a banner appears on the CaixaBank homepage with a direct link to the information regarding the meeting (B.8).



[1] https://www.caixabank.com/en/shareholders-investors/corporate-governance/board-directors.html

[2] https://www.caixabank.com/en/shareholders-investors/corporate-governance/annual-general-meeting.html

Board of Directors

The Board of Directors is the Company's most senior representative, management and administrative body with powers to adopt agreements on all matters except those that fall within the remit of the AGM. It approves and oversees the strategic and management directives established in the interest of all Group companies and it ensures regulatory compliance and the implementation of good practices in the performance of its activity, as well as adherence to the additional principles of social responsibility that it has voluntarily assumed.

The maximum and minimum number of directors established in the By-laws is 22 and 12, respectively. (C.1.1)

The General Shareholders' Meeting of 22 May 2020 adopted the agreement to set the number of Board members at 15.

At CaixaBank, the Chairman and CEO have different yet complementary roles. There is a clear division of responsibilities between each position. The Chairman is the Company's senior representative, performs the functions assigned by the By-laws and current regulations, and coordinates together with the Board of Directors, the functioning of the Committees for a better performance of the supervisory function. Furthermore, since 2021, the Chairman carries out these functions together with certain executive functions within the scope of the Board's Secretariat, External Communications, Institutional Relations and Internal Audit (notwithstanding this area reporting to the Audit and Control Committee). The Board has appointed a CEO, the main executive director of the Company who is responsible for the day-to-day management under the supervision of the Board. There is also a delegated committee, the Executive Committee, which has executive functions (excluding those that cannot be delegated). It reports to the Board of Directors and meets on a more regular basis.

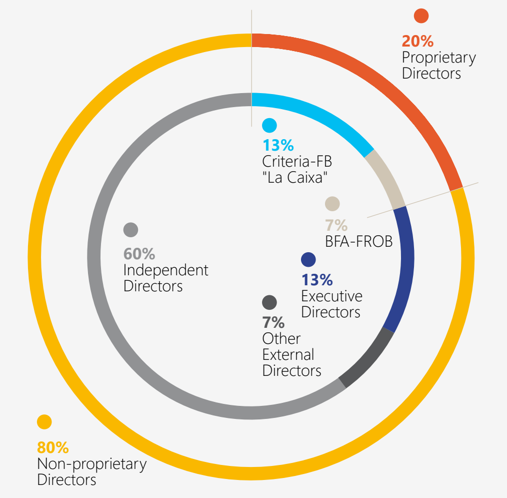
There is also an Independent Coordinating Director appointed from among the independent directors who, in addition to leading the periodic assessment of the Chairman, also chairs the Board in the absence of the Chairman and the Deputy Chairman, in addition to other assigned duties.

The directors meet the requirements of honourability, experience and good governance in accordance with the applicable law at all times, considering, furthermore, recommendations and proposals for the composition of administrative bodies and profile of directors issued by authorities and national or community experts.

As at 31 December 2021, the Board of Directors was composed of 15 members, with 2 executive directors and 13 external directors (nine independent, three proprietary and one other external).

In terms of independent directors, these make up 60% of the CaixaBank Board of Directors, which is well in line with the current provisions of Recommendation 17 of the Code of Good Governance for Listed Companies in companies that have one shareholder who controls more than 30% of the share capital.

>> BOARD AT END OF 2021 - CATEGORIES OF MEMBERS OF THE CAIXABANK BOARD OF DIRECTORS



The Board also has two executive directors (the Chairman of the Board and the CEO), an external director, as well as three proprietary directors, two of which are proposed by the FBLC and CriteriaCaixa and one by the FROB Executive Resolution Authority and BFA Tenedora de Acciones, S.A.U.

For illustrative purposes, the following chart shows the distribution of directors in the different categories and the significant shareholder they represent, if proprietary directors.

60% INDEPENDENT DIRECTORS (C.1.3)

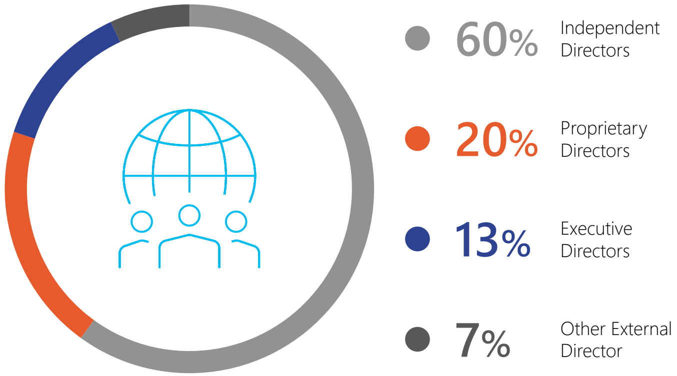
20% PROPIETARY DIRECTORS (C.1.3)

13% EXECUTIVE DIRECTORS (C.1.3)

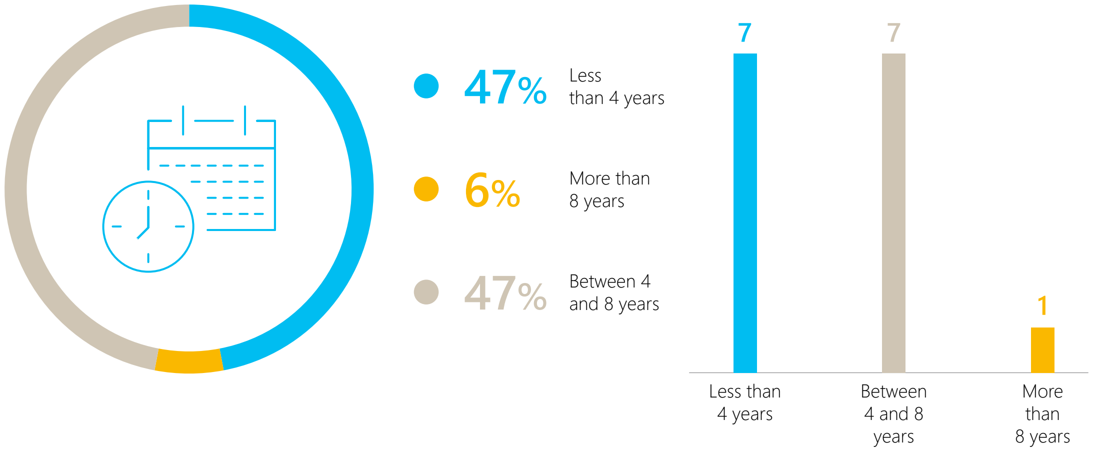
7% OTHER EXTERNAL DIRECTOR (C.1.3)

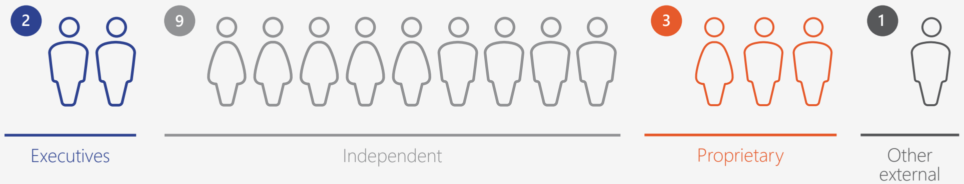
4 YEARS TIME IN THE ROLE
4.4 YEARS IN THE CASE OF INDEPENDENT DIRECTORS

DIRECTORS IN EACH CATEGORY, AS AT 31 DECEMBER

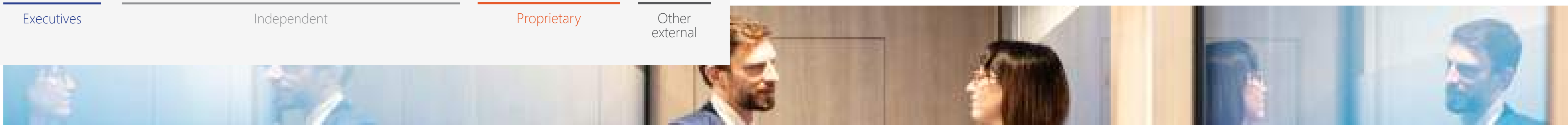


TIME IN ROLE AS AT 31 DECEMBER





As a consequence of the gradual reduction in the size of the Board in recent years and the appointments made as a result of the takeover merger of Bankia registered in March 2021, practically half of the Board members have been in their roles for less than 4 years and the other half between 4 and 8 years (only one Director has been more than 8 years on the Board). The average number of years for which a member has been on the Board is 4 years.



Details of the Company's Directors at year-end 2021 are set out below: (C.1.2)

	José Ignacio Goirigolzarri	Tomás Muniesa	Gonzalo Gortázar[1]	John S. Reed	Joaquín Ayuso	Francisco Javier Campo	Eva Castillo	Fernando María Ulrich	Verónica Fisas	Cristina Garmendia[2]	M. Amparo Moraleda	Eduardo Javier Sanchiz	Teresa Santero	José Serna	Koro Usarraga
Director category	Executive	Proprietary	Executive	Independent	Independent	Independent	Independent	Other External[3]	Independent	Independent	Independent	Independent	Proprietary	Proprietary	Independent
Position on the Board	Chairman	Deputy Chairman	CEO	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director
Date of first appointment	03/12/2020	01/01/2018	30/06/2014	03/11/2011	03/12/2020	03/12/2020	03/12/2020	03/12/2020	25/02/2016	05/04/2019	24/04/2014	21/09/2017	03/12/2020	30/06/2016	30/06/2016
Date of last appointment	03/12/2020	06/04/2018	05/04/2019	05/04/2019	03/12/2020	03/12/2020	03/12/2020	03/12/2020	22/05/2020	05/04/2019	05/04/2019	06/04/2018	03/12/2020	14/05/2021	14/05/2021
Election procedure	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting	Resolution Annual General Meeting
Year of birth	1954	1952	1965	1939	1955	1955	1962	1952	1964	1962	1964	1956	1959	1942	1957
Mandate end date	03/12/2024	06/04/2022	05/04/2023	05/04/2023	03/12/2024	03/12/2024	03/12/2024	03/12/2024	22/05/2024	05/04/2023	05/04/2023	06/04/2022	03/12/2024	14/05/2025	14/05/2025
Nationality	Spanish	Spanish	Spanish	American	Spanish	Spanish	Spanish	Portuguese	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish

[1] It has been delegated all powers delegable by law and the By-laws, without prejudice to the limitations established in the Regulations of the Board, which apply at all times for internal purposes. (C.1.9)

[2] Cristina Garmendia is a member of the CaixaBank Private Banking Advisory Board. Remuneration received for membership of Advisory Board in 2021 amounts to 15 thousand euros, not considered significant. (C.1.3)

[3] Fernando Maria Ulrich was classified as another external director, neither proprietary nor independent, in accordance with the provisions of section 2 of article 529 duodecies of the Corporate Enterprises Act and article 19.5 of the Regulations of the Board of Directors. He has been the Non-Executive Chairman of Banco BPI, S.A. since 2017.

The Company has not appointed any Proprietary Directors upon the request of shareholders who hold less than 3% of the share capital. (C.1.8)

The General Secretary and Secretary to the Board of Directors, Óscar Calderón, is not a director. (C.1.29)

The details of the directors who left the Board of Directors during the year is as follows: (C.1.2)

	Director category at the time of termination	Date of last appointment	Date director left	Specialised committees of which he/she was a member	State whether the director left before end of term
Jordi Gual	Proprietary	06/04/2017	26/03/2021	Executive Committee, Innovation, Technology and Digital Transformation Committee	Resignation (*)
Teresa Bassons	Proprietary	05/04/2019	26/03/2021	Appointments Committee	Resignation (*)
Alejandro García-Bragado	Proprietary	06/04/2017	26/03/2021	Remuneration Committee	Resignation (*)
Ignacio Garralda	Proprietary	06/04/2017	26/03/2021	-	Resignation (*)
CajaCanarias Foundation represented by Natalia Aznárez Gómez	Proprietary	06/04/2017	26/03/2021	Risk Committee	Resignation (*)

(*) Resignation within the framework of the takeover merger of Bankia, S.A., communicated by ORI No 8193 dated 26/03/2021

SHARES HELD BY BOARD (A.3)

Name	Number of voting rights attributed to the shares		% of voting rights attributed to the shares		Number of voting rights through financial instruments		% of voting rights through financial instruments		Total number of voting rights	% total voting rights	Of the total number of voting rights attributed to the shares, specify, where applicable, the additional votes corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect			Direct	Indirect
José Ignacio Goirigolzarri	196,596	0	0.002%	0.000%	108,536	0	0.001%	0.000%	305,132	0.004%	0	0
Tomás Muniesa	286,271	0	0.004%	0.000%	27,855	0	0.000%	0.000%	314,126	0.004%	0	0
Gonzalo Gortázar	1,164,261	0	0.014%	0.000%	219,952	0	0.003%	0.000%	1,384,213	0.017%	0	0
John S. Reed	12,564	0	0.000%	0.000%	0	0	0.000%	0.000%	12,564	0.000%	0	0
Joaquín Ayuso	37,657	0	0.000%	0.000%	0	0	0.000%	0.000%	37,657	0.000%	0	0
Francisco Javier Campo	34,440	0	0.000%	0.000%	0	0	0.000%	0.000%	34,440	0.000%	0	0
Eva Castillo	19,673	0	0.000%	0.000%	0	0	0.000%	0.000%	19,673	0.000%	0	0
Fernando María Ullrich	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
Veronica Fisas	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
Cristina Garmendia	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
Maria Amparo Moraleda	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
Eduardo Javier Sanchiz	8,700	0	0.000%	0.000%	0	0	0.000%	0.000%	8,700	0.000%	0	0
Teresa Santero	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
José Serna	6,592	10,463	0.000%	0.000%	0	0	0.000%	0.000%	17,055	0.000%	0	0
Koro Usarraga	7,175	0	0.000%	0.000%	0	0	0.000%	0.000%	7,175	0.000%	0	0
TOTAL	**1,773,929**	**10,463**	**0.022%**	**0.000%**	**356,343**	**0**	**0.004%**	**0.000%**	**2,140,735**	**0.027%**	**0**	**0**

Actual calculated % without adding previous %

0.027

% OF TOTAL VOTING RIGHTS HELD BY THE BOARD

+

46.129

% OF TOTAL VOTING RIGHTS OF THE SIGNIFICANT SHAREHOLDERS REPRESENTED ON THE BOARD

SIGNIFICANT SHAREHOLDERS REPRESENTED ON THE BOARD:

- "LA CAIXA" BANKING FOUNDATION (CRITERIA CAIXA) - **30.012%**
- FROB (BFA TENEDORA DE ACCIONES) - **16.117%**

46.156

% OF TOTAL VOTING RIGHTS REPRESENTED ON THE BOARD

(DIRECTORS + SIGNIFICANT SHAREHOLDERS REPRESENTED ON THE BOARD)

See the CV of the directors

CV OF THE DIRECTORS (C.1.3)

JOSÉ IGNACIO GOIRIGOLZARRI
Chairman

Education

He holds a degree in Economics and Business Science from the University of Deusto (Bilbao).

He holds a diploma in Finance and Strategic Planning from the University of Leeds (UK).

Career

He is also currently the Vice-Chairman of the Spanish Confederation of Savings Banks (CECA).

Before assuming the Chairmanship, he was Executive Chairman of the Board of Directors of Bankia, Chairman of its Committee on Technology and Innovation and Chairman of the Board of Directors of BFA, Tenedora de Acciones, S.A.U.

He began his professional career at Banco de Bilbao. He was head of Banking.

He was also a Director of BBVA-Bancomer (Mexico), Citic Bank (China) and CIFH (Hong Kong). He was also the Vice Chairman of Telefónica and Repsol and the Spanish Chairman of the Fundación Consejo España-Estados Unidos.

Other positions currently held

Furthermore, he is a Trustee of CEDE, Fundación Pro Real Academia Española, Honorary Board Member of the Fundación Consejo España-Estados Unidos, Chairman of Deusto Business School, Chairman of the Advisory Board of the Benjamin Franklin American Institute of Research, and Chairman of the Garum Foundation. He is also Chairman of the CaixaBank Dualiza Foundation.

TOMÁS MUNIESA
Deputy Chairman

Education

He holds a degree in Business Science and a master's in Business Administration from the ESADE Business School.

Career

He joined "la Caixa" in 1976, and was appointed Deputy General Manager in 1992. In 2011, he was appointed General Manager of CaixaBank's Insurance and Asset Management Group, where he remained until November 2018.

He was Deputy Chairman and CEO of VidaCaixa (1997-2018).

Previously, he served as the Chairman of MEFF, Deputy Chairman of BME, Second Deputy Chairman of UNESPA, Director and Chairman of the Audit Commission of the Insurance Compensation Consortium, Director of Vithas Sanidad and Substitute Board Member of Inbursa.

Other positions currently held

Deputy Chairman of VidaCaixa and SegurCaixa Adeslas, as well as member of the Board of Trustees of ESADE Foundation and Board Member of Allianz Portugal.

GONZALO Gortázar
CEO

Education

He holds a degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA from the INSEAD Business School.

Career

Prior to his appointment as CEO in 2014, he was the Chief Financial Officer at CaixaBank and CEO of Criteria CaixaCorp (2009-2011).

He previously held various positions in the investment banking division of Morgan Stanley, as well as a number roles in corporate and investment banking in Bank of America.

He was also Chairman of VidaCaixa, First Vice-Chairman at Repsol, Board Member of Inbursa, Erste Bank, SegurCaixa Adeslas, Abertis, Port Aventura and Saba.

Other positions currently held

Director of Banco BPI.

JOHN S. REED
Lead Independent Director

Education

He holds a degree in Philosophy, Arts and Science from Washington & Jefferson College and a degree from Massachusetts Institute of Technology (MIT).

Career

He was a lieutenant in the U.S. Army Corps of Engineers (1962–1964), subsequently joining Citibank/Citicorp and Citigroup for 35 years, the last sixteen as Chairman. He retired in the year 2000. He later returned to work as Chairman of the New York Stock Exchange (2003–2005) and was Chairman of the MIT Corporation (2010–2014).

Other positions currently held

He was appointed Chairman of the Board of American Cash Exchange in February 2016 and President of the Boston Athenaeum and Trustee of NBER. He is a Fellow of the American Academy of Arts and Sciences and of the American Philosophical Society.

JOAQUÍN AYUSO

Independent Director

Education

A graduate in Civil Engineering from the Polytechnic University of Madrid.

Career

He is currently Chairman of Adriano Care Socimi, S.A.

He was previously a member of the Board of Directors of Bankia.

He has pursued his professional career in Ferrovial, S.A., where he was CEO and Vice-Chairman of its Board of Directors. He has been a Director of National Express Group, PLC. and of Hispania Activos Inmobiliarios and Chairman of Autopista del Sol Concesionaria Española.

Other positions currently held

He is a member of the Advisory Board of the Benjamin Franklin Institute of the University of Alcalá de Henares and the Advisory Board of Kearney. He is also Chairman of the Board of Directors of the Real Sociedad Hípica Española Club de Campo.

FRANCISCO JAVIER CAMPO

Independent Director

Education

He has a degree in Industrial Engineering from the Polytechnic University of Madrid.

Career

He is currently a member of the Board of Directors of Meliá Hotels International, S.A.

He was previously a member of the Board of Directors of Bankia. He began his career at Arthur Andersen and served as global chairman of the Dia Group, member of the Global Executive Committee of the Carrefour Group, and Chairman of the Zena Group and the Cortefiel Group.

Other positions currently held

He is Vice-Chairman of the Spanish Commercial Coding Association (AECOC), a member of the Advisory Board (senior advisor) of AT Kearney, the Palacios Food Group and IPA Capital, S.L. (Pastas Gallo).

He is a Director of the Spanish Association for the Advancement of Leadership (APD) and Trustee of the CaixaBank Dualiza Foundation, the F. Campo Foundation and the Iter Foundation.

He was awarded the National Order of Merit of the French Republic in 2007.

EVA CASTILLO

Independent Director

Education

Se holds a degree in Law and Business from Comillas Pontifical University (ICADE) in Madrid.

Career

She is currently an Independent Director of Zardoya Otis, S.A. She is also an Independent Director of International Consolidated Airlines Group, S.A. (IAG).

She was previously a member of the Board of Directors of Bankia, S.A.

She formerly served as a Director of Telefónica, S.A and Chair of the Supervisory Board of Telefónica Deutschland, AG, as well as a member of the Board of Trustees of the Telefónica Foundation. Previously, she was an Independent Director of Visa Europe Limited and Director of old Mutual, PLC.

She has served as Chair and CEO of Telefónica Europe and has held various positions at Merrill Lynch.

Other positions currently held

She is also a member of the Board of Trustees of the Comillas-ICAI Foundation and the Board of Trustees of the Entreculturas Foundation. Recently, she has become a member of the Council for the Economy of the Holy See and a member of the A.I.E Advantere School of Management.

FERNANDO MARÍA ULRICH

Other External

Education

He studied Economics and Business at the School of Economics and Management of the University of Lisbon.

Career

He has been the Non-Executive Chairman of Banco BPI, S.A. since 2017.

He has also been the Non-Executive Chairman of BFA (Angola) (2005-2017); a Member of the APB (Portuguese Association of Banks) Board of Directors (2004-2019); Chairman of the General and Supervisory Board of the University of Algarve, Faro (Portugal) (2009-2013); Non-Executive Director of SEMAPA, (2006-2008); Non-Executive Director of Portugal Telecom (1998-2005); Non-Executive Director of Allianz Portugal (1999-2004); Non-Executive Director of PT Multimedia (2002-2004); a Member of the Advisory Board of CIP, Portuguese industrial confederation (2002-2004); Non-Executive Director of IMPRESA, and of SIC, a Portuguese media conglomerate (2000-2003); Vice-Chairman of the Board of Directors of BPI SGPS, S.A. (1995-1999); Vice-Chairman of Banco de Fomento & Exterior, S.A. and Banco Borges & Irmão (1996-1998); a Member of the Advisory Board for the Treasury Reform (1990/1992); a Member of the National Board of the Portuguese Securities Market Committee (1992-1995); Executive Director of Banco Fonsecas & Burnay (1991-1996); Vice-Chairman of the Banco Portugués de Investimento (1989-2007); Executive Director of the Banco Portugués de Investimento (1985-1989); Assistant Manager of the Sociedade Portuguesa de Investimentos (SPI) (1983-1985); Chief of Cabinet of the Ministry of Finance of the Government of Portugal (1981-1983); a Member of the Secretariat for Economic Cooperation of the Portuguese Ministry of Foreign Affairs (1979-1980), and Member of the Portuguese delegation to the OECD (1975-1979). Responsible for the financial markets section of the newspaper Expresso (1973-1974).

MARÍA VERÓNICA FISAS

Independent Director

Education

She holds a degree in Law and a master's degree in Business Administration from EAE Business School.

Career

In 2009, she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética, becoming Chair of Stanpa in 2019 and, also Chair of Fundación Stanpa.

Other positions currently held

She has been the CEO of Natura Bissé and General Director of the Natura Bissé Group since 2007. Since 2008, she is also a trustee of the Fundación Ricardo Fisas Natura Bissé.

CRISTINA GARMENDIA

Independent Director

Education

She holds a degree in Biological Sciences, specialising in Genetics, a PhD in Molecular Biology from the Severo Ochoa Molecular Biology Centre of the Autonomous University of Madrid, and an MBA from the IESE Business School of the University of Navarra.

Career

She was Minister of Science and Innovation in the Spanish Government during the IX Legislature (2008-2011).

In the past, she has been Executive Deputy Chair and Financial Director of the Amasua Group, President of the Association of Biotechnology Companies (ASEBIO) and member of the Governing Board of the Spanish Confederation of Business Organisations (CEOE). She has also been a member of the governing bodies of, among other companies, Science & Innovation Link Office, Naturgy, Corporación Financiera Alba, Pelayo Mutua de Seguros, Chair of Satlantis Microsats and CEO of Genetrix.

Other positions currently held

She is a member of the board of Compañía de Distribución Integral Logista Holdings, Mediaset and Ysios Capital Partners. She is also the Chair of the COTEC Foundation, a member of the España Constitucional Foundation, SEPI and member of the Advisory Council of the Women for Africa Foundation.

MARÍA AMPARO MORALEDA

Independent Director

Education

Industrial Engineering from the ICAI and MBA from the IESE Business School.

Career

She was the Chief Operating Officer of Iberdrola's International Division with responsibility for the UK and US (2009-2012) and she headed Iberdrola Ingeniería y Construcción (2009-2011). She was also a member of the Board of Directors of Faurecia (2012-2017).

She formerly worked for the IBM Group. She was General Manager of IBM for Spain and Portugal (2001-2009), responsible for Greece, Israel and Turkey (2005-2009). She was also assistant executive to the President of IBM corporation (2000-2001), Managing Director of INSA (subsidiary of IBM Global Services) (1998-2000) and HR Director for EMEA at IBM Global Services (1995-1997).

Other positions currently held

Independent Director at Airbus Group, Vodafone and A.P. Møller-Mærsk A/S A.P.

She is also a member of the Supervisory Board of the Spanish National Research Council (CSIC), of the Advisory Board of SAP Ibérica, Spencer Stuart, as well as a full academic member of the Royal Academy of Economic and Financial Science, member of the Academy of Social Sciences and the Environment of Andalusia, the Board of Trustees of MD Anderson Cancer Center in Madrid, the Vodafone Foundation and the Airbus Foundation.

EDUARDO JAVIER SANCHIZ

Independent Director

Education

He holds a degree in Economics and Business Science from the University of Deusto and a master's in Business Administration from the IE.

Career

He has worked with Almirall since 2004, where he was CEO (2011-2017). He was previously Executive Director of Corporate Development and Finance and CFO. He has been a member of the Board of Directors since 2005 and of the Dermatology Committee since 2015.

He also worked in various positions at Eli Lilly & Co, the American pharmaceutical company. Some of his significant positions include General Manager in Belgium, General Manager in Mexico and Executive Officer in the Business Division covering central, northern and eastern European countries.

He was a member of the American Chamber of Commerce in Mexico and of the Association of Pharmaceutical Industries in a number of countries in Europe and Latin America.

Other positions currently held

Currently a member of the Board of Directors of French Laboratory Pierre Fabre and its Strategic Committee.

TERESA SANTERO

Proprietary Director

Education

She holds a degree in Business Administration from the University of Zaragoza and a doctorate in Economics from the University of Illinois Chicago (USA).

Career

Previously, she held positions of responsibility in both the central government administration and the autonomous government. She previously worked for 10 years as an economist at the Economics Department of the OECD in Paris. She has been a visiting lecturer at the Economics Department of the Complutense University in Madrid and associate professor and research aide at the University of Illinois Chicago (USA).

She has been on various Boards of Directors, was an independent member of the General Board of the Spanish Official Credit Institute, ICO (2018-2020), a director of the Spanish Industrial Holding Company, SEPI (2008-2011) and Navantia (2010-2011).

Other positions currently held

She is a lecturer at the IE Business School in Madrid.

JOSÉ SERNA

Proprietary Director

Education

He holds a degree in Law from Complutense University of Madrid. State Lawyer (on leave) and Notary (until 2013).

Career

In 1971, he joined the State Lawyer Corps until his leave of absence in 1983. Legal counsel to the Madrid Stock Exchange (1983-1987). Forex and Stock Market Broker in Barcelona (1987). Chairman of the Promoter of the new Barcelona Stock Exchange (1988) and Chairman of the Barcelona Stock Exchange (1989-1993).

Chairman of the Spanish Stock Market Body (1991-1992) and Deputy Chairman of MEFF (Spanish Financial Futures Market). He was also Deputy Chairman of Fundación Barcelona Centro Financiero and of Sociedad de Valores y Bolsa Interdealers, S.A.

In 1994, he became a Forex and Stock Market Broker in Barcelona.

Notary Public in Barcelona (2000-2013). He was also a member of the Board of Endesa (2000-2007) and its Group companies.

KORO USARRAGA

Independent Director

Education

She holds a degree and a master's in Business Administration from ESADE Business School.

She completed the PADE programme at IESE Business School. He is a qualified chartered accountant (Registro Oficial de Auditores de Cuentas).

Career

She worked at Arthur Andersen for 20 years, and she was appointed partner of the Audit Division in 1993.

In 2001, she assumed responsibility for the General Corporate Management of Occidental Hotels & Resorts. She was Managing Director of Renta Corporación and member of the Board of Directors of NH Hotel Group (2015-2017).

Other positions currently held

Director of Vocento and Administrator of Vehicle Testing Equipment and 2005 KP Inversiones.

The positions held by directors in group companies and other (listed or unlisted) companies are as follows:

POSITIONS OF DIRECTORS IN OTHER COMPANIES IN THE GROUP (C.1.10)

Name of Director	Corporate name of the company	Position
Tomás Muniesa	VidaCaixa	Deputy Chairman
Gonzalo Gortázar	Banco BPI	Director
Fernando Maria Ulrich	Banco BPI	Chairman

The information on Directors and positions at other companies refers to year-end.

The Company is not aware of any relationships between significant shareholders (or shareholders represented on the Board) and Board members that are relevant to either party. (A.6)

The Company has imposed rules on the maximum number of company boards on which its own directors may sit. In accordance with article 32.4 of the Regulations of the Board of Directors, CaixaBank directors must observe the limitations on membership of boards of directors set out in the current regulations on the organisation, supervision and solvency of credit institutions. (C.1.12)

POSITIONS OF DIRECTORS IN OTHER LISTED OR UNLISTED ENTITIES (C.1.11)

Name of Director	Corporate name of the company	Position	Paid or not
Jose Ignacio Goirigolzarri	Asociación Madrid Futuro	Member	No
Jose Ignacio Goirigolzarri	Asociación Valenciana de Empresarios	Member (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Spanish Chamber of Commerce	Member (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Spanish Businessmen's Association	Member (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Basque Businessmen's Association	Member	No
Jose Ignacio Goirigolzarri	Confederación Española de Cajas de Ahorro (CECA)	Deputy Chairman	Yes
Jose Ignacio Goirigolzarri	Confederación Española de Directivos y Ejecutivos (CEDE)	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Confederación Española de Organizaciones Empresariales (CEOE)	Member of the Advisory Board (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Advisory Board of the Benjamin Franklin American Institute of Research	Chairman	No
Jose Ignacio Goirigolzarri	Advisory Board of Fundación Instituto Hermes	Member	No
Jose Ignacio Goirigolzarri	Consejo Empresarial Español para el Desarrollo Sostenible	Director (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Deusto Business School	Chairman	No
Jose Ignacio Goirigolzarri	Foment del Treball Nacional	Member (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación Aspen Institute	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación CaixaBank Dualiza	Chairman (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación COTEC	Vice-Chairman (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación de Ayuda contra la Drogadicción (FAD)	Trustee	No
Jose Ignacio Goirigolzarri	Fundación de Estudios de Economía Aplicada (FEDEA)	Chairman (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación LAB Mediterráneo	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación Mobile Wold Capital Barcelona	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación Privada Consejo España-EEUU	Honorary Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación Pro Real Academia Española	Trustee	No
Jose Ignacio Goirigolzarri	Fundación Real Instituto Elcano	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Garum Fundatio Fundazioa	Chairman	No
Jose Ignacio Goirigolzarri	Institute of International Finance	Member (CaixaBank Representative)	No

POSITIONS OF DIRECTORS IN OTHER LISTED OR UNLISTED ENTITIES (C.1.11)

Name of Director	Corporate name of the company	Position	Paid or not
Tomás Muniesa	SegurCaixa Adeslas	Deputy Chairman	Yes
Tomás Muniesa	Allianz Portugal	Director	No
Tomás Muniesa	ESADE Fundación	Member of Board of Trustees	No
Gonzalo Gortázar	Spanish Businessmen's Association	Member (CaixaBank Representative)	No
Gonzalo Gortázar	Eurofi	Member (CaixaBank Representative)	No
Gonzalo Gortázar	Foro Puente Aéreo	Member (CaixaBank Representative)	No
Gonzalo Gortázar	Fundación Privada España-China	Trustee (CaixaBank Representative)	No
Gonzalo Gortázar	Institut International D'Etudes Bancaires	Member (CaixaBank Representative)	No
Gonzalo Gortázar	Institute of International Finance	Member (CaixaBank Representative)	No
John S. Reed	American Cash Exchange Inc.	Director	No
John S. Reed	Boston Athenaeum	Chairman	No
John S. Reed	National Bureau of Economic Research	Trust beneficiary	No
John S. Reed	American Academy of Arts and Sciences	Board Member	No
John S. Reed	American Philosophical Society	Member	No
Joaquin Ayuso	Adriano Care Socimi	Chairman	Yes
Joaquin Ayuso	Instituto Universitario de Investigación en Estudios Norteamericanos Benjamin Franklin de la Universidad de Alcalá de Henares (Madrid)	Member of the Advisory Board	No
Joaquin Ayuso	Real Sociedad Hípica Española Club de Campo	Chairman of the Board of Directors	No
Francisco Javier Campo	Asociación Española del Gran Consumo (AECOC)	Vice-chair and member of the Board of Directors	No
Francisco Javier Campo	Asociación para el Progreso de la Dirección	Director	No
Francisco Javier Campo	Fundación CaixaBank Dualiza	Trustee (CaixaBank Representative)	No
Francisco Javier Campo	Meliá Hotels International, S.A.	Director	Yes

POSITIONS OF DIRECTORS IN OTHER LISTED OR UNLISTED ENTITIES (C.1.11)

Name of Director	Corporate name of the company	Position	Paid or not
Francisco Javier Campo	Fundación Iter	Trustee	No
Francisco Javier Campo	Fundación F. Campo	Trustee	No
Eva Castillo	Zardoya Otis, S.A.	Director	Yes
Eva Castillo	International Airlines Group (IAG)	Director	Yes
Eva Castillo	Fundación Comillas- ICAI.	Trustee	No
Eva Castillo	Fundación Entreculturas	Trustee	No
Eva Castillo	Consejo para la Economía de la Santa Sede	Member of the Board	No
Eva Castillo	A.I.E de Advantere School of Management	Member	No
María Verónica Fisas	Natura Bissé International S.A.	CEO	Yes
María Verónica Fisas	Natura Bissé International FZE (Dubai Airport Free Zone)	Director	Yes
María Verónica Fisas	Natura Bissé Int. LTD (UK)	Director	Yes
María Verónica Fisas	Natura Bissé Int. S.A. de CV (México)	Chairwoman	Yes
María Verónica Fisas	Natura Bissé Inc. Dallas (USA)	Chairwoman	Yes
María Verónica Fisas	NB Selective Distribution S.L.	Joint administrator	Yes
María Verónica Fisas	Fundación Ricardo Fisas Natura Bissé	Trustee	No
María Verónica Fisas	Asociación Nacional de Perfumería y Cosmética (STANPA)	Chair of the Board of Directors	No
Cristina Garmendia	Mediaset España Comunicación, S.A.	Director	Yes
Cristina Garmendia	Compañía de Distribución Integral Logista Holdings	Director	Yes
Cristina Garmendia	Ysios Capital Partners	Director	Yes
Cristina Garmendia	Ysios Capital Partners CIV I	Director	No
Cristina Garmendia	Ysios Capital Partners CIV II	Director	No
Cristina Garmendia	Ysios Capital Partners CIV III	Director	No
Cristina Garmendia	Ysios Asset Management	Director	No
Cristina Garmendia	Jaizkibel 2007, S.L. (holding company)	Sole administrator	Yes
Cristina Garmendia	Fundación COTEC para la Innovación	Chairwoman	No
Cristina Garmendia	Círculo de Economia	Member of the Board of Directors	No

POSITIONS OF DIRECTORS IN OTHER LISTED OR UNLISTED ENTITIES (C.1.11)

Name of Director	Corporate name of the company	Position	Paid or not
Cristina Garmendia	Fundación España Constitucional	Member	No
Cristina Garmendia	Fundación SEPI	Member	No
Cristina Garmendia	Fundación Pelayo	Member	No
Cristina Garmendia	UNICEF, Comité español	Member	No
María Amparo Moraleda	Vodafone Group PLC	Director	Yes
María Amparo Moraleda	Airbus Group, S.E.	Director	Yes
María Amparo Moraleda	A.P. Møller-Mærsk A/S A.P.	Director	Yes
María Amparo Moraleda	Consejo Superior de Investigaciones Científicas-CSIC	Member of the Advisory Council	No
María Amparo Moraleda	MD Anderson Cancer Center de Madrid	Member of Board of Trustees	No
María Amparo Moraleda	Fundación Vodafone	Member of Board of Trustees	No
María Amparo Moraleda	IESE	Board Member	No
María Amparo Moraleda	Fundación Airbus	Trustee	No
María Amparo Moraleda	Academia de Ciencias Sociales y el Medio Ambiente de Andalucía	Academic	No
María Amparo Moraleda	Real Academia de Ciencias Económicas y Financieras	Full Member of the General Assembly	No
Eduardo Javier Sanchiz	Laboratorio Farmacéutico Pierre Fabre, S.A.	Director	Yes
Koro Usarraga	Vocento, S.A.	Director	Yes
Koro Usarraga	2005 KP Inversiones, S.L.	Administrator	No
Koro Usarraga	Vehicle Testing Equipments, S.L.	Administrator	No

OTHER PAID ACTIVITIES OTHER THAN THOSE LISTED ABOVE (C.1.11)

Name of Director	Corporate name of the company	Position
Joaquin Ayuso	A.T. Kearney S.A.	Member of the Advisory Board for Spain
Francisco Javier Campo	Grupo Palacios	Member of the Advisory Board
Francisco Javier Campo	Grupo IPA Capital SL (Pastas Gallo)	Member of the Advisory Board
Francisco Javier Campo	Consultora Kearney	Member of the Advisory Board
Cristina Garmendía	CaixaBank S.A.	Member of the Private Banking Advisory Board
María Amparo Moraleda	SAP Ibérica	Member of the Advisory Board
María Amparo Moraleda	Spencer Stuart	Member of the Advisory Board
María Amparo Moraleda	ISS España	Member of the Advisory Board
Eduardo Javier Sanchiz	Sabadell -Asabys Health Innovation Investments S.C.R., S.A.	Member of the Investment Committee
Teresa Santero	Instituto de Empresa Madrid	Teacher

Diversity of Board of Directors (C.1.5 + C.1.6 + C.1.7)

CaixaBank has a Selection, Diversity and Suitability Assessment Policy in place for directors (as well as members of Senior Management and other people in key roles). This Policy is regularly reviewed and was updated in 2020, based on the amendments to the recommendations in the Code of Good Governance, particularly with regard to the increase in senior management. The aim of this Policy is to ensure a suitable balance at all times in the composition of the Board, promoting diversity of gender, age and background, as well as in relation to training, knowledge and professional experience to foster diverse and independent opinions and a robust and mature decision-making process.

As provided for in article 15 of the Regulations of the Board of Directors, the Appointments and Sustainability Committee is responsible for supervising compliance with this Policy. This Committee must, among other duties, analyse and propose the profiles of candidates to fill Board positions, considering diversity as an essential factor in the selection process and suitability, with a particular focus on gender diversity.

Within the framework of the Policy, and with a view to diversity, the following measures are established:

- Consideration, during the director selection and re-election procedures, of the goal of ensuring a governing body composition that is suitable and diverse, particularly in terms of diversity of gender, knowledge, training and professional experience, age and geographical origin in the composition of the Board, ensuring a suitable balance and facilitating the selection of candidates from the gender with the least representation. For this purpose, the candidate's suitability assessment reports shall include an assessment of how the candidate contributes to ensuring a diverse and appropriate composition of the Board of Directors.
- Annual assessment of the composition and competencies of the Board, considering the diversity aspects discussed previously and, in particular, the percentage of Board members of the less represented gender, taking action when there is a discrepancy.
- Preparation and update of a competency matrix, the results of which may serve to detect future needs relating to training or areas to improve in future appointments.

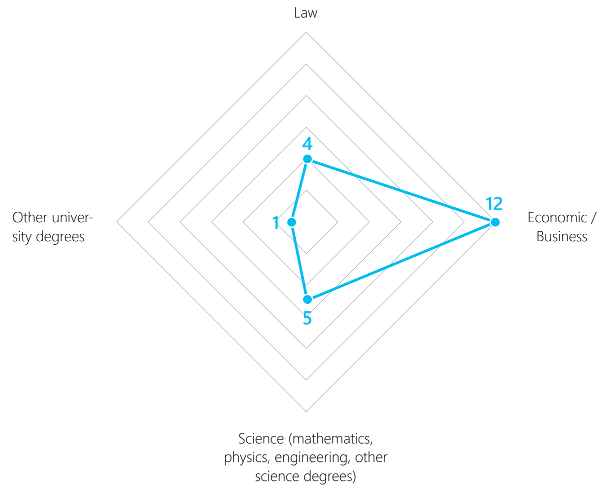
The CaixaBank Selection Policy and, in particular, section 6.1 of the policy regarding the fundamental elements of the diversity policy in the Board of Directors and the Protocol on Procedures for assessing suitability and appointing directors and senior management, along with other key positions in CaixaBank and its group establish the obligation of the Appointments Committee to assess the collective suitability of the Board of Directors each year.

Adequate diversity in the composition of the Board is taken into account throughout the entire process of selection and suitability assessment at CaixaBank, considering, in particular, diversity of gender, training, professional experience, age, and geographic origin.

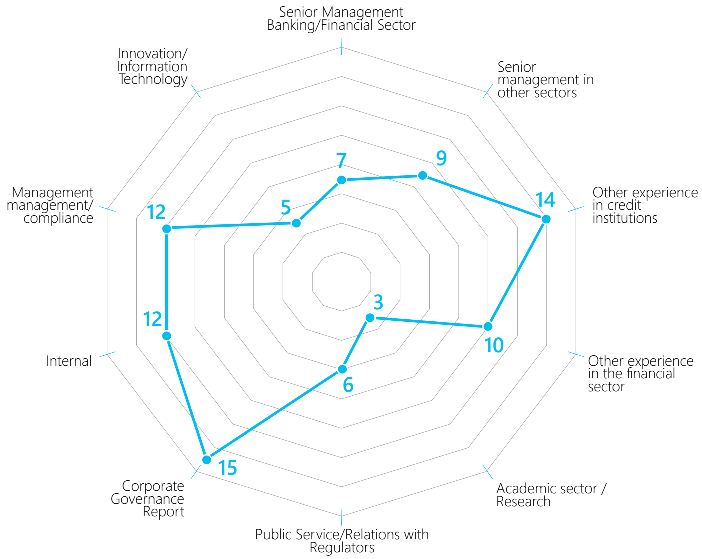
Recommendation 15 currently establishes that the percentage of female directors should never be less than 30% of the total number of members of the Board of Directors and that by the end of 2022, the number of female directors should be at least 40% of the members of the Board of Directors. The percentage of women on the Board of Directors after the Ordinary General Shareholders' Meeting in May 2020, was 40%, above the target of 30% set by the Appointments Committee in 2019 to achieve in 2020. Following the extraordinary General Shareholders' Meeting of December 2020 and following the 2021 Ordinary General Shareholders' Meeting, the presence of female directors in CaixaBank's management body accounted for and continues to account for 40% of its members. This show's the Company's concern and firm commitment to meeting the target of 40% female representation on the Board of Directors.

In the annual compliance assessment of the aforementioned Policy, the Board concluded that, during the 2021 financial year, it had a suitable structure, size and composition and a satisfactory, balanced and complementary composition of skills and diversity as well as knowledge and experience among its members, both in the financial sector and in other relevant areas to ensure the good governance of a credit institution. The determination of suitability in terms of the composition of the Board, which includes the individual re-evaluation of the suitability of each director by the Appointments and Sustainability Committee, also extends to diversity of gender, age and background.

DISTRIBUTION OF THE EDUCATION OF MEMBERS OF THE BOARD OF DIRECTORS



DISTRIBUTION OF THE EXPERIENCE OF MEMBERS OF THE BOARD OF DIRECTORS



Training of Board of Directors (C.1.5 + C.1.6 + C.1.7)

In terms of **training carried out for Company Directors**, in 2021, a training plan was designed with 8 sessions that analysed different subjects, such as the various businesses, sustainability and cybersecurity. An off-site work session devoted to analysing the variety of strategic areas for the Company was also held. In addition, members of the Board of Directors receive up-to-date information on economic and financial developments on a recurring basis.

Furthermore, the Risk Committee included 11 single-topic presentations into the agenda at its ordinary meetings. These presentations looked in detail at relevant risks, such as reputational risk, environmental risk, business return risk, market risk, legal and regulatory risk, structural interest rate risk, operational risk, equity risk, risk management in outsourcing and cybersecurity, among others.

The Audit and Control Committee also included a total of 4 single-topic presentations in the agenda of its meetings, covering matters relating to audit, supervision and control of the integration with Bankia and cybersecurity. Moreover, members of the Audit and Control Committee received 6 training sessions on different topics, such as the actions related to COVID carried out by internal audit, the role of the internal audit in cybersecurity risks, accounting standards IFRS17 and DTAs, among others.

The Risk and Audit and Control Committees also held two joint sessions to discuss important aspects of liquidity, capital and solvency.

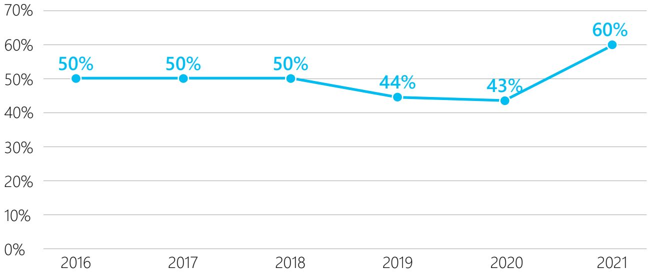
MATRIX OF THE CAIXABANK BOARD OF DIRECTORS 2021

(Order of names according to corporate website page)

		Chairman José Ignacio Goirigolzarri	Deputy Chairman Tomás Muniesa	CEO Gonzalo Gortázar	Coordinating director John S. Reed	Joaquín Ayuso	Francisco Javier Campo	Eva Castillo	Fernando Maria Ulrich	María Verónica Fisas	Cristina Garmendia	Eduardo Javier Sanchiz	Teresa Santero	Mª Amparo Moraleda	José Serna	Koro Usarraga
Category		E	D	E	I	I	I	I	OE	I	I	I	D	I	D	I
Training	Law			●				●		●					●	
	Economic, business	●	●	●				●	●	●	●	●	●	●	●	●
	Mathematics, physics, engineering, other science degrees				●	●	●				●			●		
	Other university degrees				●											
Senior management experience (Senior management board or senior management)	In Banking/Financial Sector	●	●	●	●			●	●						●	
	Other sectors					●	●	●	●	●	●	●		●		●
Experience in the financial sector	Credit institutions	●	●	●	●	●	●	●	●	●		●	●	●	●	●
	Financial markets (other)	●	●	●	●	●	●	●	●		●				●	
Other experience	Academic sector - Research	●									●		●			
	Public Service/ Relations with Regulators		●		●				●		●		●		●	
	Corporate governance (including membership of governing bodies)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Internal	●	●	●	●	●	●	●	●		●	●			●	●
	Risk management/ compliance	●	●	●	●	●	●	●	●	●		●		●		●
	Information Technology	●		●				●			●			●		
International experience	Spain	●	●	●	●	●	●	●		●	●	●	●	●	●	●
	Portugal	●	●	●		●	●	●	●			●		●		
	Rest of Europe (including European institutions)	●		●		●	●	●	●		●	●	●	●		
	Other (USA, Latin America)	●		●	●	●	●	●	●	●	●	●	●	●		
Diversity of gender, geographical origin, age	Gender diversity							●		●	●		●	●		●
	Nationality	ES	ES	ES	USA	ES	ES	ES	PT	ES	ES	ES	ES	ES	ES	ES
	Age	67	69	56	82	66	66	59	69	57	59	65	62	57	79	64

In recent years, the presence of independent directors and gender diversity on the Board has progressively increased, reaching and even exceeding the target set by the Appointments and Sustainability Committee to have at least 30% female directors (C.1.4):

EVOLUTION OF INDEPENDENCE



	Number of female directors				% of total Directors of each category			
(C.1.4)	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2018	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2018
Executive	-	-	-	-	0	0	0	0
Proprietary	1	2	2	2	33.33	28.57	25	25
Independent	5	4	4	3	55.55	66.67	57.14	33.33
Other external	-	-	-	-	0	0	0	0
Total	**6**	**6**	**6**	**5**	**40**	**42.86**	**37.5**	**27.78**

40%
WOMEN ON THE BOARD
OBJECTIVE: >30%

57%
WOMEN ON THE EXECUTIVE COMMITTEE

33%
WOMEN ON THE RISK COMMITTEE

50%
WOMEN ON THE REMUNERATION COMMITTEE

60%
WOMEN ON THE INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

50%
WOMEN ON THE AUDIT AND CONTROL COMMITTEE

As a result, the CaixaBank Board can be said to be within the upper band of Ibex 35 companies in terms of the presence of women, according to the public information available on the composition of Boards of Directors of Ibex 35 companies at year-end 2021 (the average of which is 32.65%)[1].

[1] Average number of women sitting on the Board of Ibex 35 companies, calculated according to the public information available on the websites of the companies.

Selection, appointment, re-election and removal of members of the board

Principles of proportionality among board member categories (C.1.16)

01. External (non-executive) directors should constitute a majority over executive directors, and the number of the latter should be the minimum necessary.

02. The external directors will include holders of stable significant shareholdings in the company (or their representatives) or those shareholders that have been proposed as directors even though their holding is not significant (proprietary directors), and persons of recognised experience who can perform their functions without being influenced by the Company or its Group, its executive team or significant shareholders (independent directors).

03. Among the external directors, the ratio of proprietary and independent directors should reflect the existing proportion of the Company's share capital represented by proprietary directors and the remainder of its capital. At least one third of the Company's directors will be independent directors (provided that there is one shareholder, or several acting in concert, controlling more than 30% of the share capital).

04. No shareholder may be represented on the Board by a number of proprietary directors representing more than 40% of the total number of Board members, without affecting the right to proportional representation provided for by law.

Selection and appointment (C.1.16)

The Selection, Diversity and Suitability Assessment Policy for directors and members of Senior Management and other people in key roles includes the main aspects and undertakings of the Company in relation to the appointment and selection of directors. The purpose is to provide candidates that ensure the effective capability of the Board to take decisions independently in the interest of the Company.

In this context, director appointment proposals put forward by the Board for the consideration of the General Shareholders' Meeting, and the appointment agreements adopted by the Board by virtue of the powers legally attributed to it, must be preceded by the corresponding proposal of the Appointments and Sustainability Committee, when dealing with independent directors, and by a report, in the case of all other directors. Proposals for the appointment and re-election of directors are accompanied by a report from the Board setting out the competencies, experience and merits of the candidate.

In accordance with the legal provisions, the candidates must meet the suitability requirements for the position and, in particular, they must have recognised business and professional repute, suitable knowledge and experience to understand the Company's activities and main risks, and be in a position to exercise good governance. Furthermore, the conditions established by regulations in force will be taken into account, regarding the overall composition of the Board of Directors. In particular, the overall composition of the Board of Directors must incorporate sufficient knowledge, abilities and experience regarding the governance of credit institutions, to sufficiently understand the Company's activities, including the primary risks, and to ensure the effective capacity of the Board of Directors to take independent and autonomous decisions in the Company's interests.

The Appointments and Sustainability Committee, with the assistance of the General Secretary and the Secretary of the Board, taking into account the balance of knowledge, experience, capacity and diversity required and in place on the Board of Directors, elaborates and constantly updates a competency matrix, which is approved by the Board of Directors.

Where applicable, the results of applying the matrix may be used to identify future training needs or areas to strengthen in future appointments.

The Selection Policy is complemented by a Suitability Assessment Procedure Protocol (hereinafter, Suitability Protocol) that establishes the procedure for making the selection and the continuous assessment of the suitability of Board members, among other groups, including any unforeseeable circumstances which may affect their suitability for the position.

The Protocol establishes the Company's units and internal procedures involved in the selection and ongoing assessment of members of the Board of Directors, general managers and other senior executives, the heads of the internal control function and other key posts in CaixaBank, as defined under applicable legislation. Under the "Protocol", the Board of Directors, in plenary session, assesses the suitability of proposed candidates, based on a report from the Appointments and Sustainability Committee.

This entire process is subject to the provisions of the internal regulations on the appointment of directors and the applicable regulations of corporate enterprises and credit institutions, which is subject to the suitability assessment of the European Central Bank and culminates in the acceptance of the position after the approval by the banking authority of the proposed appointment, which will be approved by the General Shareholders' Meeting.

Re-election and duration of the post (C.1.16 + C 1.2.23)

Directors shall hold their posts for the term stipulated in the By-Laws (4 years) —for as long as the General Meeting does not resolve to remove them and they do not stand down from office— and may be re-elected one or more times for periods of equal length. However, independent directors will not remain as such for a continuous period of more than 12 years.

Directors designated by co-option shall hold their post until the date of the next AGM or until the legal deadline for holding the AGM that is to decide whether to approve the financial statements for the previous financial year has passed. If the vacancy arises after the AGM is called but before it is held, the appointment of the director by co-option to cover the vacancy will take effect until the next AGM is held.

Removal or resignation from post (C.1.19+ C.1.36)

Directors shall step down when the period for which they were appointed has elapsed, when so decided by the AGM and when they resign. When a director leaves office prior to the end of their term, they must explain the reasons in a letter sent to all members of the Board of Directors.

In the following circumstances, if the Board of Directors deems it appropriate, directors must tender their resignation from the Board, formalising their intention to resign (article 21.2 of the Regulations of the Board of Directors):

- When they leave the positions, posts or functions with which their appointment as director was associated;
- When they are subject to any of the cases of incompatibility or prohibition provided by law or no longer meet the suitability requirements;
- When they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;
- When their remaining on the Board, they may place at risk the Company's interest, or when the reasons for which they were appointed cease to exist.[1]
- When significant changes occur in their professional situation or in the conditions in which they were appointed Director.
- When due to facts attributable to the Director, his remaining on the Board causes serious damage to the corporate net worth or reputation in the judgement of the Board.

If an individual representing a legal entity director becomes involved in any of the situations described above, that representative must relinquish their position to the legal entity that appointed them. If the latter decides that the representative should remain in their post as a director, the legal entity director must tender its resignation from the Board.

All of the above, notwithstanding the provisions of Royal Decree 84/2015, of 13 February, which implements Act 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions, on the requirements of repute that must be met by directors and the consequences of losses derived therefrom, along with other regulations or guides applicable to the nature of the company.

With regard to Preliminary Proceedings 67/2018 of the Central Court of the Investigating Judge no. 5, investigating a swap operation agreed with CriteriaCaixa on 3 December 2015, the takeover bid of BPI and certain accounting issues, which was still being conducted against CaixaBank and certain directors, the Court agreed to the provisional dismissal of the case by Order dated 22 November 2021, which was confirmed by Order dated 13 December 2021, and which has been confirmed by Order dated 13 January 2022 of the Criminal Division of the National High Court; therefore, becoming final, the cause is closed.

Prior to this date, by resolution of 23 April 2021, the Central Court of the Investigating Judge decreed the dismissal and closing in relation to Alejandro García-Bragado, and this resolution was confirmed by the National High Court on 21 May 2021.

The Board of Directors has been informed of this procedure from the outset and of all significant aspects of its development until the Order dated 13 of January 2022 of the Criminal Division of the National High Court confirming the ruling of the Central Court of the Investigating Judge no. 5, ordering the provisional dismissal, without any impact on the suitability of the director under investigation. (C.1.37)

Other limitations on the position of director

There are no specific requirements, other than those relating to the directors, to be appointed as Chairman of the Board. (C.1.21)

Neither the By-laws nor the Regulations of the Board of Directors establish any age limit for serving as a director. (C.1.22)

Neither the By-laws nor the Regulations of the Board of Directors establish any limited mandate or additional stricter requirements for independent directors beyond those required by law. (C.1.23)

[1] In the case of proprietary directors, when the shareholder they represent transfers its stake in its entirety or lowers it to a level that requires a reduction in the number of proprietary directors.

OPERATION AND WORKINGS OF THE BOARD (C.1.25 AND C.1.26)

14
NUMBER OF MEETINGS OF THE BOARD

0
NUMBER OF BOARD MEETINGS HELD WITHOUT THE CHAIRMAN'S ATTENDANCE

0
NUMBER OF BOARD MEETINGS HELD WITHOUT THE ATTENDANCE OF THE EXECUTIVE DIRECTORS

N.B.: During the year, there were no collective meetings of the Coordinating Director with the other Directors. However, there were individual working meetings.

15
NUMBER OF MEETINGS OF THE AUDIT AND CONTROL COMMITTEE

5
NUMBER OF MEETINGS OF THE INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

N.B.: In addition, the Committee adopted resolutions in March in writing without a meeting.

7
NUMBER OF MEETINGS OF THE APPOINTMENTS AND SUSTAINABILITY COMMITTEE

10
NUMBER OF MEETINGS OF THE REMUNERATION COMMITTEE

14
NUMBER OF MEETINGS OF THE RISKS COMMITTEE

20
NUMBER OF MEETINGS OF THE EXECUTIVE COMMITTEE

14
NUMBER OF MEETINGS ATTENDED IN PERSON BY AT LEAST 80% OF DIRECTORS

98.08%
% OF IN SITU ATTENDANCE IN TERMS OF THE TOTAL VOTES DURING THE YEAR

10
NUMBER OF MEETINGS ATTENDED IN PERSON OR BY REPRESENTATIONS MADE WITH SPECIFIC INSTRUCTIONS OF ALL DIRECTORS

98.08%
% OF VOTES ISSUED AT IN SITU MEETINGS OR WITH REPRESENTATIONS MADE WITH SPECIFIC INSTRUCTIONS OUT OF ALL VOTES CAST DURING THE YEAR

Individual attendance of directors at Board meetings during 2021 (*)

	Attendance / No. of meetings	Proxy (without voting instructions in all cases in 2021)	Attendance by remote means
José Ignacio Goirigolzarri	12/14**	-	-
Tomás Muniesa	14/14	-	2
Gonzalo Gortázar	14/14	-	2
John S. Reed	13/14	1	13
Joaquín Ayuso	12/14**	-	1
Francisco Javier Campo	12/14**	-	1
Eva Castillo	11/14**	1	-
Fernando Maria Ulrich	12/14**	-	1
María Verónica Fisas	14/14	-	5
Cristina Garmendia	14/14	-	2
María Amparo Moraleda	13/14	1	3
Eduardo Javier Sanchiz	13/14	1	2
Teresa Santero	12/14**	-	1
José Serna	14/14	-	3
Koro Usarraga	14/14	-	2

(*) The off-site session held during the period is not counted. Proxies during 2021 have been made without voting instructions.

(**) The merger by absorption of Bankia took effect on 26 March 2021, when the appointments of the new directors approved by the General Shareholders' Meeting of 3 December 2020 came into effect. Therefore, they were not yet directors at the first two Board meetings in 2021.

N.B.: Following the registration of the merger in the Trade Registry on 26 March 2021, the resignations of Jordi Gual, the CajaCanarias Foundation, represented by Natalia Aznárez, Alejandro García-Bragado and Ignacio Garralda from their positions as members of the Board were made effective. These directors attended all the meetings until their resignation in March 2021.

Board Regulations (C.1.15)

At the General Shareholders' Meeting in May 2021, the amendment of articles 35, 37 and 40 of the By-laws was approved, which affected certain provisions of the Board Regulations. Therefore, in order to coordinate the two corporate texts, the Board of Directors resolved on 30 March 2021 to amend its Regulations on those aspects that would be affected by the approval of the aforementioned amendments to the By-laws. The main amendments incorporated into the Regulations of the Company Board of Directors by resolution of the Board on 30 March 2021 are listed below:

– Amendment to article 15 of the Regulations of the Board and, consequently, to articles 7, 8, 9, 10, 11, 12, 16, 18, 19 and 32 of the Regulations. Corporate social responsibility has taken on a broader scope that is reflected under the term "sustainability", with an increasing relevance in the management of companies under ESG criteria (environmental, social and governance factors of companies), as well as being a decisive factor for investors. In addition, and in line with the amendment to article 40 of the By-laws, article 15 of the Regulations of the Board was amended to change the name of the Appointments Committee to the "Appointments and Sustainability Committee".

– In line with the above, the competencies in sustainability matters provided for in article 15.2 were reinforced, complementing those provided for in section (xvi) with the function of "submitting the sustainability/corporate responsibility policy for approval", and incorporating the new sections (xvii), according to which the Committee must provide, prior to submission to the Board of Directors, the reports to be published by the company on sustainability matters, and (xviii), which establishes that the Committee shall receive and evaluate the periodic sustainability reports submitted to it by the relevant departments, keeping itself informed of the main developments and progress in this area.

– A new article, 15 bis, was added to the Regulations to include the necessary constitution of the Innovation, Technology and Digital Transformation Committee, created by resolution of the Board of Directors on 23 May 2019, as well as the basic rules for governing its powers, operation and functions.

– In accordance with the above, and in coordination with the proposal to amend article 37.4 of the By-laws, article 17.4 Regulations of the Board ("Development of Board Meetings") was amended, eliminating the following provision: "In any case, when a shareholder is represented on the Board by more than one Proprietary Director, its Proprietary Directors shall refrain from participating in the deliberation and voting on resolutions to appoint Independent Directors by co-option and to propose the appointment of Independent Directors to the AGM".

– In addition, cybersecurity-related risks were included in the management of non-financial risks in article 14.2.b) (ii)(a) and the provision on the appointment of members of the Appointments and Sustainability Committee at the proposal of the Audit and Control Committee was eliminated, in accordance with the amendments made to the By-laws.

– Furthermore, on 28 October 2021, the Board resolved to adapt the text of the Regulations to the new legal framework of the related-party transactions established by Act 5/2021 of 12 April.

The amendments to the Regulations of the Board of Directors are reported to the CNMV and executed in a public document and filed at the Companies' Register, after which the revised text is published on the CNMV website.

Information (C.1.35)

There is a procedure in place whereby directors may obtain the information needed to prepare for the meetings with the governing bodies with sufficient time. In general, documents for approval by the Board, especially those which cannot be fully analysed and discussed during the meeting due to their length, are sent to Board members prior to the meetings.

Furthermore, pursuant to article 22 of the Regulations of the Board, the board may request information on any aspect of the Company and its Group and examine its books, records, documents and further documentation. Requests must be sent to the executive Chairman who will forward the matters to the appropriate parties and must notify the director, when applicable, of their duty of confidentiality.

Proxy voting (C.1.24)

The Regulations of the Board establish that directors must attend Board meetings in person. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein.

Non-executive directors may only delegate a proxy to a fellow non-executive director. Independent directors may only delegate a proxy to a fellow independent director.

Notwithstanding the above, and so that the proxyholder can vote accordingly based on the outcome of the debate by the Board, proxies are not granted with specific instructions and must always be given in strict accordance with legal requirements. This is in keeping with the law on the powers of the Chairman of Board, who is given, among others, power to stimulate debate and the active involvement of all directors, safeguarding their rights to adopt positions.

Decision-making

No qualified majorities other than those prescribed by law are required for any type of decision. (C.1.20)

The Board Regulations provide for the Chairman's casting vote in cases of a deadlock in the Board's decision. However, this casting vote was not used during 2021.

There is broad participation and debate at Board meetings, and the main agreements are adopted with the favourable vote of a large majority of directors, the Chairman's casting vote being an exceptional resource intended to avoid situations that may impede or obstruct the governance of the organisation. In addition, the Company has agreed to propose to the 2022 Annual General Meeting the amendment of the By-laws to eliminate the Chairman's casting vote, among other matters. This amendment is included in the Regulations of the Board of Directors.

The Company has not entered into any material agreements that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects. (C.1.38)

The figure of the Coordinating Director, appointed from among the independent directors, was introduced in 2017. The current Coordinating Director was appointed by the Board on 20 February 2020, with effect from 22 May 2020. During 2021, there were no collective meetings of the Coordinating Director with the other directors. However, individual working meetings were held. (C.1.25)

Relations with the market (C.1.30)

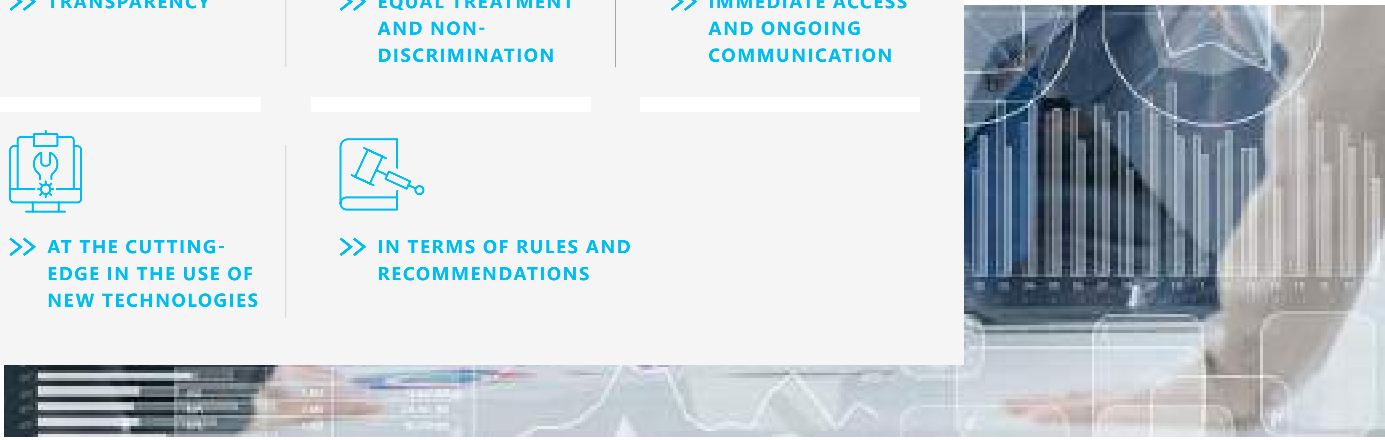
With regard to its relationship with market agents, the Company acts on the principles of transparency and non-discrimination and according to the provisions of the Regulations of the Board of Directors which stipulate that the Board, through communications of material facts to the CNMV and the corporate website, shall inform the public immediately with regard to any relevant information. With regard to the Company's relationship with market agents, the Investor Relations department shall coordinate the Company's relationship with analysts, shareholders and institutional investors, among others, and manage their requests for information in order to ensure they are treated fairly and objectively.

In this regard, and pursuant to Recommendation 4 of the Good Governance Code of Listed Companies, the Board of Directors, resolved to approve the Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Shareholders which is available on the Company's website.

As part of this Policy, and pursuant to the authority vested in the Coordinating Director, he/she is required to stay in contact, as appropriate, with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance.

Also, the powers legally delegated to the Board of Directors specifically include the duty of supervising the dissemination of information and communications relating to the Company. Therefore, the Board of Directors is responsible for managing and supervising at the highest level the information distributed to shareholders, institutional investors and the markets in general. Consequently, the Board of Directors, through the corresponding bodies and departments, works to ensure, protect and facilitate the exercising of the rights of the shareholders, institutional investors and the markets in general in the defence of the corporate interest, in compliance with the following principles:

- >> TRANSPARENCY
- >> EQUAL TREATMENT AND NON-DISCRIMINATION
- >> IMMEDIATE ACCESS AND ONGOING COMMUNICATION
- >> AT THE CUTTING-EDGE IN THE USE OF NEW TECHNOLOGIES
- >> IN TERMS OF RULES AND RECOMMENDATIONS



These principles are applicable to all information disclosed and the Company's communications with shareholders, institutional investors and relations with markets and other stakeholders such as, inter alia, intermediary financial institutions, management companies and depositories of the Company's shares, financial analysts, regulatory and supervisory bodies, proxy advisors, information agencies, credit rating agencies, etc.

The Company pays particular heed to the rules governing the processing of inside information and other potentially relevant information contained in the applicable legislation and the Company's regulations on shareholder relations and communications with securities markets, as contained in CaixaBank's Code of Business Conduct and Ethics, and the Internal Code of Conduct on Matters Relating to the Stock Market of CaixaBank, S.A. and the Regulations of the Board of Directors (also available on the Company's website).

Assessment of the Board (C.1.17 + C.1.18)

The Board evaluates its performance and that of its Committees annually, pursuant to article 16 of the Regulations of the Board of Directors.

The functioning of the Board during 2021 was marked by the continuation of the international health crisis caused by COVID-19 and, specifically in CaixaBank, also by the takeover merger of Bankia, which materialised in March 2021.

In 2021, the Board of Directors carried out the self-assessment of its operation internally, after concluding it would be appropriate to rule out assistance from an external advisor in 2021, since given the partial renewal process the Board undertook following the materialisation of the merger of CaixaBank with Bankia, and the short period of time the current Board had been constituted after the merger, it was more advisable and reasonable to postpone the external collaboration to the next self-assessment.

As a result, the self-assessment process was carried out along the same lines as the previous year with the assistance of the General Secretary and Secretary of the Board. For this purpose, the self-assessment questionnaires for 2020 were used as the basis for the exercise, introducing some specific changes.

These questionnaires address:

- The operation of the Board (preparation, dynamic and culture; evaluation of working tools; and evaluation of the Board's self-assessment process);
- The composition and functioning of the committees;
- The performance of the Chairman, CEO, Independent Coordinating Director and the Secretary; and
- The individual assessment of each director.

Members of each committee were also sent a detailed self-assessment form on the functioning and operation of their respective committee.

The results and conclusions reached, including the recommendations, are contained in the document analysing the performance assessment of the CaixaBank Board and its committees for 2021, which was approved by the Board. Broadly speaking, and in light of the responses received from the directors in the self-assessment process and the activity reports drawn up by each commission, the Board holds a positive view of the quality and efficiency of its operation and that of its committees for 2021, as well as of the performance of the functions of the Chairman, Independent Coordinating Director and Secretary of the Board in the year.

In 2021, the Appointments and Sustainability Committee followed up on the improvement actions identified in the previous year, mainly related to organisational development to make the Board's operations more efficient and of higher quality. In addition, improvements to the functionality of the IT systems and tools used by the Board and its members have continued, ensuring better conditions of the remote connection in meetings so as to guarantee the operability of the Board meetings through digital channels with the appropriate guarantees and legal security. This has allowed the Board to carry out its activities normally during the year in a still exceptional context of the COVID-19 pandemic. Furthermore, improvements were also made with regard to various organisational aspects, such as the restructuring of several Committees as a result of the merger (increasing the number of members in some cases and the presence of independent directors in all of them) and the optimisation of the agenda, ensuring the analysis of the Group's main subsidiaries and the quality and scope of the information received by the directors. With regard to the recommendation that the Board gain further insight and knowledge, training activities have been increased with respect to the previous year.

Committees of the Board (C.2.1)

Within the scope of its powers of self-organisation, the Board has a number of specialised committees, with supervisory and advisory powers, as well as an Executive Committee. There are no specific regulations for Board committees, and they are governed in accordance with the law, the By-laws and the Regulations of the Board, amendments to which during the year are noted in the section "The Administration – The Board of Directors – Operation of the Board of Directors – Regulations of the Board". In aspects not specifically laid out for the Executive Committee, the operational rules governing the Board itself will be applied, by virtue of the Regulation of the Board.

The Board committees, in accordance with the provisions of the Regulations of the Board and applicable legislation, draw up an annual report on its activities, which includes the assessment of its performance during the year. The annual reports on the activity of the Appointments and Sustainability Committee, the Remuneration Committee and the Audit and Control Committee are available on the Company's corporate website. (C.2.3)

>> NUMBER OF FEMALE DIRECTORS WHO WERE MEMBERS OF BOARD COMMITTEES AT THE CLOSE OF THE LAST FOUR YEARS (C.2.2)

	Financial year 2021		Financial year 2020		Financial year 2019		Financial year 2018	
	Number	%	Number	%	Number	%	Number	%
Audit and Control Committee	3	50	2	50	1	33.33	1	25
Innovation, Technology and Digital Transformation Committee	3	60	2	50	2	40	0	0
Appointments and Sustainability Committee	0	0	1	33.33	1	33.33	1	33.33
Remuneration Committee	2	50	2	66.67	2	66.67	1	33.33
Risk Committee	2	33.33	3	60	2	66.67	2	40
Executive Committee	4	57.14	3	50	2	33.33	2	25

>> PRESENCE OF BOARD MEMBERS IN THE DIFFERENT COMMITTEES

Member	Executive Committee	Appointments and Sustainability Committee	Audit and Control Committee	C. Remuneration	Risk Committee	Innovation, Technology and Digital Transformation Committee
Jose Ignacio Goirigolzarri	Chairman					Chairman
Tomás Muniesa	Member				Member	
Gonzalo Gortázar	Member					Member
John S. Reed		Chairman				
Joaquín Ayuso				Member	Member	
Francisco Javier Campo		Member	Member			
Eva Castillo	Member					Member
Fernando Maria Ulrich		Member			Member	
María Verónica Fisas	Member				Member	
Cristina Garmendia			Member	Member		Member
María Amparo Moraleda	Member			Chairwoman		Member
Eduardo Javier Sanchiz		Member	Member		Chairman	
Teresa Santero			Member			
José Serna			Member	Member		
Koro Usarraga	Member		Chairwoman		Member	

EXECUTIVE COMMITTEE

Article 39 of the By-laws and article 13 of the Regulations of the Board describe the organisation and operation of the Executive Committee.

NUMBER OF MEMBERS

The Committee comprises six members: two executive directors (José Ignacio Goirigolzarri and Gonzalo Gortázar), one proprietary director (Tomás Muniesa) and four independent directors (Eva Castillo, María Verónica Fisas, María Amparo Moraleda and Koro Usarraga). In accordance with article 13 of the Regulations of the Board, the Chairman and Secretary of the Executive Committee will also be the Chairman and Secretary of the Board of Directors.

Composition

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

The composition of this committee, which is made up of the Chairman and CEO, must have at least two non-executive directors, at least one of whom is independent.

The appointments of its members requires a vote in favour from at least two-thirds of the Board members.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	28.57
% of proprietary Directors	14.29
% of independent Directors	57.14
% of other external Directors	00.00

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held twenty meetings, of which four were held exclusively by digital means, through audiovisual connections that ensured the recognition of attendees and the real-time interaction and intercommunication between them and, therefore, the unity of the event. This was in accordance with the provisions of article 36.4 of the By-laws and article 16.4 of the Regulations of the Board of Directors. It was also in view of the health risks relating to COVID-19 and the measures and recommendations adopted by the various healthcare authorities, which affected the holding of the Committee's meetings with the physical presence of its members.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members, in person or by proxy, at the Committee's meetings during 2021 was as follows:

No. of meetings in 2021[1]	20
José Ignacio Goirigolzarri	16/20[2]
Tomás Muniesa	20/20
Gonzalo Gortázar	20/20
Eva Castillo	16/20[2]
María Verónica Fisas	20/20
María Amparo Moraleda	20/20
Koro Usarraga	20/20

[1] The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

[2] Appointed on 30 March 2021.

N.B.: Data at 31 December 2021. Jordi Gual attended all the meetings held by this Committee until his resignation in March 2021.

Operation

The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under the Company's articles of association. For internal purposes, the Executive Committee is subject to the limitations set out in article 4 of the Regulations of the Board of Directors. The Board's permanent delegation of powers to this Committee will require a vote in favour from at least two-thirds of the Board members. (C.1.9)

The Committee will meet as often as it is convened by its Chairman or the person who is to replace him in his absence, and it is validly constituted when the majority of its members are in attendance. Its resolutions are carried by the majority of the members attending the meeting, and they are valid and binding with no need for subsequent ratification by the Board sitting in plenary, without prejudice to article 4.5 of the Regulations of the Board.

The Executive Committee reports to the Board on the main matters it addresses and the decisions it makes.

There is no express mention in the Company's By-laws that the Committee must prepare an activities report. However, the Executive Committee approved its annual activity report and the assessment of its operation for the year in December 2021.

Activities during the year

In 2021, the Committee addressed a number of recurring matters and other one-off matters, either with a view to adopting relevant decisions or hearing and taking note of the information received. Below is a summary of the main matters addressed:

01. Monitoring of **earnings and other financial aspects**

02. Monitoring of the **takeover merger of Bankia by CaixaBank** and the main aspects of the integration

03. Monitoring of **aspects related to products** and **services and other business matters**

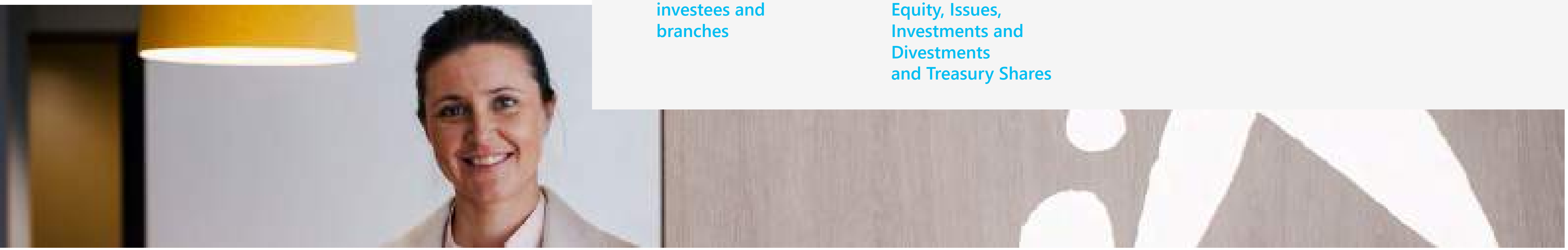
04. Monitoring of **foreclosed assets and non-performing loans**

05. **Credit and surety activity**

06. Monitoring of **quality and customer experience and other aspects related to reputation**

07. Activity related to **subsidiaries, investees and branches**

08. **Miscellaneous matters, including Equity, Issues, Investments and Divestments and Treasury Shares**



APPOINTMENTS AND SUSTAINABILITY COMMITTEE

Article 40 of the By-laws and article 15 of the Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Appointments and Sustainability Committee.

NUMBER OF MEMBERS

The Committee is made up of four non-executive directors. Three of its members (John S. Reed, Francisco Javier Campo and Eduardo Javier Sanchiz) are considered independent directors and one (Fernando María Ulrich) is considered an other external director. In the meeting held on 17 December 2020, the Board of Directors agreed to amend the Regulations of the Board for the purpose of, among others, completing the functions of the Company's Appointments Committee in terms of sustainability with those set forth in Recommendation 54 of the Code of Good Governance.

In this regard, the General Shareholders' Meeting of 14 May 2021 resolved to update article 40, section 5.d) (xvi), by replacing the reference to "corporate social responsibility" with the most current expression of "sustainability". In addition, it proposed to increase the competences in sustainability previously provided for in section 5.d) (xvi), dividing it into two different sections. The aforementioned section now includes the function of "submitting the sustainability/corporate responsibility policy to the Board for approval", and the new section, 5.d) (xvii), includes the following functions: "overseeing and reviewing the non-financial information contained in the annual management report; the Sustainability, socio-economic impact and contribution to the SDGs publication and the master plan for socially responsible banking, ensuring the integrity of its content and compliance with applicable legislation and international benchmarks".

In addition, the Board of Directors considered appropriate to change the name of the Appointments Committee to "Appointments and Sustainability Committee" for the purpose of including therein the two essential areas of competence of this Committee. To that end, the General Shareholders' Meeting agreed to amend article 40 and article 35 (sections 1, 5, 6 and 8) of the By-laws and include the name of said Committee.

Composition

The Appointments and Sustainability Committee comprises a number of non-executive directors determined by the Board, with a minimum of 3 and a maximum of 5 members. A majority of its members must be independent directors. Members of the Appointments and Sustainability Committee are appointed by the Board at the proposal of the same, and the chair of the Committee will be appointed from among the independent directors who sit on the Committee.

Member	Position	Category
John S. Reed	Chairman	Independent
Francisco Javier Campo	Member	Independent
Eduardo Javier Sanchiz	Member	Independent
Fernando María Ulrich	Member	Other external

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	0.00
% of proprietary Directors	0.00
% of independent Directors	75.00
% of other external Directors	25.00

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held 7 meetings.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members, in person or by proxy, at the Committee's meetings during 2021 was as follows:

No. of meetings in 2021[1]	7
John S. Reed	7/7
Francisco Javier Campo[2]	5/7
Fernando María Ulrich[2]	5/7
Eduardo Javier Sanchiz	7/7

[1] The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

[2] Appointed on 30 March 2021.

N.B.: Data at 31 December 2021. Teresa Bassons attended the meeting held by this Committee until her resignation in March 2021.

Operation

The Appointments and Sustainability Committee is self-governing and it may appoint a Chair and a Secretary. If no Secretary is appointed, the Secretary of the Board or any of the Deputy Secretaries of the Board shall act as Committee Secretary.

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

Its duties include:

- Evaluating and proposing to the Board the assessment of skills, knowledge and experience required of Board members and key personnel.
- Submitting to the Board the proposals for the nomination of the independent directors to be appointed by co-option or for submission to the decision of the AGM, as well as the proposals for the reappointment or removal of such directors.
- Reporting on the appointment and, as the case may be, dismissal of the Coordinating Director, the Secretary and the Deputy Secretaries for approval by the Board.
- Reporting on proposals for the appointment or removal of senior executives, with the capacity to carry out such proposals directly when the Committee deems this necessary in the case of senior executives as a result of to their control or support duties concerning the Board or its committees. Propose the basic terms of the contracts of senior executives other than their pay and remuneration, and reporting those terms once they have been established.
- Examining and organising, under the supervision of the coordinating director and with the support of the Chairman of the Board, the succession of the latter and of the Company's chief executive and, as the case may be, sending proposals to the Board so that the succession process is suitably planned and takes place in an orderly fashion.
- Reporting to the Board on gender diversity issues, ensuring that the procedures for selecting its members favour a diversity of experience and knowledge, and facilitate the selection of female directors, while establishing a representation target for the less represented sex on the Board, as well as preparing guidelines on how this should be achieved.
- Periodically evaluate, at least once a year, the structure, size, composition and actions of the Board and of its committees, its Chairman, CEO and Secretary, making recommendations regarding possible changes to these. Here, the committee shall act under the direction of the coordinating director when assessing the performance of the Chairman. Evaluating the composition of the Management Committee, as well as its replacement lists, to ensure coverage as members come and go.
- Periodically reviewing the Board selection and appointment policy in relation to senior executives and making recommendations.
- Overseeing the compliance with the Company's rules and policies in environmental and social matters, regularly evaluating and reviewing them, with the aim of confirming that it is fulfilling its mission to promote the corporate interest and catering, where appropriate, to the legitimate interests of remaining stakeholders, as well as submitting the proposals it considers appropriate on this matter to the Board and, particularly, submitting the sustainability/corporate responsibility policy for approval. In addition, the Committee will ensure the Company’s environmental and social practices are in accordance with the established strategy and policy.
- Reporting on the sustainability reports made public by the Company, prior to being submitted to the Board of Directors, including the review of the non-financial information contained in the annual management report and the master plan for socially responsible banking, ensuring the integrity of its content and compliance with applicable legislation and international benchmarks.
- Supervising the Company's activities with regards to responsibility, and submit to the Board the corporate responsibility/sustainability policy for approval.

The Committee draws up an annual report on its operation, highlighting the main incidents occurring, if any, in relation to its duties. This report will serve as a basis, among others, and if applicable, for the evaluation of the Board. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

Activities during the year

As part of its ordinary remit, the Committee discussed, scrutinised and took decisions or issued reports on the following matters: assessment of suitability, appointments of Board and committee members and key personnel in the Company, verification of the character of directors, gender diversity, the policy for selecting directors, senior management and other key posts, diversity and sustainability matters and corporate governance documentation to be submitted for 2021.

In 2021, the Committee supervised and controlled the sound operation of the Company's corporate governance system. To round off its activities for the year, the Committee focused its attention on the (individual and collective) self-assessment of the Board; the evaluation of the Board's structure, size and composition; the evaluation of the functioning of the Board and its Committees; the evaluation of the issue of gender diversity, as well as on analysing the monitoring of the recommendations in the Good Governance Code of Listed Companies and analysing a director training plan proposal.

In addition, the Committee extended its functions by incorporating sustainability content under ESG criteria.

RISK COMMITTEE

Article 40 of the By-laws and article 14 of the Regulations of the Board of Directors describe the organisation and operation of the Risk Committee.

NUMBER OF MEMBERS

The Committee is made up of six (6) directors, all of whom are non-executive directors; Eduardo Javier Sanchiz, Joaquin Ayuso, María Verónica Fisas and Koro Usarraga are independent directors, Tomás Muniesa is a proprietary director and Fernando María Ulrich is other external director.

Composition

Member	Position	Category
Eduardo Javier Sanchiz	Chairman	Independent
Joaquin Ayuso	Member	Independent
Fernando María Ulrich	Member	Other external
María Verónica Fisas	Member	Independent
Tomás Muniesa	Member	Proprietary
Koro Usarraga	Member	Independent

The Risk Committee comprises exclusively non-executive directors, all possessing the relevant knowledge, expertise and experience to fully understand and control the Company's risk strategy and appetite, in the number determined by the Board, between a minimum of 3 and a maximum of 6 members and with a majority of independent directors.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	00.00
% of proprietary Directors	16.67
% of independent Directors	66.67
% of other external Directors	16.67

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held 14 meetings, two of which were held jointly with the Audit and Control Committee and one was an extraordinary meeting.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members, in person or by proxy, at the Committee's meetings during 2021 was as follows:

No. of meetings in 2021[1]	14
Eduardo Javier Sanchiz	14/14
Joaquin Ayuso[2]	10/14
María Verónica Fisas	14/14
Koro Usarraga	14/14
Tomás Muniesa	14/14
Fernando María Ulrich[2]	10/14

[1] The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

[2] A breakdown of the attendance of the directors who departed in 2021 is not included.

N.B.: Data at 31 December 2021. Fundación CajaCanarias (represented by Natalia Aznárez) attended all the meetings held by this Committee until its resignation in March 2021.

Operation

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

The Company shall ensure that the Risk Committee is able to fully discharge its functions by having unhindered access to the information concerning the Company's risk position and, if necessary, specialist outside expertise, including external auditors and regulators. The Risk Committee may request the attendance of persons from within the organisation whose work is related to its functions, and it may obtain all necessary advice for it to form an opinion on the matters that fall within its remit.

The committee's Chairman reports to the Board on the activities and work performed by the committee, doing so at meetings specifically arranged for that purpose or at the immediately following meeting when the Chairman deems this necessary.

Its duties include:

- Advising the Board of Directors on the overall susceptibility to risk, current and future, of the Company and its strategy in this area, reporting on the risk appetite framework, assisting in the monitoring of the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously decided and implementing the monitoring of the appropriateness of the risks assumed and the profile established.
- Propose the Group's risk policy to the Board.
- Ensuring that the pricing policy of the assets and liabilities offered to the clients fully consider the Company's business model and risk strategy.
- Working with the Board of Directors to determine the nature, quantity, format and frequency of the information concerning risks that the Board should receive and establishing the information that the Committee should receive.
- Regularly review exposures with its main customers and business sectors, as well as broken down by geographic area and type of risk.
- Examining risk reporting and control processes, as well as its information systems and indicators.
- Appraising and making decisions in relation to regulatory compliance risk within the scope of its remit, broadly meaning the risk management of legal or regulatory sanctions, financial loss, material or reputational damage that the Company could sustain as a result of non-compliance with laws, rules, regulations, standards and codes of conduct, detecting and monitoring any risk of non-compliance and examining possible deficiencies.
- Report on new products and services or significant changes to existing ones.
- Cooperating with the Remuneration Committee to establish sound remuneration policies and practices. Examining if the incentives policy anticipated in the remuneration systems take into account the risk, capital, liquidity and the probability and timing of the benefits, among other things.
- Assisting the Board of Directors in setting up effective reporting channels, ensuring the allocation of suitable resources the risk management and for the approval and periodic review of the strategies and policies with regard to risk assumption, management, supervision and reduction.
- Any others attributed to it by the law, the By-laws, the Regulations of the Board and other regulations applicable to the Company.

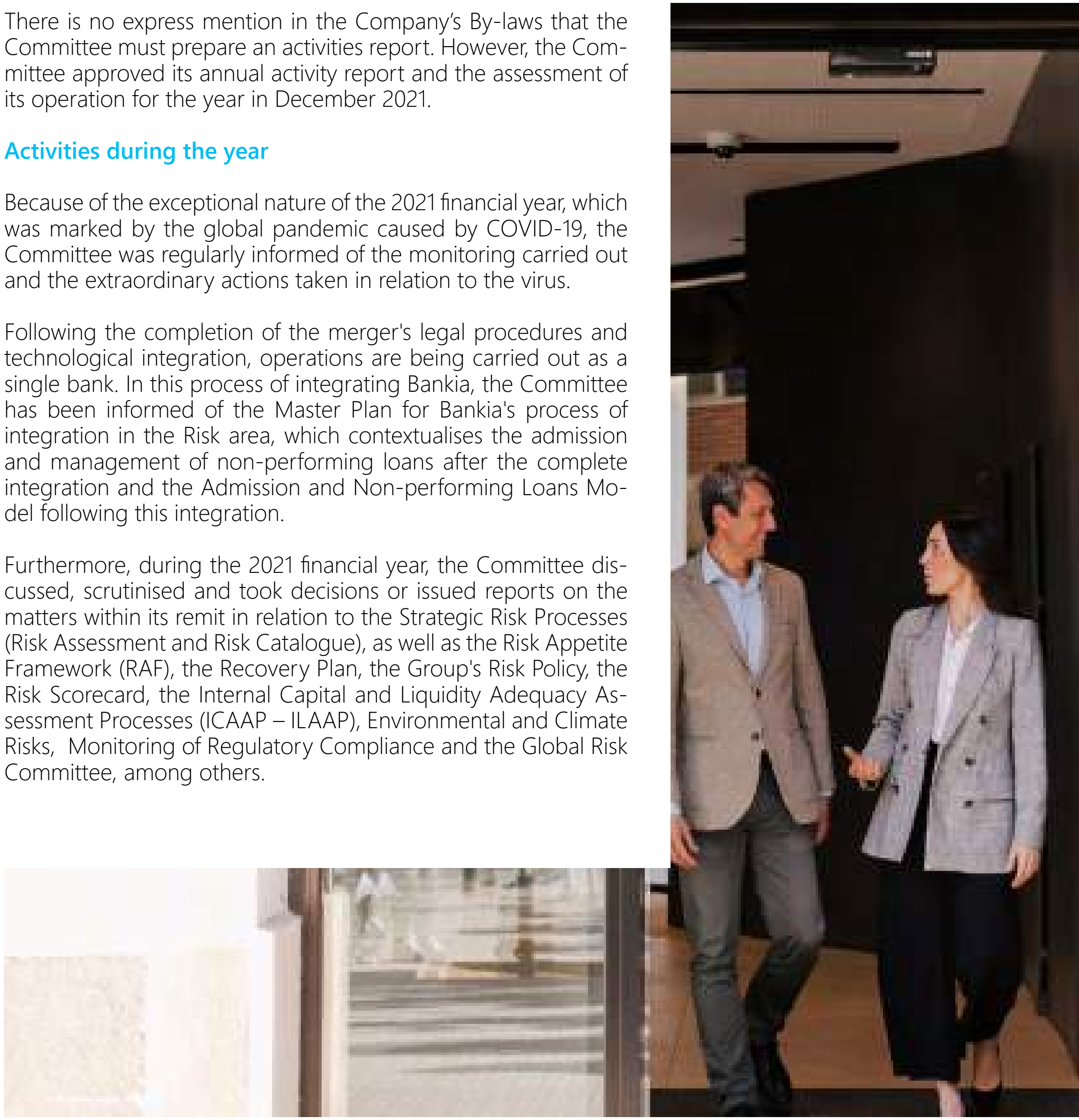
There is no express mention in the Company's By-laws that the Committee must prepare an activities report. However, the Committee approved its annual activity report and the assessment of its operation for the year in December 2021.

Activities during the year

Because of the exceptional nature of the 2021 financial year, which was marked by the global pandemic caused by COVID-19, the Committee was regularly informed of the monitoring carried out and the extraordinary actions taken in relation to the virus.

Following the completion of the merger's legal procedures and technological integration, operations are being carried out as a single bank. In this process of integrating Bankia, the Committee has been informed of the Master Plan for Bankia's process of integration in the Risk area, which contextualises the admission and management of non-performing loans after the complete integration and the Admission and Non-performing Loans Model following this integration.

Furthermore, during the 2021 financial year, the Committee discussed, scrutinised and took decisions or issued reports on the matters within its remit in relation to the Strategic Risk Processes (Risk Assessment and Risk Catalogue), as well as the Risk Appetite Framework (RAF), the Recovery Plan, the Group's Risk Policy, the Risk Scorecard, the Internal Capital and Liquidity Adequacy Assessment Processes (ICAAP – ILAAP), Environmental and Climate Risks, Monitoring of Regulatory Compliance and the Global Risk Committee, among others.



REMUNERATION COMMITTEE

Article 40 of the By-laws and article 15 of the Regulations of the Board and applicable legislation describe the organisation and operation of the Remuneration Committee.

NUMBER OF MEMBERS

The Committee comprises four members, of which three (María Amparo Moraleda, Joaquín Ayuso and Cristina Garmendia) are independent directors and one (José Serna) is a proprietary director.

Composition

Member	Position	Category
María Amparo Moraleda	Chairwoman	Independent
Joaquin Ayuso	Member	Independent
Cristina Garmendia	Member	Independent
José Serna	Member	Proprietary

The Remuneration Committee comprises a number of non-executive directors determined by the Board, with a minimum of 3 and a maximum of 5 members. A majority of its members must be independent directors. The Chair of the Committee is appointed from among the independent directors who sit on the Committee.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	00.00
% of proprietary Directors	25.00
% of independent Directors	75.00
% of other external Directors	00.00

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held 10 meetings.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members during 2021 was as follows:

No. of meetings in 2021[1]	10
María Amparo Moraleda	10/10
Joaquin Ayuso[2]	7/10
Cristina Garmendia	10/10
José Serna[2]	7/10

Operation

The Remuneration Committee is self-governing and it may appoint a Chair and a Secretary. If no Secretary is appointed, the Secretary of the Board or any of the Deputy Secretaries of the Board shall act as Committee Secretary.

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

[1] The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

[2] Appointed on 30 March 2021.

N.B.: Data at 31 December 2021. Alejandro García-Bragado attended all the meetings held by this Committee until his resignation in March 2021.

Its duties include:

- Drafting the resolutions related to remuneration and, particularly, reporting and proposing to the Board the remuneration policy for the directors and senior management, the system and amount of annual remuneration for directors and senior managers, as well as the individual remuneration of the executive directors and senior managers, and the conditions of their contracts, without prejudice to the competences of the Appointments and Sustainability Committee in relation to any conditions not related to remuneration.
- Ensuring compliance with the remuneration policy for directors and senior managers, and reporting on the basic terms set out in the contracts of those individuals and the compliance thereof.
- Reporting and preparing the general remuneration policy of the Company and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of the Company and those that are intended to prevent or manage conflicts of interest with the customers.
- Analysing, formulating and periodically reviewing remuneration programmes, weighing their adequacy and performance and ensuring compliance.
- Proposing to the Board the approval of the remuneration reports or policies that it is required to submit to the Annual General Meeting, as well as reporting to the Board on any remuneration-related proposals the Board may intend to lay before the General Shareholders' Meeting.
- Considering the suggestions it receives from the Company's Chairman, Board members, executives, and shareholders.
- Ensuring that any conflicts of interest do not impair the independence of the external advice given to the Committee related to the exercise of its functions.

The Committee draws up an annual report on its operation, highlighting the main incidents occurring, if any, in relation to its duties. This report will serve as a basis, among others, and if applicable, for the evaluation of the Board. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

Activities during the year

The Committee analyses recurring issues such as annual remuneration, salary policy and remuneration systems and corporate governance. The Committee also discussed, scrutinised and took decisions or issued reports on the following matters, which fall within its core remit:

01. **The remuneration policy, the system and amount of annual remuneration** for directors and senior management, and the **individual remuneration** of the Chairman, the Chief Executive Officer and the members of the Management Committee

02. Reporting and recommending **basic contract terms for senior managers and directors**

03. General **Remuneration Policy and the Remunerations** Policy **for the Identified Staff**

04. **Analysing, drawing up and reviewing the** remuneration programmes

05. Advising the Board on **remuneration reports and policies** to be submitted to the AGM. Reporting to the Board on proposals to the AGM

INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

Article 15 bis of the Regulations of the Board and the applicable regulations describe the organisation and operation of the Innovation, Technology and Digital Transformation Committee.

NUMBER OF MEMBERS

The Committee comprises five members, of which three (Cristina Garmendia, María Amparo Moraleda and Eva Castillo) are independent directors and two (José Ignacio Goirigolzarri and Gonzalo Gortázar) are executive directors.

Composition

Member	Position	Category
José Ignacio Goirigolzarri	Chairman	Executive
Gonzalo Gortázar	Member	Executive
Cristina Garmendia	Member	Independent
María Amparo Moraleda	Member	Independent
Eva Castillo	Member	Independent

The Innovation, Technology and Digital Transformation Committee will comprise a minimum of three (3) and a maximum of five (5) members. The Chairman of the Board and the CEO will always sit on the Committee. The other members are appointed by the Board, on the recommendation of the Appointments and Sustainability Committee, paying close attention to the knowledge and experience of candidates on the subjects that fall within the Committee's remit.

The Chairman of the Board also chairs the Innovation, Technology and Digital Transformation Committee.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	40.00
% of proprietary Directors	00.00
% of independent Directors	60.00
% of other external Directors	00.00

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held a total of meetings. In addition, the Committee adopted resolutions in March in writing without a meeting.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members, in person or by proxy, at the Committee's meetings during the year was as follows:

No. of meetings in 2021[1]	5
José Ignacio Goirigolzarri	5/5
Gonzalo Gortázar	5/5
Cristina Garmendia	5/5
María Amparo Moraleda	5/5
Eva Castillo	5/5

Operation

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

[1] The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

N.B.: Data at 31 December 2021. Jordi Gual attended the meeting held by this Committee until his resignation in March 2021.

Its duties include:

- Assisting the Board in identifying, monitoring and analysing new competitors, new business models, technological advances and main trends and initiatives relating to technological innovation, while studying the factors that make certain innovations more likely to succeed and increase their transformation capacity.
- Advising the Board on the implementation of the strategic plan in aspects relating to digital transformation and technological innovation and, in particular, reporting on plans and projects designed by CaixaBank in this field, as well as any new business models, products, customer relationships, etc. that may be developed.
- Fostering a climate of debate and reflection to allow the Board to spot new business opportunities emerging from technological developments, as well as possible threats.
- Supporting the Board in analysing the impact of technological innovations on market structure, the provision of financial services and customer habits. Among other aspects, the Committee will analyse the potential disruption of new technologies, the possible regulatory implications of their development, the impact in terms of cybersecurity and matters relating to the protection of privacy and data usage.
- Stimulating discussion and debating on the ethical and social implications deriving from the use of new technologies in the banking and insurance businesses.
- Supporting the Risk Committee, when required, in monitoring technological risks and matters relating to cybersecurity.

Activities during the year

During 2021, the Committee has fulfilled its duties through the following activities, among others:

- Monitoring and studying the evolution of the company's technological strategy.
- Reviewing the impact of new technologies and new competitors in the financial sector.
- Reviewing the post-merger technological integration with Bankia. Analysing the degree of achievement of the objectives and priorities set for the technological integration process within the framework of the takeover merger of Bankia, S.A.
- Monitoring the degree of implementation of different project plans and studies.

AUDIT AND CONTROL COMMITTEE

Article 40 of the By-laws and article 14 of the Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Audit and Control Committee.

NUMBER OF MEMBERS

The Committee comprises six members, elected and appointed with regard to their knowledge, aptitude and experience in finance, accounting and/or auditing and risk management.

Composition

Member	Position	Category
Koro Usarraga*	Chairwoman	Independent
Eduardo Javier Sanchiz	Member	Independent
José Serna	Member	Proprietary
Cristina Garmendia	Member	Independent
Francisco Javier Campo	Member	Independent
Teresa Santero	Member	Proprietary

* Her appointment as Chairwoman will take place on 5 April 2019.

The Audit and Control Committee comprises exclusively non-executive directors, in the number determined by the Board, between a minimum of 3 and a maximum of 7 members. The majority of the members of the Audit and Control Committee are independent directors.

The Committee will appoint a Chairman from among the independent directors. The Chairman must be replaced every 4 years and may be re-elected once a period of 1 year from his/her departure has transpired. The Chairman of the Committee acts as a spokesperson at meetings of the Board, and, as the case may be, at the Company's AGM. It may also appoint a Secretary and may appoint a Deputy Secretary. If no such appointments are made, the Secretary to the Board will assume these roles.

The Board will ensure that members of the Committee, particularly its Chairperson, have sufficient knowledge and experience in accounting, auditing or risk management, and in any other areas required for the Committee to fulfil all its duties.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	00.00
% of proprietary Directors	33.33
% of independent Directors	66.67
% of other external Directors	00.00

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held 15 meetings, four of which were held remotely as per the recommendations established by the health authorities.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members during 2021 was as follows:

No. of meetings in 2021[1]	15
Koro Usarraga	15/15
Eduardo Javier Sanchiz	15/15
José Serna	15/15
Cristina Garmendia	15/15
Francisco Javier Campo[2]	11/15
Teresa Santero[2]	11/15

Operation

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee.

In order to carry out its duties, the Committee must have adequate, relevant, relevant and sufficient access to any information or documentation held by the Company, and it may request: **(i)** the attendance and collaboration of the members of the Company's management team or personnel; **(ii)** The attendance of the Company's auditors to deal with specific points of the agenda for which they have been convened; and **(iii)** advice from external experts when it deems it necessary. The Committee has set up an effective communication channel with its spokespersons, which will normally be the Committee Chair with the Company management and, in particular, the finance department; the head of internal audits; and the main auditor responsible for account auditing.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

Its duties include:

- Reporting to the AGM about matters raised that are within the Committee's remit, particularly on the result of the audit, explaining how this has contributed to the integrity of the financial information and the Committee's role in this process.

[1] The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

[2] Joined as a member on 30 March 2021.

N.B.: Data at 31 December 2021.

- Overseeing the process of elaborating and presenting mandatory financial and non-financial information regarding the Company and, where relevant, the Group, reviewing the accounts, compliance with regulatory requirements in this area, the adequate definition of the consolidation perimeter, and the correct application of generally accepted accounting criteria.
- Ensuring that the Board submits the annual Financial Statements and the management report to the AGM, without qualified opinions or reservations in the audit report and, if there are reservations, ensuring that the Committee's Chair and the auditors clearly explain the content and scope of those qualified opinions or reservations to shareholders.
- Reporting to the Board, in advance, on the financial information and related non-financial information that the Company must periodically disclose to the markets and its supervisory bodies.
- Overseeing the effectiveness of internal control systems, and discuss with the auditor any significant weaknesses identified in the internal control system during the audit, all without compromising its independence. For such purposes, and if appropriate, it may submit recommendations or proposals to the Board and set a deadline for follow-up.
- Overseeing the effectiveness of the internal audit.
- Establishing and overseeing a mechanism enabling the Company's employees, or those of the group to which it belongs, to confidentially (and anonymously, if deemed appropriate) notify of any potentially significant irregularities they may observe within the Company, particularly those of a financial and accounting nature, receiving periodical reporting on its functioning and being able to propose the relevant measures for improvement and reduction of the risk of irregularities in the future.

The Committee draws up an annual report on its operation, highlighting the main incidents occurring, if any, in relation to its duties. This report will serve as a basis, among others, and if applicable, for the evaluation of the Board. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

Activities during the year

Within the scope of the Committee's remit, and as part of the Activities Plan drawn up each year, the Committee discussed, scrutinised and took decisions or issued reports on:

01. **Financial and non-financial information**

02. **Risk management and control** (in collaboration with the Risk Committee)

03. **Regulatory compliance**

04. **Internal Audit**

05. **Relationship** with the financial auditor

06. **Related-party transactions**

07. **Communications** with regulatory bodies

08. **Relevant transactions to the group,** such as the merger with Bankia

Further details on the activities relating to certain matters within the Committee's remit are given below:

a) Overseeing financial reporting (C.1.28)

The powers delegated to the Board specifically include the duty of overseeing the dissemination of information and communications relating to the Company, Therefore, the Board is responsible for managing and overseeing, at the highest level, the information distributed to shareholders, institutional investors and the markets in genera. Consequently, the Board works to ensure, protect and facilitate the exercising of the rights of the shareholders, institutional investors and the markets in general in the defence of the corporate interest.

The Audit and Control Committee, as a specialised committee of the Board, is responsible for ensuring that the financial information is drawn up correctly. This is a matter to which it dedicates particular attention, alongside the non-financial information. Among other things, its duties involve preventing qualified opinions and reservations in external audit reports.

The people responsible for these matters attended almost all of the meetings held in 2021, enabling the Committee to become suitably familiar with the process of drawing up and presenting the mandatory financial information of the Company and the Group, particularly regarding the following points: **(i)** compliance with regulatory requirements; **(ii)** definition of consolidation perimeter; and **(iii)** application of the accounting principles, in particular with regard to the assessment criteria and the judgments and estimates.

Ordinarily, the Committee meets on a quarterly basis in order to review the mandatory financial information to be submitted to the authorities, as well as the information that the Board must approve and include in its annual public documentation. In such cases, the internal auditor will be present and, if any report is to be issued, the external auditor will be present. At least one meeting a year with the external auditor will take place without the presence of the management team, so that they can discuss specific issues that arise from the reviews conducted. Similarly, during fiscal year 2021, the external auditor held a meeting with the full Board of Directors to report on the work carried out and on the evolution of the Company's situation with regard to its accounts and risks.

The annual individual and consolidated financial statements submitted to the Board for preparation are not previously certified. The above notwithstanding, we note that as part of the ICFR System, the financial statements for the year ended 31 December 2021, which form part of the annual financial statements, are to be certified by the Company's Head of Internal Control and Validation. (C.1.27)

b) Monitoring the independence of the external auditor

In order to ensure compliance with applicable regulations, particularly with regard to the status of the Company as a Public-Interest Entity, and the independence of the audits, the Company has a Policy on Relations with the External Auditor (2018) which sets out, among other things, the principles that should govern the selection, hiring, appointment, re-election and removal of the auditor, as well as the framework for relations. Furthermore, as an additional mechanism to ensure the auditor's independence, the By-laws state that the General Meeting may not revoke the auditors until the period for which they were appointed has ended, unless it finds just cause for doing so. (C.1.30)

The Audit and Control Committee is responsible for establishing relationships with the auditor in order to receive information on any matters which may jeopardise its independence, and on any other matters relating to the process of auditing the accounts. In all events, on an annual basis, the Committee must receive from the external auditor a declaration of its independence with regard to the Group, in addition to information on any non-audit services rendered to the Group by the external auditor or persons or entities related to it. Subsequently, prior to the disclosure of the audit report, the Committee will issue a report containing an opinion on the independence of the auditor. This report will include an assessment of such non-audit services that may have been rendered, considered individually and as a whole, and related to the degree of independence or the applicable audit regulations. (C.1.30)

4 Individual | 4 Consolidated

NUMBER OF CONSECUTIVE YEARS
AS FINANCIAL AUDITOR PWC (C.1.34)

18% Individual | 18% Consolidated

% OF YEARS AUDITED BY PWC
OF TOTAL YEARS AUDITED (C.134)

The audit firm carries out other non-audit work for the Company and/or its group:

(C.1.32)	CaixaBank	Subsidiaries	Total group
Amount of non-audit work (€m)	967	808	1,775
% Amount of non-audit work / Amount of audit work	37%	29%	33%

N.B.: In accordance with current regulations, CaixaBank considers the services related to the audit in the numerator for the purpose of calculating this ratio, insofar as its conduction by an auditor does not involve that it must be performed by the company's financial auditor. If the services required by regulations or practice are excluded from the numerator, the ratio would stand at 8.5%.

Within the framework of the Policy on the Relationship with the External Auditor, and taking into consideration the Technical Guide on Audit Committees at Public-Interest Entities by the CNMV, the Audit and Control Committee issues an annual assessment of the quality and independence of the auditor, coordinated by the Director of Accounting, Management Oversight and Capital, with regard to the external audit process. This assessment covers: **(i)** compliance with requisites in terms of independence, objectivity, professional capacity and quality; and **(ii)** the suitability of audit fees for the assignment. On this basis, the Committee proposed to the Board the re-election of PwC Auditores, S.L. as the financial auditor of the Company and its consolidated Group for 2022, and the Board, in turn, put this recommendation to the AGM.

The auditor's report on the financial statements for the preceding year does not contain a qualified opinion or any reservation. (C.1.33)

c) Monitoring related-party transactions (D.1)

Unless by law it falls under the purview of the General Shareholders' Meeting, the Board is empowered to approve, subject to a report from the Audit and Control Committee, all transactions that the Company, or companies in its Group, undertake with:**(i)** directors; **(ii)** shareholders who own 10% or more of the voting rights, or represented on the Board; or **(iii)** with any other person who must be regarded as a related party under International Accounting Standards, adopted in accordance with Regulation (EC) 1606/2002.

For these purposes, those transactions not classified as such in accordance with the law shall not be regarded as related-party transactions, and in particular: **(i)** transactions carried out between the Company and its directly or indirectly wholly owned subsidiaries; **(ii)** transactions carried out between the Company and its subsidiaries or investees, provided that no other party related to the Company has a stake in these subsidiaries or investees; **(iii)** the signing between the Company and any executive director or senior manager of a contract that regulates the terms and conditions of the executive duties that said director/manager is to perform, including the determination of the specific amounts or remuneration to be paid pursuant to said contract, which must be approved in accordance with the provisions herein; **(iv)** operations carried out on the basis of measures designed to safeguard the stability of the Company and undertaken by the competent authority responsible for its prudential supervision.

In operations that must be approved by the Board of Directors, the Board Members of the Company affected by the Related-Party Transaction, or who represent or are related to the shareholders affected by the Related-Party Transaction, must abstain from participating in the deliberation and voting on the agreement in question, under the terms provided by law.

The Board of Directors may delegate the approval of the following Related-Party Transactions:

a. Transactions between companies that are part of the Group that are carried out over the course of normal operations and on an arm's-length basis;

b. Transactions concluded pursuant to contracts whose standardised conditions are applied en masse to a large number of customers, are carried out at general prices or rates established by the person acting as the supplier of the good or service in question, the amount of which does not exceed 0.5% of the net amount of the Company's turnover.

A report from the Audit and Control Committee will not be required to approve these transactions, although the Board of Directors shall establish an internal procedure for regular reporting and control, with the involvement of the Audit and Control Committee.

The granting by the Company of lines of credit, loans and other means of financing and guarantees to Directors, or to persons associated with them, shall comply with the regulations of the Board of Directors and with the regulations governing the organisation and discipline of credit institutions and the with supervisory body's guidelines in this matter.

The Company shall publicly announce, no later than the day of their execution, the Related-Party Transactions that the Company or the companies of its Group enter into and whose amount reaches or exceeds 5% of the total asset items, or 2.5% of the annual turnover, under the terms established by law. It shall also report the Related-Party Transactions in the half-yearly financial report, the annual corporate governance report and the consolidated annual accounts in the cases and within the scope provided for by law.

The Company is not aware of any relationship, whether of a commercial, contractual or family nature, among significant shareholders. Potential relations of a commercial or contractual nature with CaixaBank notwithstanding, within the ordinary course of business and on an arm's-length basis. With the aim of regulating the relationship between the "la Caixa" Banking Foundation and CaixaBank and their respective groups and thus avoiding conflicts of interests, the Internal Relations Protocol (amended in October 2021) was signed. The main purpose of this protocol is: **(i)** to manage related-party transactions; **(ii)** to establish mechanisms to avoid the emergence of conflicts of interest; **(iii)** to govern the pre-emptive right over Monte de Piedad; **(iv)** to govern collaboration on CSR matters; and **(v)** to regulate the flow of information for compliance with the periodic reporting obligations. This Protocol is available on the corporate website and its compliance is monitored on an annual basis by the Committee.

Notwithstanding the above, the Internal Relations Protocol also sets out the general rules for performing transactions or providing services at arm's length, and identifies the services that companies in the FBLC Group provide or may provide to companies in CaixaBank Group and, likewise, those that companies in CaixaBank Group provide or may provide to companies in the FBLC Group. The Protocol establishes the circumstances and terms for approving transactions. In general the Board of Directors is the competent body for approving these transactions. In certain cases stipulated in Clause 3.4 of the Protocol, certain transactions will be subject to approval from the CaixaBank Board of Directors, which must have a report issued in advance by the Auditing Committee, whereby the same applies for all other signatories of the Protocol. (A.5 + D.6)

Except as expressed in Note 41 of the consolidated financial statements, there were no individually significant transactions involving significant shareholders in the Company. (D.2)

Articles 29 and 30 of the Regulations of the Board regulate the non-compete obligation of Board members and applicable conflicts of interest, respectively: (D.6)

- Directors will only be exempt from the non-compete obligation if it does not entail non-recoverable damage to the Company. Any director who has been granted such a non-compete waiver must abide by the terms contained in the waiver resolution and must invariably abstain from taking part in discussions and votes in which they have a conflict of interest.
- Directors (directly or indirectly) have the general obligation to avoid situations that could involve a conflict of interest for the Group and, where there is a conflict, they have the duty to report the matter to the Board for disclosure in the financial statements.

Furthermore, key personnel are subject to certain obligations with regard to direct or indirect conflicts of interest under the Internal Code of Conduct in Securities Markets, including the obligation to act with freedom of judgement and loyalty to CaixaBank, its shareholders and its customers, to abstain from intervening in or influencing decisions that may affect people or companies with which there are conflicts of interest, and to inform Regulatory Compliance of such incidents.

Except as expressed in Note 41 of the consolidated financial statements, there are no known material transactions carried out between the Group and key personnel (related parties) of the Company other than those performed in the ordinary course of business and at arm's length. (D.3, D.5)

Senior Management

The CEO, the Management Committee and the main committees of the Company are responsible for the daily management, implementation and development of the decisions made by the Governing Bodies.

Management Committee (C.1.14)

The **Management Committee** meets on a weekly basis to make decisions related to the Strategic Plan, Annual Operating Plan, and other areas that affect organisational life at CaixaBank. It also approves structural changes, appointments, expense lines and business strategies

2
15.38% OF TOTAL

>> **PRESENCE OF WOMEN IN SENIOR MANAGEMENT AS AT 31.12.21**(FORMER CEO)

0.008%

>> **SENIOR MANAGEMENT SHARE IN EQUITY INTEREST OF THE COMPANY AS AT 31.12.21** (FORMER CEO)

0.16%

>> **IN 2021, THE TOTAL AMOUNT OF SHARES GENERATED BY INCENTIVE PLANS THAT ARE PENDING DELIVERY ACCOUNT FOR 0.16% OF THE TOTAL SHARE CAPITAL**

JUAN ANTONIO ALCARAZ

Chief Business Officer

Education

He holds a degree in Business Management from Cunef (Complutense University in Madrid) and a master's in Business Administration from IESE Business School.

Career

He joined "la Caixa" in 2007, and he is currently Chief Business Officer, responsible for the following business units: Retail Banking, all areas related to Customer Experience and Specialised Consumer Segments.

He has served as Managing Director of Banco Sabadell (2003-2007) and Deputy Managing Director of Santander and Central Hispano (1990-2003).

Other positions currently held

Chairman of CaixaBank Payments & Consumer, Chairman of Imagin and member of the Board of Directors of SegurCaixa Adeslas.

Chairman of the Spanish Association of Directors, member of the Advisory Board of Foment del Treball, member of the Board of Trustees of Fundación Tervalis, member of the University Assessment Board of the Universitat Internacional de Catalunya.

XAVIER COLL

Chief Human Resources Officer

(until 31 December 2021)

Education

He holds a degree in Medicine from the University of Barcelona, an MBA from the University of Chicago and a master's in Public Health from Johns Hopkins University. "la Caixa" Fulbright scholarship.

Career

In 2008, he joined "la Caixa" as HR Director and member of the Management Committee. He has over 30 years of experience working internationally in the health sector, in multilateral development banking and the financial sector.

He previously worked at the World Bank as the Director of the President's Office and Vice-President of Human resources, and at the European Investment Bank as the Director of Human Resources.

JORDI MONDÉJAR

Chief Risks Officer

Education

He holds a degree in Economics and Business Science from the University of Barcelona. He is a qualified chartered accountant (Registro Oficial de Auditores de Cuentas).

Career

He worked at Arthur Andersen from 1991 to 2000 in the field of accounts auditing for financial and regulated institutions.

He joined "la Caixa" in the year 2000 and he was the Head of Financial Accounting, Control and Capital before being appointed Chief Risks Officer for the Group in 2016.

Other positions currently held

Member of the Board of Directors of Sareb Non-Executive Chairman of Building Center.

IÑAKI BADIOLA

Head of CIB and International Banking

Education

He holds a degree in Economics and Business Science from the Complutense University in Madrid and a master's in Business Administration from the IE.

Career

With a career spanning over 20 years in the world of finance, he has held a number of roles in various companies across different sectors: technology (EDS); distribution (ALCAMPO); public administration (GISA); transport (IFERCAT); and real estate (Harmonia).

He was Executive Director of CIB and Corporate Director of Structured Finance and Institutional Banking.

LUIS JAVIER BLAS

Chief Operating Officer

Education

He holds a degree in Law from Universidad de Alcalá. AMP (Advanced Management Program) by ESE Business School (Universidad de los Andes - Chile), as well as other corporate management development programmes by IESE and INSEAD.

Career

Until his appointment to the CaixaBank Management Committee, he was Head of Engineering & Data in Spain and Portugal and a member of the BBVA Management Committee in Spain (2015-2019). Previously, he had held several positions, mainly in BBVA Group's media department, both in Chile (2010-2015) and in Spain (2000-2010). Previously, he worked at Banco Central Hispano, Grupo Accenture and Abbey National Spain.

Other positions currently held

Currently, he is a Director of Caixabank Tech, S.L.U.

MATTHIAS BULACH

Head of Accounting, Control and Capital

Education

He holds a degree in Economic Science from the University of St. Gallen and an MBA from IESE Business School.

Career

He joined "la Caixa" in 2006 as Head of the Economic Analysis Office, working on strategic planning, analysis of the banking and regulatory system and support to the Chairman's Office in restructuring the financial sector. Before his appointment as Director in 2016, he was Corporate Manager of Planning and Capital. He was previously Senior Associate at McKinsey & Company, specialising in the financial sector and international projects.

Other positions currently held

Member of the Supervisory Board and Audit Committee at Erste Group Bank AG; Director of CaixaBank Payments & Consumer and Buildingcenter S.A.*

* No longer a member of the Supervisory Board and Audit Committee of Erste Group Bank as of 1 January 2022.

ÓSCAR CALDERÓN

General Secretary and Secretary to the Board of Directors

Education

He holds a degree in Law from the University of Barcelona and he is a State Lawyer.

Career

He has served as State Lawyer in Catalonia (1999-2003). Lawyer to the General Secretary's Office of "la Caixa" Caja de Ahorros y Pensiones de Barcelona (2004) and Deputy Secretary to the Board of Directors of Inmobiliaria Colonial, S.A. (2005-2006), in addition to Secretary of the Board of Banco de Valencia (from March to July 2013) and Deputy Secretary of the Board of Directors of "la Caixa" Caja de Ahorros y Pensiones de Barcelona until June 2014. He was also a Trustee and Deputy Secretary of "la Caixa" Foundation until its dissolution in 2014, as well as Secretary to the Board of Trustees of "la Caixa" Banking Foundation until October 2017.

Other positions currently held

Trustee and Secretary to the Board of Trustees of Fundación del Museo de Arte Contemporáneo de Barcelona (MACBA). He is also Secretary of the Fundación de Economía Aplicada (FEDEA).

MANUEL GALARZA

Head of Compliance and Control

Education

He holds a degree in Economics and Business Science from the University of Valencia. Extraordinary award for the bachelor's degree. Senior Executive Programme from ESADE. He is a qualified chartered accountant (Registro Oficial de Auditores de Cuentas).

Career

He began his career at Arthur Andersen in 1995, until he joined the Bankia Group in 2008. He held various positions of responsibility at this Group: Director of Industrial Investees, Director of Wholesale Risks, Regional Director of East Madrid and Director General of Credit Risk. He joined the Management Committee of Bankia in 2019, until joining CaixaBank.

He has been a director of listed and unlisted companies, including Iberia, Realia, Metrovacesa, NH, Deoleo, Globalvia and Caser.

MARÍA LUISA MARTÍNEZ
Head of Communications and Institutional Relations

Education

She holds a degree in Modern History from the University of Barcelona and in Information Sciences from the Barcelona Autonomous University. She completed the PADE programme at IESE Business School.

Career

She joined "la Caixa" in 2001 to head up media relations. In 2008, she was appointed Head of Communication with responsibility for corporate communication and institutional management with the media. In 2014, she was appointed Director of Communications, Institutional Relations, Brand and CSR at CaixaBank, and since 2016 she has been the Executive Director in charge of these areas. In April 2021 she was appointed Director of Communications and Institutional Relations.

Other positions currently held

Chair of Autocontrol and Dircom Cataluña. Deputy Chair of Dircom Nacional, Corporate Excellence and Fundacom.

JAVIER PANO
CFO

Education

He holds a degree in Business Science and an MBA from ESADE Business School.

Career

He has been CFO of CaixaBank since July 2014. He is Chair of ALCO and responsible for liquidity management and retail funding, having formerly held management positions in the field of capital markets.

Before joining "la Caixa" in 1993, he held senior positions at various companies.

Other positions currently held

Member of the Board of Directors of BPI and Deputy Chairman of Board of Directors of Cecabank.

MARISA RETAMOSA
Head of Internal Audit

Education

She holds a degree in Computer Science from the Polytechnic University of Catalonia. CISA (Certified Information System Auditor) and CISM (Certified Information Security Manager) certification accredited by ISACA.

Career

She has been Corporate Manager of Security and Resources Governance, and previously served as Head of Security and Service Control in IT Services. She also served as Head of Operations Audit.

Joined "la Caixa" in 2000. She previously worked in Arthur Andersen (1995-2000), working in roles relating to system and process audits and risk advisory.

EUGENIO SOLLA
Chief Sustainability Officer

Education

Graduate in Business Administration and Management from the University College of Financial Studies (CUNEF), master's degree in Credit Institution management at UNED and Executive MBA at IESE.

Career

In 2004 he joined Caja de Ahorros de Ávila until 2009, when he became Integration Coordinator at Bankia. In 2011, he joined Bankia's Chairman's Office as Director of Strategic Coordination and Market Analysis, and a year later became Director of the Office. Between 2013 and 2015, he was appointed Corporate Director of marketing of the company and, in July 2015, Corporate Director of the Madrid North Territorial Unit.

He was a member of the Management Committee of Bankia from January 2019 until joining CaixaBank.

Other positions currently held

Director of CaixaBank Asset Management and Deputy Chairman of CaixaBank Dualiza.

JAVIER VALLE
Head of Insurance

Education

He holds a degree in Business Science and a master's in Business Administration from the ESADE Business School. Community of European Management School (CEMS) at HEC Paris.

Career

In recent years, he has been General Manager at Bansabadell Vida, Bansabadell Seguros Generales and Bansabadell Pensiones and CEO of Zurich Vida. He was CFO of the Zurich Group Spain and Director of Investments for Spain and Latin America.

Other positions currently held

He is CEO of VidaCaixa and Deputy Chair and member of the Executive Committee and Board of Directors of Unespa, as well as Director of ICEA.

Other Committees

The following is a description of the main committees:

ALCO COMMITTEE (ASSETS AND LIABILITIES)

This committee is responsible for the management, monitoring and control of structural liquidity, interest rate and exchange rate risks relating to CaixaBank's balance sheet.

It is responsible for optimising the financial structure of CaixaBank Group's balance sheet and making it more profitable, including the net interest income and the windfall profits in the Profit from Financing Operations; determining transfer rates with the various lines of business (IGC/MIS); monitoring prices, terms and volumes of the activities that generate assets and liabilities; and managing wholesale financing.

All of this, under the policies of the risk appetite framework and the risk limits approved by the Board.

Frequency **Monthly**

Reports to **Management Committee**
Reports to Global Risk Committee

Risks Managed **Business returns** **Liquidity and financing** **Market Structure of interest rates**

REGULATION COMMITTEE

This committee is the decision-making body for all aspects related to financial regulation. Its functions include spearheading the activity to represent the Bank's interests, as well as the systematisation of regulatory activities, periodically assessing the initiatives carried out in this field.

Frequency **Min. Bimonthly**

Reports to **Management Committee**

Risks managed **Legal and Regulatory and Conduct**

INFORMATION GOVERNANCE AND DATA QUALITY COMMITTEE

Oversee the coherence, consistency and quality of the information reported to the regulator and to the Group's management, providing a comprehensive view at all times.

Frequency **Monthly**

Reports to **Management Committee**

Risks managed **Technological**

GLOBAL RISK COMMITTEE

Responsible for the overall management, control and monitoring of risks affecting the Group's Corporate Risk Taxonomy, together with their implications for solvency management and capital consumption.

The Committee therefore analyses the Group's global risk position and establishes policies to optimise their management, monitoring and control within the framework of its strategic objectives.

This Committee is responsible for adapting the risk strategy to the Risk Appetite Framework (RAF) set out by the Board of Directors, coordinating measures to mitigate any breaches and reactions to early warnings of the RAF, as well as keeping CaixaBank's Board informed.

Frequency **Monthly**

Reports to **Risk Committee**

Risks managed **All in the Group's Corporate Risk Catalogue**

CORPORATE CRIMINAL MANAGEMENT COMMITTEE

Manage any observations or reports made through any channel regarding the prevention of and response to criminal conduct. The main functions are: Prevention, Detection, Response, Report and Monitoring of the Model.

Frequency **Monthly**

Reports to **Global Risk Committee**

Risks managed **Conduct**

PERMANENT LENDING COMMITTEE

It is responsible for officially approving loan, credit and guarantee operations, as well as investment operations in general that are specific to the Bank's corporate objective, and its approval level is defined in the Bank's internal regulations.

Frequency **Weekly**

Reports to **Board of Directors**

Risks managed **Credit**

TRANSPARENCY COMMITTEE

Its function is to ensure that all aspects that have or may have an impact on the marketing of products and services are covered in order to ensure the appropriate protection of customers, through transparency and the understanding thereof by the customers, especially retailers and consumers, and the suitability to their needs.

Frequency
Monthly

Reports to
Management Committee

Risks managed
Legal and regulatory
Conduct
Reputational

DIVERSITY COMMITTEE

Its mission is the creation, promotion, monitoring and presentation of actions to the corresponding bodies to increase diversity with a focus on the representation of women in management positions and to avoid the loss of talent, as well as in the other areas of diversity that are a priority for the Bank such as functional, generational and cultural diversity.

Frequency
Quarterly

Reports to
Management Committee

Risks managed
Legal and Regulatory
Reputational

RECOVERY AND RESOLUTION PLAN COMMITTEE

Preparing, approving, reviewing and updating plans to minimise the impact of future financial crises on contributors.

Frequency
Monthly

Reports to
Management Committee

Risks managed
Business return
Own funds: Solvency
Liquidity and Financing
Legal and Regulatory
Reputational

PRIVACY COMMITTEE

It acts as the senior and decision-making body for all aspects relating to privacy and personal data protection within CaixaBank Group.

Frequency
Monthly

Reports to
Management Committee

Risks managed
Legal and Regulatory and Conduct

EFFICIENCY COMMITTEE

The mission of this committee is to improve the organisation's efficiency, and it is responsible for proposing and agreeing with the Divisions and Subsidiaries the proposed annual cost and investment budgets to be presented to the Management Committee for approval.

Frequency
Monthly

Reports to
Management Committee

Risks managed
Business return
Own funds: solvency

SUSTAINABILITY COMMITTEE

It is responsible for approving CaixaBank's strategy and practices and overseeing them, as well as propose and presenting (for their approval by the corresponding Governing Bodies) general policies for managing corporate responsibility and reputation.

Its mission is to help CaixaBank to be recognised for its excellent sustainability management, strengthening the Bank's position through its socially responsible banking model.

Frequency
Monthly

Reports to
Management Committee

Risks managed
Reputational

REPUTATIONAL RISK COMMITTEE

It is responsible for overseeing the corporate responsibility strategy and practices and proposing and presenting (for their approval by the corresponding governing bodies) general policies for managing corporate responsibility and reputation.

Its mission is to contribute to making CaixaBank the best bank in terms of quality and reputation, strengthening its reputation as a responsible and socially-committed bank.

Frequency
Monthly

Reports to
Global Risk Committee

Risks managed
Reputational

INFORMATION SECURITY COMMITTEE

It is the highest executive and decision-making body for all aspects related to Information Security at a corporate level.

Its purpose is to ensure the security of information in CaixaBank Group by applying the Corporate Information Security Policy and the mitigation of any identified risks or weaknesses

Frequency
Quarterly

Reports to
Management Committee

Managed risks
Conduct
Technological

INTERNAL CODE OF CONDUCT REGULATIONS COMMITTEE

Adapt the actions of CaixaBank, its boards of directors, employees and representative to the standards of conduct that, in their activities related to the Securities Markets, they must respect and are contained in the Law on Securities Market and its implementing regulations

Frequency **Quarterly**

Reports to **Management Committee**

Risks managed **Conduct**

GLOBAL RECOVERY AND DEFAULT COMMITTEE

It sets the goals for each of the parties involved in the recovery process, the monitoring of the level of fulfilment of these goals and the actions undertaken by each of them to carry them out.

Frequency **Monthly**

Reports to **Global Risk Committee**

Risks managed **Business returns**, **Mortgage**

CREDIT RISK POLICY COMMITTEE

Its approves, or where applicable, take note of, and monitor the policies and criteria related to the granting and management of credit risk.

Frequency **Monthly**

Reports to **Global Risk Committee**

Risks managed **Credit**

OPERATIONAL RISK COMMITTEE

It analyses and monitors CaixaBank Group's operational risk profile, and proposes the corresponding management measures.

Frequency **Monthly**

Reports to **Global Risk Committee**

Risks managed **Conduct and compliance**, **Legal and Regulatory**, **IT**, **Reliability of information**, **Model risk**, **Other operational Risks**

OPERATIONAL RESILIENCE COMMITTEE

It is the body responsible for managing the Group's Operational Continuity function, as well as for designing, implementing and monitoring the Operational Continuity Management System.

Frequency **Half-yearly** (in normal conditions)

Reports to **Management Committee**

Risks managed **Technological**

Remuneration

CaixaBank establishes the Remuneration Policy for its Directors on the basis of general remuneration policies, committed to a market position that allows it to attract and retain the talent needed, and encourage behaviour that ensures long-term value generation and the sustainability of results over time.

Market practices are analysed periodically with wage surveys and specific studies conducted as and when needed by top tier companies, based on a comparable sample of peer financial institutions operating in the markets in which CaixaBank is present and a sample of comparable IBEX 35 companies. External experts are also consulted on certain issues.

The remuneration policy for directors, which was submitted by the Board to the General Shareholders' Meeting for a binding vote on 14 May 2021, was approved with 75.76% of votes in favour. This result was conditioned by a significant shareholder with a 16.1% stake voting against amending the Policy. Similarly, the consultative vote on the Annual Remuneration Report for the previous year obtained 72.31% of votes in favour.

The nature of the remuneration received by the members of the Company's Board is described below:

DIRECTORS

The system provided for in the By-laws establishes that the remuneration of CaixaBank directorships should consist of a fixed annual amount to be determined by the Annual General Meeting, which remains in force until the Annual General Meeting agrees to modify it. In this regard, the remuneration of the members of the Board, in their capacity as such, consists solely of fixed components.

Non-executive Directors (those that do not perform executive functions) have a purely organic relationship with CaixaBank and, consequently, they do not hold contracts with the Bank to perform their duties, nor are they entitled to any form of payment should they be dismissed from their position as Director.

EXECUTIVE POSITION
(APPLICABLE TO THE CHAIRMAN AND CEO)

In relation to members of the Board with executive duties, the By-laws recognise remuneration for their executive functions, in addition to the directorship itself.

Therefore, the remuneration components of these functions are structured in due consideration of the economic context and results, and include the following:

- Fixed remuneration according to the employee's level of responsibility and professional career, constituting a significant part of the total compensation.
- Variable remuneration tied to the achievement of previously-established annual and long-term targets and prudent risk management.
- Pension scheme and other social benefits.

8,483 — **REMUNERATION OF THE BOARD OF DIRECTORS (ACCRUED IN 2021[1]) (THOUSANDS OF €)**

2,797 — **CUMULATIVE AMOUNT OF FUNDS OF CURRENT DIRECTORS IN LONG-TERM SAVINGS SCHEMES WITH VESTED ECONOMIC RIGHTS** (THOUSANDS OF €)

2,690 — **CUMULATIVE AMOUNT OF FUNDS OF CURRENT DIRECTORS IN LONG-TERM SAVINGS SCHEMES WITH NON-VESTED ECONOMIC RIGHTS** (THOUSANDS OF €)

0 — **CUMULATIVE AMOUNT OF FUNDS OF FORMER DIRECTORS IN LONG-TERM SAVINGS SCHEMES (THOUSANDS OF €)**

No information is provided on consolidated pension rights for former directors, since the Company has no type of commitment (contribution or benefit) with former executive directors under the pensions system. (C.1.13).

[1] The remuneration of Directors in 2021 as reported in this section takes the following changes in the composition of the Board and its Committees during the year:

Following the registration of the takeover merger of Bankia by CaixaBank in the Trade Registry on 26 March 2021, the resignations of Jordi Gual, the CajaCanarias Foundation, represented by Natalia Aznárez, Alejandro García-Bragado and Ignacio Garralda from their positions as members of the Board and the Committees were made effective, and the following are now members of the Board: José Ignacio Goirigolzarri, Joaquín Ayuso, Francisco Javier Campo, Eva Castillo, Fernando María Ulrich and Teresa Santero.

On 30 March 2021, José Ignacio Goirigolzarri was appointed Executive Chairman, and the following changes in the Board committees have been agreed with the following appointments: Eva Castillo, as a member of the Executive Committee; and, in accordance with the Regulations of the Board of Directors, the incorporation of José Ignacio Goirigolzarri as a member and Chairman of this Committee; Francisco Javier Campo and Fernando María Ulrich, as members of the Appointments Committee; Francisco Javier Campo and Teresa Santero, as members of the Audit and Control Committee; Joaquín Ayuso and José Serna, as members of the Remuneration Committee; Joaquín Ayuso and Fernando María Ulrich, as members of the Risk Committee; and Eva Castillo, as a member of the Innovation, Technology and Digital Transformation Committee.

The 2021 Ordinary General Shareholders' Meeting agreed to reappoint José Serna and Koro Usarraga as members of the Board.

At the end of 2021, the Board of Directors comprises 15 members, and the Chairman and CEO are the only board members with executive functions.

Nor does it include remuneration for seats held on other boards on the Company's behalf outside the consolidated group (81 thousand euros).

The nature of the components accrued in 2021 by the Executive Directors is described below:

Fixed component

Fixed remuneration for Executive Directors is largely based on the level of responsibility and the professional career of each Director, combined with a market approach taking account of salary surveys and specific ad hoc studies. The salary surveys and specific ad hoc studies used by CaixaBank are performed by top-tier companies, based on comparable samples of the financial sector in the market where CaixaBank operates and that of comparable IBEX companies.

Variable **Component**

The following table shows the variable components of remuneration for Executive Directors.

Short-term variable component

The Executive Directors are entitled for 2021 to variable remuneration in the form of a bonus determined on the basis of a target remuneration with a degree of fulfilment that is adjusted according to risk and performance measurement:

- 50% according to corporate targets with a degree of fulfilment [80% - 120%] and which is determined based on the following concepts in line with the strategic targets:
- 50% according to individual targets, with a degree of fulfilment [60% - 120%], distributed globally between targets linked to strategy. The final valuation may fluctuate + /-25% to reflect the qualitative assessment and the exceptional challenges that may arise throughout the year.

In line with the objective to have a reasonable, prudent balance between fixed and variable remuneration components, the amounts of fixed remuneration paid to Executive Directors are sufficient and the percentage of variable remuneration in the form of a bonus in addition to annual fixed remuneration is low, not exceeding 40%.

In line with our responsible management model, of the concepts described above, 18% of the total, annual and long-term variable remuneration of the Chairman and the CEO are linked to ESG factors, such as quality, the conduct and compliance challenges and the GRI.

SHORT-TERM VARIABLE COMPONENT

Target Item	Weighting	Strategic Line
ROTE *(Return on Tangible Equity)*	10%	Generating an attractive return for shareholders while remaining financially sound
CIR (Cost Income Ratio)	10%	Generating an attractive return for shareholders while remaining financially sound
Variation in problematic assets	10%	Generating an attractive return for shareholders while remaining financially sound
RAF *(Risk Appetite Framework)*	10%	Generating an attractive return for shareholders while remaining financially sound
Quality	5%	Offer the best customer experience
Conduct and Compliance	5%	Setting the benchmark for responsible management and social commitment

Long-term variable component

The 2019 General Shareholders' Meeting approved a Conditional Annual Incentives Plan linked to the 2019-2021 Strategic Plan. In spite of 90 recipients being the maximum number thereof in a group, the General Shareholders' Meeting held on 14 May 2021 approved an increase to 130 recipients for a group, including the CEO, members of Senior Management and other key executives of the Group. This increase is due to the Merger.

LONG-TERM VARIABLE COMPONENT

Target Item	Strategic Line
CIR (Cost Income Ratio)	Generating an attractive return for shareholders while remaining financially sound
ROTE *(Return on Tangible Equity)*	Generating an attractive return for shareholders while remaining financially sound
CEI (Customer Experience Index)	Offer the best customer experience
RAF *(Risk Appetite Framework)*	Generating an attractive return for shareholders while remaining financially sound
TSR *(Total Shareholder Return)*	Generating an attractive return for shareholders while remaining financially sound
GRI (Global Reputation Index)	Setting the benchmark for responsible management and social commitment

This programme allows a number of CaixaBank shares to be received after a certain period of time, provided the strategic targets are met and subject, among other things, to the evolution and positioning of certain strategic parameters.

Contributions to long-term savings schemes

Furthermore, the Chairman and CEO have agreed in their contracts to make pre-fixed contributions to pension and savings schemes.

15% of the contributions paid to complementary pension schemes will be considered a target amount (the remaining 85% is considered a fixed component). This amount is determined following the same principles as for variable remuneration in the form of a bonus (based solely on individual assessment parameters) and is contributed to a discretionary pension benefit scheme.

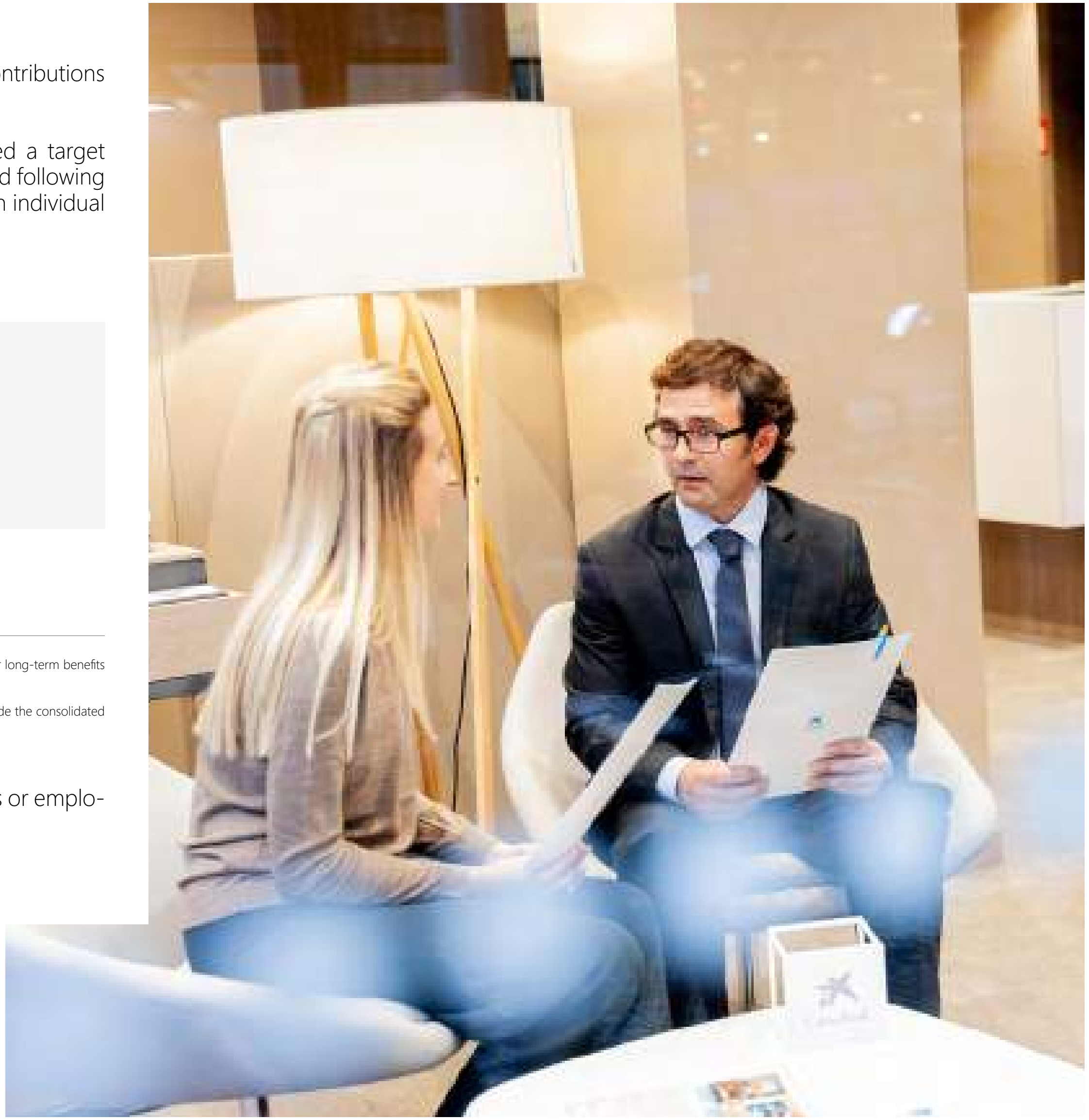
14,097

TOTAL REMUNERATION OF SENIOR MANAGEMENT
(FORMER EXECUTIVE DIRECTORS) IN 2021[1] (THOUSANDS OF €) (C.1.14)

[1] This amount includes the fixed remuneration, remuneration in kind, social security insurance premiums and discretionary pension benefits, along with other long-term benefits assigned to members of the Senior Management.

This amount does not include the remuneration received for representing the Company on the boards of listed and other companies, both within and outside the consolidated group (1,191 thousand euros).

With regard to any agreements made between the company and its directors, executives or employees on severance or golden parachute clauses, see Reconciliation Table (C.1.39)



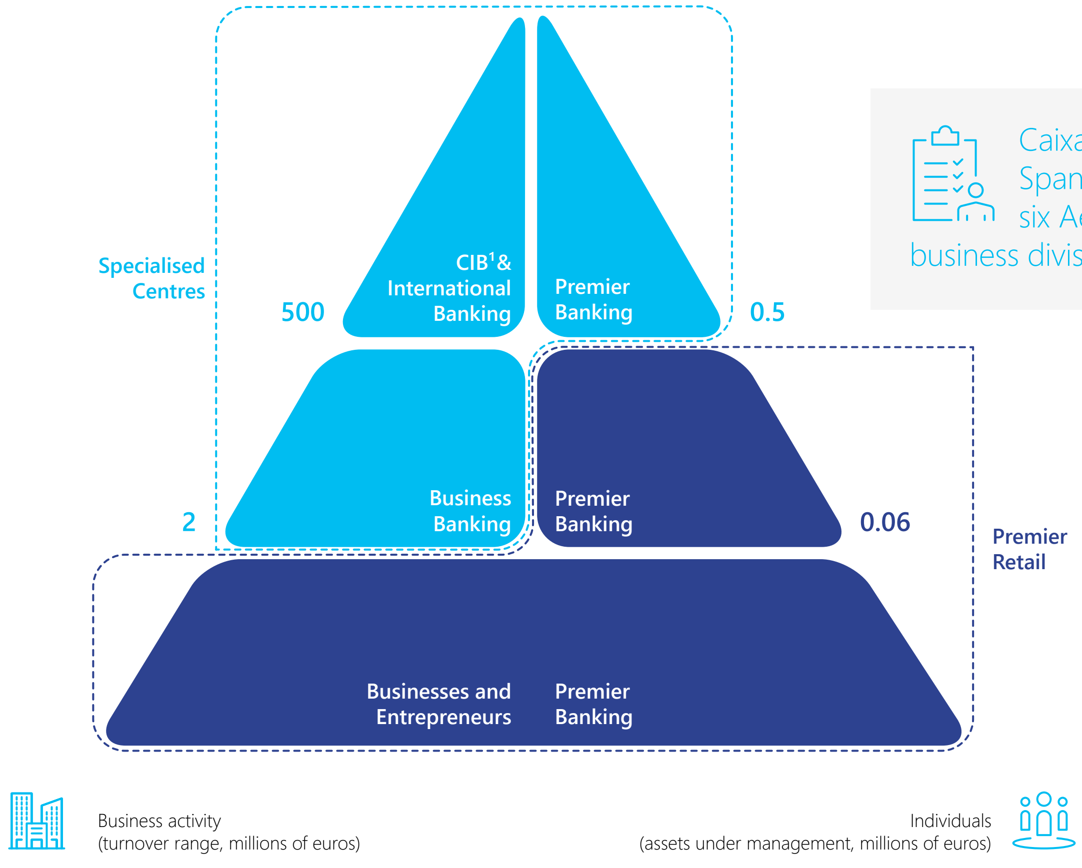
Business **model**

CaixaBank has a universal banking model that seeks the best customer experience and is adapted:

- To the profile of each customer in accordance with our segmentation
- To the different ways that customers manage their mobility
- To each customer's way of relating to people
- And to each person's way of using technology

The wide range of financial and insurance products and services allows all customer needs to be met. Agility and accessibility make it possible to do so in such a way that each customer's individual experience is the best at any given time.

SEGMENTATION IS KEY TO BETTER MEETING OUR CUSTOMERS' NEEDS



CaixaBank is the only Spanish bank with six Aenor-certified business divisions

[1] *Corporate & Institutional Banking*. Also including financial sponsors.

Retail Banking: individuals, premier customers, businesses and entrepreneurs

The Retail Banking value proposition is based on an innovative, omnichannel and personalised service offer is aimed at individuals, Premier, Businesses and Entrepreneur customers.

In 2021, the consolidation of *The 4 Vital Experiences*, the transformation of the distribution network, and the promotion of new models of customer relations continued.

Consolidation of the 4 customer-oriented **vital experiences**

Day to day: making the customer's day-to-day life easier by offering our services quickly and easily at any time and anywhere.

Enjoying life: Making financing easier for customers to help their current and future dreams and projects become reality.

Peace of mind: Being by our customers' side to take care of what is important to them and help them protect it.

Thinking about the future: helping our customers plan their savings and face their future with total security.

Transformation CaixaBank wants to continue transforming its network with the aim of providing more value to customers.

See section on omnichannel distribution platform

Promoting new models of digital and remote customer service

Promoting new models of digital and remote customer service. Providing different omniexperience tools to make the management/customer relationship easier:

My Manager is the digital connection between the manager and the customer.

6.4 m
CUSTOMERS WHO HAVE USED MY MANAGER

Confirmed appointment to hold interviews with managers.

10.5 m
APPOINTMENTS PLANNED

80%
ORIGIN MANAGER

20%
ORIGIN CUSTOMERS

Meeter app to avoid having to queue at a branch.

3.3 m
CUSTOMERS REGISTERED IN THE MEETER APP

Reinforcing the Wall as part of our online banking for fast and secure communication.

3.2 m
CUSTOMERS WHO USE THE WALL

9.9 m
DOCUMENTS SHARED

Launch of WhatsApp Wall, a new communication channel that will make the Manager-Client relationship easier.

1.5 m
WHATSAPP WALL MESSAGES SENT

63%
OF CUSTOMER ORIGIN

INDIVIDUAL BANKING

CaixaBank

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

Milestones of 2021

- **Consolidation of the new *MyCard* card,** reaching 3.3 million customers.It is a differential product on the market in the form of a single card offering a debit experience in which all purchases made can be viewed in real time, together with all the advantages of a credit card.
- **Digitalisation:** promoting the use of digital products. Financing of consumer products (Wivai) contracted digitally through *CaixaBankNow* exceeded 155,360 operations in 2021.
- **Sustainability:** new agreement with a new strategic partner, EDP, to give our customers access to solar energy technology. CaixaBank participates by financing solar panel installation projects for individual customers who request them.
- **Mobility:** record year in the contracting of mobility solutions for our individual customers, with 14,679 *renting* operations (+38% on 2020). Surpassing 22,700 operations across the bank.
- We continued extending our protection proposal through new product launches, which develop and broaden the ***MyBox*** offer.

Main **indicators**

12.2 m
CUSTOMERS LINKED[1]
8.6 m IN 2020

9 m
OMNICHANNEL CUSTOMERS
(BRANCHES, ATMS AND DIGITAL)
4.6 m IN 2020

84.9
EXPERIENCE RATING
85.0 IN 2020
(SCALE 0-100)

88.3%
CUSTOMERS WITH AN ASSIGNED MANAGER
76.9% IN 2020

[1] All segments.

985,490
POLICIES MARKETED BY MYBOX IN 2021

- Complete and competitive protection solutions
- Fixed fee for 3 years
- Flat monthly rate
- Exclusive coverage

PREMIER BANKING

CaixaBank Banca Premier

Individual customers with a position **from 60,000 to 500,000 euros**

CaixaBank Premier Banking's value proposition consists of creating a relationship of trust with the customer that positions us as their main financial provider. The pillars of this are still based on: developing the value proposition to offer advice to all customer profiles and to enhance the figure of the Personal Manager as the main axis.

In 2021, we launched the Si Range investment funds with impact objectives linked to the United Nations Sustainable Development Goals. This involves extensive dissemination of concepts linked to sustainability among our customers. The incorporation of own funds in *Ocean*, the digital fund management platform.

Specific talks were held for the Premier segment, reaching all territories and incorporating new topics.

- **Investment Guidelines Talk:** talk with market experts from the bank about investment strategies.
- **Inheritance is Life Talk:** talk with experts to help customers become aware of the need to plan inheritance.

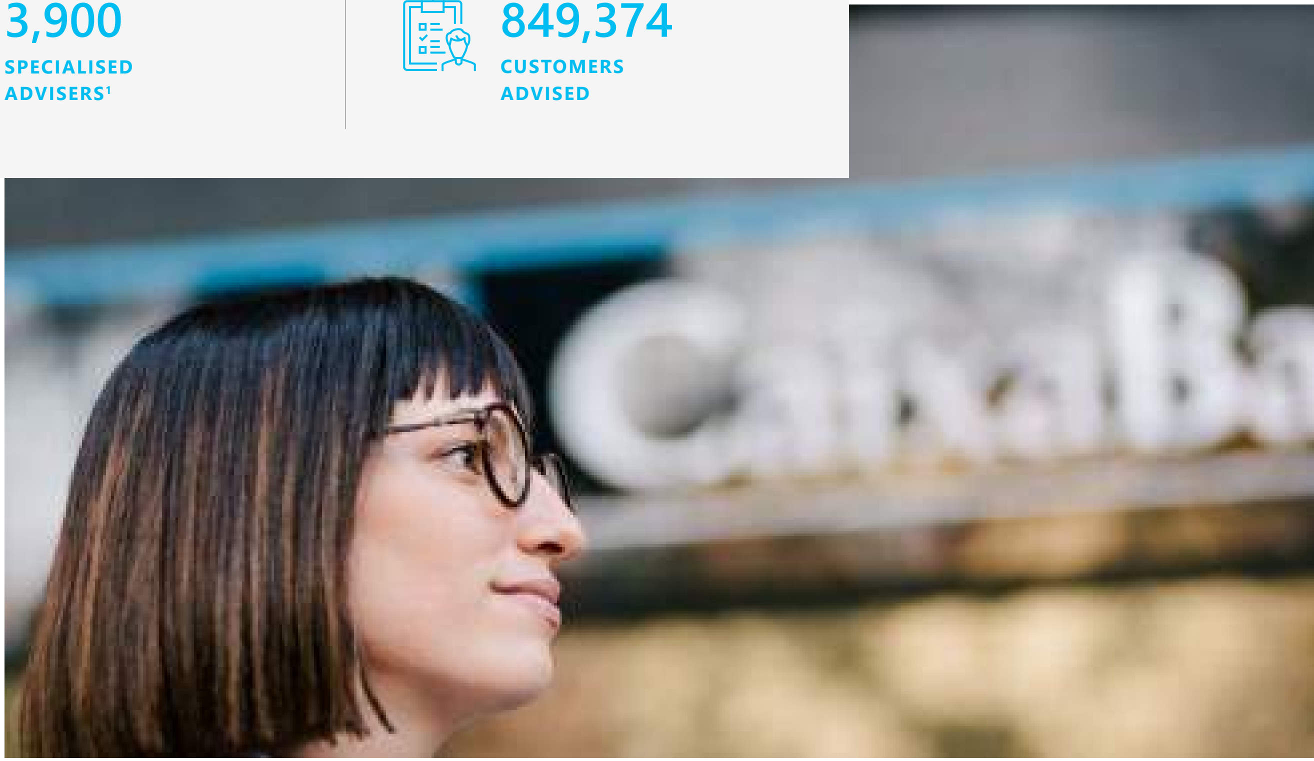
Main **indicators**

86.9
EXPERIENCE RATING
87.1 IN 2020 (SCALE 0-100)

28
PREMIER STORE CENTERS

3,900
SPECIALISED ADVISERS[1]

849,374
CUSTOMERS ADVISED



[1] Including CaixaBank + Bankia advisers.

BUSINESSES AND ENTREPRENEURS

CaixaBank Negocios

Self-employed customers, professionals, businesses and micro-enterprises with turnover up to €2 million

The CaixaBank Business and Entrepreneurs service is aimed at self-employed customers, professionals and businesses and microenterprises. It includes comprehensive management of businesses, microenterprises and their customers, and integrates all the solutions they need in their day-to-day operations, financing their business, protection and security, and their future.

We are committed to the consolidation of the specialist model, through the Business Store branches, exclusive branches for business and entrepreneur customers and microenterprise and business operators.

The focus of the business activity has been on attracting new customers and linking existing customers, covering the four main experiences: day to day, business financing, sleeping peacefully and thinking about the future.

Milestones of 2021

- Creation of a new specialised offer aimed at groups that demand a personalised service in line with their specific needs. There are currently four communities in development: ***Food&Drinks, Pharma, FeelGood* and *DayOne*.**
- Consolidation **of the innovative *Commerce* offer:** launch of new products and services such as the POS Tablet, *Order&Go*, and POS financing (*Buy now pay later*), which makes it possible to provide payment solutions suitable for each customer profile.
- **Promoting the digitisation** of customers with a complete range of products/services: Marketplace, digital solutions, public aid platform (to promote Next Generation fund initiatives), digitalisation of the contracting processes for our customers.
- Launch of the **first edition of the CaixaBank Self-Employed Professional Woman A Award** throughout the country to recognise the important work of this group of professionals.
- **Specific talks** for the business and entrepreneur segment:
  - **Self-employed workers:** Forecast for the present and the future: talk with VidaCaixa experts to guarantee income flow and personal and professional security.
  - **Protection Cycle:** talk with speakers selected by VidaCaixa on business topics focused on the needs of self-employed workers, businesses and microenterprises.
  - ***Food & Drinks*:**sessions with specialist speakers in the sector to highlight the proposal by looking at topics of interest to this community.
  - ***Pharma*:** session with a CaixaBank specialist to highlight the *Pharma* proposal for the transfer of a pharmacy.
  - Sessions of general interest for the entire Business Banking community, covering topics such as internationalisation, taxation, e-commerce or the Next Generation EU funds, among others.

Main indicators

83.9	44.4%	44.3%	32.3%	83	3,346	506
EXPERIENCE RATING	PENETRATION MICROENTERPRISES[1]	PENETRATION SELF-EMPLOYED WORKERS[1]	SHARE OF BUSINESSES WITH TURNOVER < €1 m	BUSINESSES STORE CENTERS	BUSINESS OPERATORS	MICROENTERPRISE OPERATORS
85.1 IN 2020 (SCALE 0-100)	33.2% IN 2020	33.1% IN 2020	24.2% IN 2020			

[1] As at November 2021.

8

Private Banking

CaixaBank Banca Privada

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

Private Banking has specialised teams, over 885 accredited professionals with an average of 15 years' experience, and 127[1] exclusive centres that ensure customers always receive a friendly and personal service. Different service models are offered to customers, from traditional financial advice to independent advice and broker services.

Private Banking offers value propositions dedicated to groups that, by their nature, share the same asset management needs and objectives.

Social Value Project provides solutions in the fields of Philanthropy and Socially Responsible Investment (SRI).

CaixaBank Wealth Management Luxembourg, the first bank in Luxembourg to exclusively provide an independent advisory service, has been operational since February 2020. It has a team of 30 professionals.

Milestones of 2021

- Consolidation of the customer base and growth of the Private Banking business. Promotion of **advisory as a growth area** thanks to the strengthening of our objectives-based advisory model.
- Promotion of **independent advisory** through CaixaBank Wealth, the first independent advisory unit integrated into a banking organisation in Spain, and CaixaBank Wealth Management Luxembourg.
- We continue **to promote our discretionary management model** with a broad range of active and passive management solutions.
- **Ocean,** the first online third-party fund platform with personalised information and conditions for each customer according to their profile. In the Ocean platform, customers can view the details of their service based on their profiles (rates, fund offers, custody services). Access to nearly 2,000 funds with more than 140 managers.

Main **indicators**

88.4
EXPERIENCE RATING
87.6 IN 2020 (SCALE 0-100)

95%
ADVISORY CUSTOMERS
93% IN 2020

€114,619 m
IN ASSETS AND SECURITIES UNDER MANAGEMENT
+42% COMPARED TO 2020

€22,958 m
IN DISCRETIONARY MANAGEMENT OF PORTFOLIOS
+€8,864 m COMPARED TO 2020

47,712
FUND PURCHASE OPERATIONS THROUGH OCEAN
+19,073 COMPARED TO 2020

€16,874 m
SPAIN WEALTH BALANCES
+€6,076 m COMPARED TO 2020

[1] Some Bankia operating centres are included, which will be consolidated in January 2022.

Socially responsible investment and Philanthropy

CaixaBank customers have concerns and interests that go beyond strictly financial ones. That is why we are pioneers in having a specialised unit that offers its Private Banking customers a comprehensive solution that responds to their needs with regard to philanthropy and sustainable and impactful investment.To do this, we take action in the following areas:

1. Sustainable and Impactful Investment

In 2021, we launched a project to become **leaders in sustainable financial advice** and a benchmark in sustainability in private banking. The objective is to lead sustainable and impactful investments in Spain and to help people achieve financial well-being with a positive impact. For this reason, we have reorganised our commercial offer into three different categories depending on the sustainability profile of the *Sustainable Finance Disclosure Regulation (SFDR)*: **Promote– Impact.**

In July 2021, we launched a new range of impactful products with the **Impact Solutions SI Range,** made up of investment funds and pension plans. The SI Range adapts the investment strategy to certain impact objectives set out in the United Nations' SDGs (Sustainable Development Goals). *BlackRock Netherlands BV* was selected as an expert adviser for impact management in the equity strategy following a rigorous selection process.

We are also in the process of certifying our managers in sustainability, in anticipation of the regulator's requirements. We are getting our commercial teams ready to confidently manage the sustainability conversation with their customers, preparing portfolio proposals that are more suited to their interests, which will be covered in the suitability test in 2022.

Launch of the SI RANGE
Impact solutions
Promote - Impact

2. Charitable causes

We provide people with permanent charitable projects.

€1.3 m raised for various social causes among Private Banking customers in 2021 (+0.1% compared to 2020), mainly through the #Ningúnhogarsinalimentos campaign

3. Dissemination, outreach and recognition

We carry out dissemination and training events led by specialists in different fields:

- **4th Annual Social Value Project Report**[1]**:** with balance sheets of our activity carried out from the Social Value Project.
- **Fourth edition of the Private Banking Charity Awards:** annual award to recognise the personal effort made by our customers, with two different award categories: Best Philanthropic Project and Best Philanthropy Track Record.

4. Personalised advice on philanthropy and CSR

We help to craft the best philanthropic strategy for our customers, taking into account their concerns, goals and resources, to generate the greatest impact at each stage of their engagement.

Publication of 1st report *on Personal Philanthropic Profiles in Spain*[1]**,** with the aim of bringing the figure of the major donor closer to society and highlighting their contribution.

[1] https://www.caixabank.com/en/sustainability/responsible-practices/social-value-private-banking.html

Business Banking

CaixaBank *Empresas*

Corporate customers between **€2 m** and **€500 m** in turnover

CaixaBank Business has an exclusive model for looking after companies, having consolidated its position as the benchmark Company for this segment.

The integration carried out between the teams since the beginning of the merger has allowed for a successful handover resulting in an integrated management of customers and under the AENOR-certified model in Business Advice and in Foreign Trade and Cash Management through our value proposition.

CaixaBank Business offers innovative solutions and specialised attention in 145 centres distributed throughout Spain, providing advanced advice through videoconferencing and the Business Wall. Thanks to a team of over 1,700 experts, we can respond to the needs of every business.

The Company strives to continually improve its customer relations by promoting credit and financing so the *NextGeneration EU* Funds can reach the entire business fabric with the aim of reactivating the economy, as well as broadening the corporate customer base.

Main **indicators**

87.4
EXPERIENCE RATING
87.2 IN 2020

€55,678 m
FUNDS OF INVESTMENT
+17% COMPARED TO 2020

23.7%
SHARE OF LOANS TO COMPANIES[1]
+7.3 PP IN 2020

31.5% RECEIVED **39.2%** ISSUED
SHARE OF INTERNATIONAL GUARANTEES[1]
★ LEADERS

28.9%
30.9% AS AT DECEMBER 2020
FACTORING* AND *REVERSE FACTORING[1]
★ LEADERS

[1] As at November 2021

8

Milestones of 2021

- Creation of a portal and an aid search engine, for customers and non-customers to access **NextGeneration EU *Funds***.
- **New *Reverse Factoring*** app allowing advance payment on invoices online.
- New ***Ready To Finance*** product for financing 100% digital payments.
- Digital signature available for all company documents[1].
- **Hotels & Tourism**
  We have once again supported the sector during the second year in which has been hard hit by the pandemic. Loan production data reached record levels, reaffirming our leadership position and confidence in a key sector for our country's economic recovery.

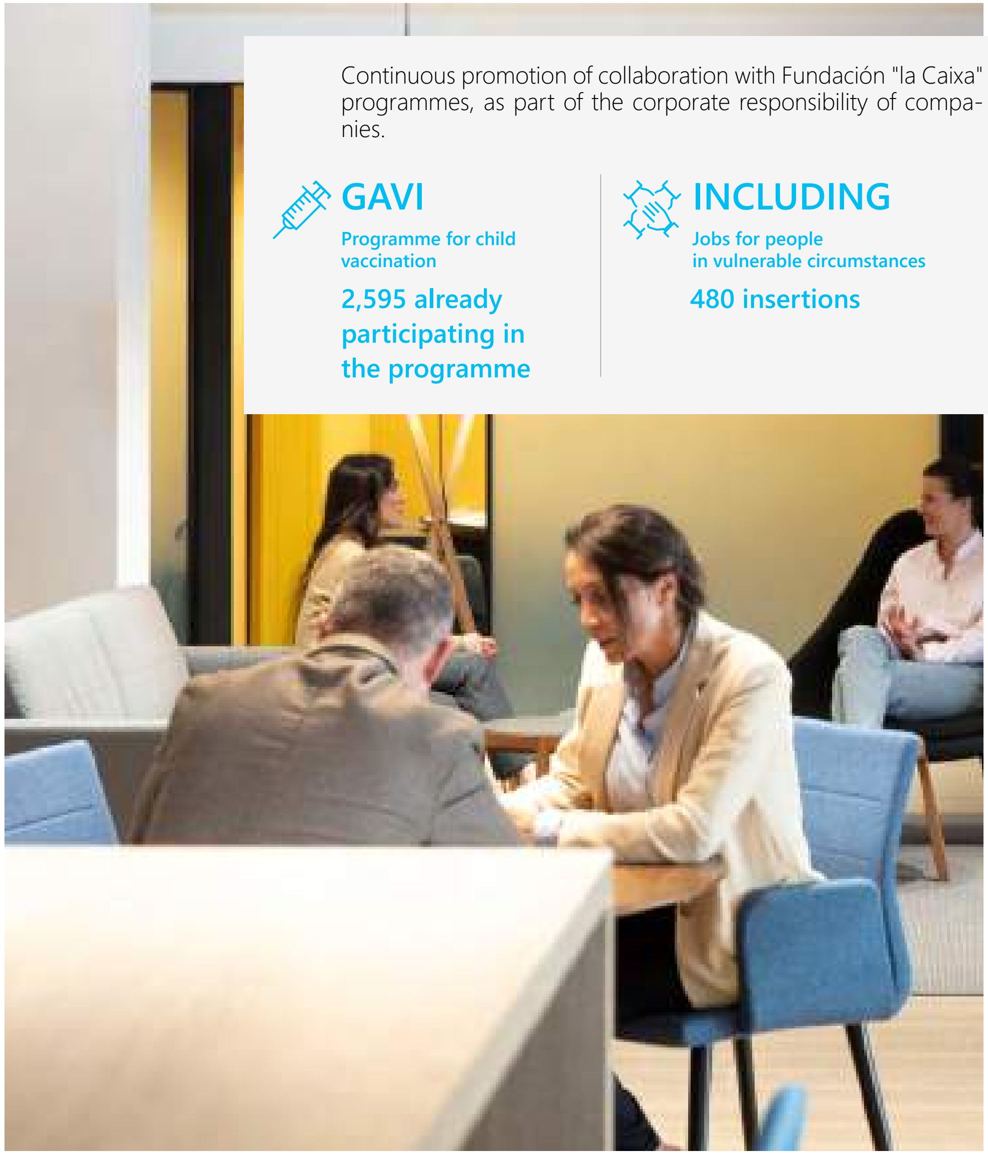
€2,525 m
NEW CONCESSION IN THE SECTOR

- **Real Estate & Homes**
  Real estate development is one of the engines of economic recovery. CaixaBank Real Estate & Homes consolidates our financing to companies in the sector and facilitates subrogations for home buyers.
- **Global Financing solutions**
  Record level of specialised financing operations, covering the entire national territory of Spain with a strong presence in agri-food, industry, and service sector.

  More than 250 signed transactions, and volume of nearly €3,500 m, with a presence in bi-lateral, syndicated, corporate and acquisition financing.

3 8 11

[1] Except knowledge and experience test.



Continuous promotion of collaboration with Fundación "la Caixa" programmes, as part of the corporate responsibility of companies.

GAVI
Programme for child vaccination
2,595 already participating in the programme

INCLUDING
Jobs for people in vulnerable circumstances
480 insertions

Corporate & Institutional Banking

CaixaBank Corporate & Institutional Banking | CaixaBank International Banking

Corporate clients with a turnover of over **€500 m**, financial sponsors, institutions and international clients

The CIB & International Banking service integrates three business areas - Corporate Banking, Institutional Banking and International Banking - as well as several product areas that provide services to customers, such as Capital Markets, Cash Management, Project Finance, Asset Finance, and M&A.

Corporate Banking develops and manages the relationship with national and international corporate clients with the objective of becoming their financial institution of reference. With a presence in Madrid, Barcelona and Bilbao and through a sector coverage structure[1], it manages 750 commercial groups and a unique offer of structured financing, working capital, trade finance, capital market and advisory products. It also engages with international and domestic multilateral entities (BEI Group[2], IFC[3] and ICO[4]).

International Banking offers support to branch, CIB and Corporate Banking customers operating abroad and to large local corporates through its 27 international points of presence and 183 representatives.

Institutional Banking serves public and private sector institutions with a value proposition that combines high specialisation, proximity to customers and a comprehensive set of financial services and solutions tailored to their needs.

Main **indicators**

€81,033 m
FUNDS OF INVESTMENT

€10,986 m
SUSTAINABLE FINANCE[2]
€4,740 m IN 2020

€3,993 m
INVESTMENT IN RENEWABLE ENERGY PROJECTS[2]
€3,000 m IN 2020

1,660
AGREEMENTS WITH CORRESPONDENT BANKS
SUPPORT TO OUR INTERNATIONAL CORRESPONDENT BANKS TO FINANCE FOREIGN TRADE ACTIVITIES FOR CAIXABANK CUSTOMERS

International presence

18
REPRESENTATION OFFICES

Milan, Beijing, Shanghai, Hong Kong, Singapore, New Delhi, Sydney, Dubai, Istanbul, Cairo, Algiers, Johannesburg, Toronto, New York, Bogota, Lima, Sao Paulo, Santiago de Chile.

6
INTERNATIONAL BRANCHES (9 BRANCHES)

- Warsaw
- Morocco (3 branches: Casablanca - Tangier - Agadir)
- London
- Frankfurt
- Paris
- Portugal (2 branches: Porto - Lisbon)

[1] Energy & TMT (*Technology, Media and Telecom*), Construction and Infrastructure and Real Estate, Industries and FIG (*Financial Institutions Groups*). [2] European Investment Bank. [3] *International Finance Corporation*. [4] Official Credit Institute.
[2] The data include new projects and refinancing operations.

Milestones of 2021

- Strong growth in International Branches, up 47.0% in turnover. The newly created branches in London, Paris and Germany stand out, confirming the strategic international expansion of the CIB business.
- A significant position in **Renewable Energy Financing** with €3,993 million allocated to more than 50 projects, a 31% rise when compared to 2020.
- We have consolidated the 2nd position in the domestic market for **Procurement and Corporate Financing** with a signed volume of €5,300 million. We have also increased the business activity by another €5,100 million signed through our international branches.
- We have reinforced our position as a benchmark in ***Commercial Real Estate*** in Spain. We have exceeded €1,100 million in new investment through 35 operations.
- Strong activity of ***Structured Trade Finance*** and international branches, increasing international lending through hedged operations (*Export Credit Agencies*, ECA) by more than €1,500 million, up 62% with respect to 2020.
- Significant volume of investment formalised by ***Asset Finance***, more than €1,900 million, a 158% increase when compared to 2020. The investment in international freight transport in the naval and aviation sectors for an amount of €625 million stands out.
- Given the context of low interest rates, the investment strategy for the **Public Sector** in 2021 focused on short-term operations, with a significant activity in the replacement of state financing mechanisms for Autonomous Communities.

8 9

Sustainable finance

RECORD-BREAKING SUSTAINABLE FINANCING

- Mobilisation of €30,766 million in Sustainable Financing in 2021, 151% more than the previous year.
- In relation to **Sustainable Loans**, 87 operations for €10,986 million were completed in 2021, which represents a 132% increase when compared to 2020.
- The Company has participated as a *Bookrunner* in the issuance of 18 **Green, Social and Sustainable Bonds** for corporate and institutional customers. Considering the total own and external issuances, €19,780 million were mobilised in 2021, 164% more than the previous year.

INNOVATION IN TRANSACTIONAL BANKING AND DERIVATIVES

- In 2021, a plan was drawn up to improve our position in the ***Sustainable Transactional Banking*** market that relies on innovative solutions that are tailored to the everyday financial needs of companies. With regard to Sustainable loans, 15 transactional operations were carried out, mobilising €4,158 million for companies in various sectors.

ENGAGEMENT WITH CUSTOMERS

- The Company has developed its own methodology based on the Cambridge Institute for Sustainability Leadership and UNEP-FI Guide to offer **an ESG advisory service** for corporate and institutional clients (launched in January 2022).

PROMOTION OF GREEN HYDROGEN

- An initiative has been launched to support corporate customers in the development of projects related to the **Green hydrogen**. This technology is seen as a potential driver for decarbonisation in sensitive sectors.

AWARD-WINNING OPERATIONS IN 2021

01. Fargo Project, to mitigate the impact of climate change, was recognised as the ***Deal of the Year Americas*** by PFI:
CaixaBank and SMBC led the RCF as co-coordinators and sustainability agents, and advised Acciona in the development of a sustainable financing framework for the project.

02. ***Vineyard Wind*** recognised as ***the ESG Deal of the Year Global***
The 800 MW project was carried out by Avangrid and CIP.

03. Courseulles sur mer (Eoliennes Offshore du Calvados) ***Project*** was recognised as the ***Offshore Wind of the Year Europe***
This project was carried out by *EDF Renewable, Enbridge and WPD.*

04. Project ***Enfinium Deal of the Year Europe***
Financing for the acquisition of the British waste company formally known as Wheelabrator.

[1] https://www.youtube.com/watch?v=2qu_XS8TSZc&feature=emb_title

BPI

BPI is a financial institution focused on commercial banking in Portugal, where it is the fourth largest financial institution in terms of business volume, with shares of 11% in loans and customer funds.

BPI's business is distributed across Personal, Business, Premier and InTouch and Private Banking, and across Business and Institutional, and Corporate and Investment Banking. BPI offers a complete range of financial products and services, adapted to the specific needs of every sector through a specialised, omnichannel and fully integrated distribution network.

BPI's product offerings are complemented by solutions from various CaixaBank companies: Investment and savings products from BPI Gestión de Activos, Seguros de vida y Financieros de BPI Vida e Pensões, Tarjetas de CaixaBank Payments & Consumer and with the distribution of Allianz Portugal's non-life insurance and Cosec's credit insurance.

Strategic priorities 2019 - 2021

- Sustainable growth of profits
- Speeding up the transformation of the customers' experience
- Developing the bank's human resources
- Improving operational and organisational efficiency
- Consolidating the bank's reputation based on the quality of customer service and social commitment

ACKNOWLEDGEMENTS

- Brand of Excellence
- Brand of Trust
- National Sustainability Award: "Equality and Diversity"
- Best Reputation in the Industry

Main indicators

1.8 m OF CUSTOMERS
€1.9 m IN 2020

4,478 EMPLOYEES
4,622 IN 2020

348 BRANCHES
424 IN 2020

€41,133 m TOTAL ASSETS
€37,564 m IN 2020

€27,507 m GROSS LOANS TO CUSTOMERS
+7.3% COMPARED TO 2020

€35,677 m TOTAL RESOURCES CUSTOMERS
+9.4% COMPARED TO 2020

Milestones of 2021

- New BPI Citizens segment, targeted towards resident foreign customers.
- Promoting digitisation and improving customer experience in digital channels:
  - BPI recognised as 2nd *"Best Private Bank for Digitally Empowering Relationship Managers in Europe"* for the digitisation of its financial advisers. 88% of Private Banking customers use digital channels.
  - Simplification in the contracting, cancellation and replacement of debit cards.
  - Availability of Prestige Products with immediate credit, Life Insurance and Protection Insurance associated with the credit.
  - Marketing of credit cards and the catalogue of Prestige Products in BPI Net Empresas.
- Consolidation of the BPI inTouch service, with the opening of 3 new Centres and the extension of the service to Customers of the Non-Resident and Premier segments.
- Implementation of the Customer Experience Index (IEX) to assess the quality of BPI's Private Banking service.

ACKNOWLEDGEMENTS

- Financial planning simulator
- Savings Plans for Retirement
- Banking - Prestige Products

New products/services launched in 2021

ONLINE LOANS

Mortgage Credit Simulator and start-up of Mortgage Credit contracting in Digital Channels, with online decision and Immediate Credit simulator for Companies with automatic decision, 100% online and availability of funds on the spot.

BPI EMPRESAS APP

New BPI Empresas App with a completely renewed design, simplified browsing, biometric authentication and new features.

BUSINESS LIFE INSURANCE

New BPI Vida e Pensoes insurance, aimed at entrepreneurs, business employees and their families.

BPI SWITCH

New exclusive product for Private Banking clients that allows investment rotation in a tax-efficient environment through 10 autonomous funds with different asset classes and different levels of associated risk.

BPI BROKER

Launch of BPI Broker on BPI Net to facilitate market monitoring and to allow greater agility in trading on the Stock Exchange.

LINHA BPI/PRR

New support line aimed at companies with applications submitted to the Recovery and Resilience Plan.

LINHA BPI/FEI EGF

BPI offers a line of €800 m to support Portuguese Small and Medium-sized Enterprises (SMEs), guaranteed by the European Investment Fund.

TPA - ACQUIRING MB AND VISA/MASTERCARD

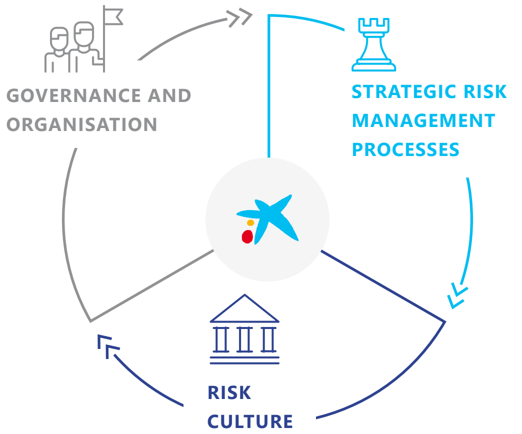
Simpler, with flexible and dynamic pricing options depending on billing.

Risk **management**

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

CaixaBank aims to keep its average risk profile low, with a comfortable capital adequacy ratio and comfortable liquidity metrics, in line with its business model and the risk appetite defined by the Board of Directors.

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



KEY ELEMENTS OF THE RISK MANAGEMENT FRAMEWORK

01. GOVERNANCE AND ORGANISATION

Internal policies, rules and procedures ensure adequate supervision by the governing bodies, steering committees, and by CaixaBank's specialised teams.

03. RISK CULTURE

The Group's risk culture is imparted through training, communication and the performance-based assessment and remuneration of staff.

02. STRATEGIC RISK MANAGEMENT PROCESSES

to identify, measure, monitor, control and report risks:

Identification and assessment of risks. *Risk Assessment:* A six-monthly risk self-assessment of the Group's risk profile. Its objective is to assess the inherent risk situation and its trend, management and control, as well as the results for each of the risks in the Catalogue. It is one of the main sources for identifying: **emerging risks**, risks whose materiality or importance is trending in such a way that they could be explicitly included in the catalogue of risks, and **strategic events**, which affect one or more risks that, due to their potential impact in the medium or long term, should be given special attention.

Classification and definition of Risks. Corporate Risk Catalogue: An annually-reviewed list and description of the material risks identified in the *Risk Assessment*. It facilitates monitoring and *reporting* of the Group's risks, both internally and externally.

Risk Appetite Framework (RAF): A comprehensive and forward-looking tool used by the Board of Directors to determine the types and thresholds of risk it is willing to assume in achieving the Group's strategic objectives in relation to the risks included in the Risk Taxonomy.

The most noteworthy aspects of risk management and activities in 2021 for the various risks identified in the Corporate Risk Catalogue are detailed below:

BUSINESS MODEL RISKS

	RISKS	RISK MANAGEMENT	KEY MILESTONES
BUSINESS PROFITABILITY	Obtaining results below market expectations or Group targets that, ultimately, prevent the company from reaching a level of sustainable returns greater than the cost of capital.	The management of this risk is supported by the financial planning process, which is continually monitored to assess the fulfilment of the strategy and budget. After quantifying the number of deviations and identifying their cause, conclusions are presented to the management and governing bodies to evaluate the benefits of making adjustments to ensure that the internal objectives are fulfilled.	In 2021, the ROTE (Return on Tangible Equity) was below the cost of capital, and core income fell in a context of low interest rates. Despite the current economic context, we are seeing a gradual recovery in production and a cost of risk at low levels (23 bp in 2021).
OWN FUNDS / SOLVENCY	Risk caused by a restriction of the CaixaBank Group's ability to adapt its level of capital to regulatory requirements or to a change in its risk profile.	The CaixaBank Group's solvency targets have been set at a CET1 ratio of between 11.0% to 11.5%, without considering transitional IFRS9 adjustments and a buffer of between 250 and 300 basis points on the SREP regulatory requirement (*MDA buffer*).	On the one hand, 2021 saw a milestone announcement by the ECB not to extend its recommendation on the distribution of dividends by credit institutions beyond September 2021. In this regard, the Board of Directors agreed to a cash dividend distribution of 50% of the consolidated net profit for 2021—adjusted for the extraordinary impacts related to the merger with Bankia—payable in a single payment in 2022. Furthermore, following integration with Bankia, the supervisory authorities have updated the minimum capital requirements applicable to the CaixaBank Group. Thus, the ECB has updated the Pillar 2R Requirement, increasing it by 15 basis points to 1.65%. The Bank of Spain, for its part, has announced that the OEIS[1] capital buffer will be increased by 25 basis points, raising to 0.50%, from 1 January 2023, with a transition phase that goes from the current 25 basis points, in force for 2021, to 37.5 basis points for 2022. Thus, the minimum requirements of CET1 for the merged entity at December 2021 stood at 8.19% for the ordinary capital ratio Level 1 (CET1), which includes the Pillar 1 regulatory minimum (4.5%), the Pillar 2 Requirement R1 (0.93%), the capital conservation buffer (2.5%), the OEIS buffer (0.25%) and the countercyclical buffer (0.01%).

[1] Other Systemically Important Institution.

BUSINESS MODEL RISKS

LIQUIDITY AND FUNDING

RISKS

Risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements or the investment needs of the Group.

RISK MANAGEMENT

The management approach is based on a decentralised system with the segregation of functions aiming to maintain an efficient level of liquid assets; the active management of liquidity and the sustainability and stability of funding sources in both normal and stress scenarios.

KEY MILESTONES

Total liquid assets stood at €168,349 million at 31 December 2021, up €53,898 million in the year, mainly due to the integration of Bankia and the net contribution of liquidity from the commercial gap. The LCR (average 12 months) stood at 320% and the NSFR stood at 154% at 31 December 2021. Institutional financing amounted to €54,100 million, performing very well in 2021 due to the Group's success in accessing markets with different debt instruments.

RISKS ASSOCIATED WITH FINANCIAL ACTIVITY

CREDIT

RISKS

A decrease in the value of the CaixaBank Group's assets due to a decline in a customer's or counterparty's capacity to meet its obligations to the Group.

RISK MANAGEMENT

This is the most significant risk for the Group's balance sheet. It is derived from its banking and insurance activity, cash flow operations, and its investee portfolio, encompassing the entire management cycle of the operations.

The principles and policies that underpin credit risk management are:

- A prudent approvals policy based on: (i) an appropriate relationship between income and the expenses borne by consumers; (ii) documentary proof of the information provided by the borrower and the borrower's solvency; (iii) pre-contractual information and information protocols that are appropriate to the personal circumstances and characteristics of each customer and operation.
- Monitoring the quality of assets throughout their life cycle based on preventive management and early recognition of impairment.
- Up-to-date and accurate assessments of the impairment at any given time and diligent management of non-performing loans and recoveries.

KEY MILESTONES

During 2021, the Group continued to actively participate in channelling financing to companies and other support measures for individuals under legislative and sectoral initiatives to mitigate the impact of the situation caused by COVID-19. In this context, from a risk management and control point of view, the Group has continued to foster monitoring and recovery processes.

The NPL ratio remained more or less stable in 2021—following the integration of Bankia in March 2021—at around 3.6%, the level at which the Group closed 2021. Furthermore, NPL coverage sat comfortably above 60%.

RISKS ASSOCIATED WITH FINANCIAL ACTIVITY

	RISKS	RISK MANAGEMENT	KEY MILESTONES
ACTUARIAL	Risk of a loss or adverse change to the value of the commitment assumed through insurance or pension contracts with customers or employees due to the differences between the estimated actuarial variables used in the tariff model and reserves and the actual performance of these.	This risk is managed in order to ensure the Group has the capacity to meet commitments to its insured parties, to optimise the technical margin and to keep balances within the limits established in the risk appetite framework.	
STRUCTURAL OF INTEREST RATES	Negative impact on the economic value of balance sheet items or on the net interest margin due to changes in the temporary structure of interest rates over time and the impact thereof on asset and liability instruments and off-balance sheet items not held in the trading portfolio.	This risk is managed by optimising the net interest margin and keeping the carrying amount of assets within the limits established in the risk appetite framework.	In 2021, CaixaBank's balance sheet was positioned to benefit from increases in interest rates. The reasons for this positioning are of a structural and managerial nature. From a structural point of view, exceptionally low interest rates have continued to drive growth in on-demand accounts, in part due to movements away from fixed-term deposits.
MARKET	Loss of value, with impact on results or solvency, of a portfolio (set of assets and liabilities), due to adverse movements in prices or market rates.	Its management is focused on maintaining a low and stable risk below the established appetite limits, which have remained at the same levels after the integration of Bankia. The market risk of the trading book is measured daily using an internal model subject to regulatory supervision.	

OPERATIONAL AND REPUTATIONAL RISK

CONDUCT AND COMPLIANCE

RISKS

The application of 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 with internal policies, regulations or procedures, or with codes of conduct, ethical standards and good practice.

RISK MANAGEMENT

Conduct and compliance risk management is not just the responsibility of a single department, but of the entire CaixaBank Group. All employees must strive to ensure compliance with current legislation and to implement procedures to translate this legislation to their day-to-day work.

KEY MILESTONES

In 2021, the processes and operations of Bankia customers and employees were integrated into CaixaBank's risk management model using unique policies and procedures.

Likewise, the Group has continued to reinforce a culture and awareness of conduct and compliance within the organisation and among Bankia employees through training programmes, conduct indicators in corporate challenges and awareness sessions. In this respect, the compliance target set for 2021 was met.

In June 2021, the Group obtained ISO 37301 certification regarding the Compliance Management System. This process entailed a comprehensive review of the elements with the aim of confirming alignment with best regulatory practices.

OPERATIONAL AND REPUTATIONAL RISK

	RISKS	RISK MANAGEMENT	KEY MILESTONES
LEGAL / REGULATORY See more details in the section on Regulatory context	Potential losses or decreases in the CaixaBank Group's profitability as a result of legislative changes, the incorrect implementation of said legislation in the CaixaBank Group's processes, the misinterpretation of legislation applied to operations, incorrect handling of court or administrative rulings or of claims or complaints received.	Legal and regulatory risks are managed so as to safeguard the Group's legal integrity and to anticipate and mitigate future economic harm by monitoring regulatory changes, participating in public consultation processes, helping to build a predictable, efficient and sound legal framework, and interpreting and implementing regulatory changes. This is also achieved by managing the case-by-case defence of the Group in judicial and extrajudicial proceedings, and monitoring the impact of such proceedings on the Group's assets.	Some of the most important legislative milestones in 2021 were the publication of the following regulations and proposals: (i) Royal Decree-Law (RDL) 5/2021 on extraordinary measures to support business solvency; (ii) Law 5/2021, introducing new developments in relation to long-term shareholder involvement; (iii) RDL 7/2021 and 24/2021, which have transposed, among others, the second Banking Recovery and Resolution Directive (BRRD 2), the fifth Capital Requirements Directive (CRD 5), the fifth Anti-money Laundering Directive (AMLD 5) and the Covered Bonds Directive; (iv) new proposals for the revision of the Capital Requirements Regulation and Capital Requirements Directive (CRR 3 and CRD 6, respectively) by the European Commission; (v) Delegated Regulations (EU) 2021/2139 and 2021/2178 introducing the new Climate Taxonomy; (vi) launch of the research phase of the Digital Euro by the ECB and creation of the *Market Advisory Group*; (VII) legal substitute for CHF LIBOR and EONIA; (viii) proposal for the revision of the Consumer Credit Directive and the public consultation of the revision of the Mortgage Credit Directive; (ix) proposals from the European Commission for a new regulation to create the new European AML/CFT Supervisory Authority (AMLA) and a first regulation on AML/CFT obligations; (x) endorsement of the use of International Financial Reporting Standards for Insurance Contracts (IFRS 17).
TECHNOLOGICAL	Risks of losses due to *hardware* or *software* inadequacies or failures in technical infrastructure, due to cyberattacks or other circumstances, that could compromise the availability, integrity, accessibility and security of the infrastructures and data.	Managing this risk involved identifying, measuring, assessing, mitigating, monitoring and reporting the risk levels involved in the governance and management of Information Technology. The governance frameworks used have been designed according to internationally recognised standards.	The technology integration project between Bankia and CaixaBank, successfully completed in the last quarter of 2021, has been the main milestone in this area.

OPERATIONAL AND REPUTATIONAL RISK

INFORMATION RELIABILITY

RISKS

Risk of deficiencies in the accuracy or integrity of and the criteria used to prepare the data and information necessary to evaluate the financial and equity situation of the CaixaBank Group or the information provided to stakeholders and that published to allow the market a holistic vision of the sustainability of the business in terms of its environment and in relation to environmental, social and governance (ESG) principles.

RISK MANAGEMENT

The management and control of information reliability risk is mainly carried out through the existence, maintenance and monitoring of the proper functioning of the Internal Control over Financial Reporting System (ICFR) and the Internal Control over Non-Financial Reporting System (ICNFR), in addition to other metrics, procedures and policies related to financial and non-financial information.

KEY MILESTONES

In the context of the merger process between CaixaBank and Bankia, control activities on financial information were performed in parallel in the two technological environments until the integration was completed, as well as the incorporation and certification of controls designed to ensure the information migration process and the correct calculation of the business combination adjustment.

In relation to non-financial information risk, in 2021 work continued to broaden the scope of the control environment, including adaptation to organisational changes arising from integration, as well as monitoring and reviewing non-financial indicators.

MODEL

RISKS

Potential adverse consequences for the Group arising from decisions based mainly on the results of internal models with errors in the construction, application or use thereof.

RISK MANAGEMENT

Model risk is managed on the basis of three main strategies:

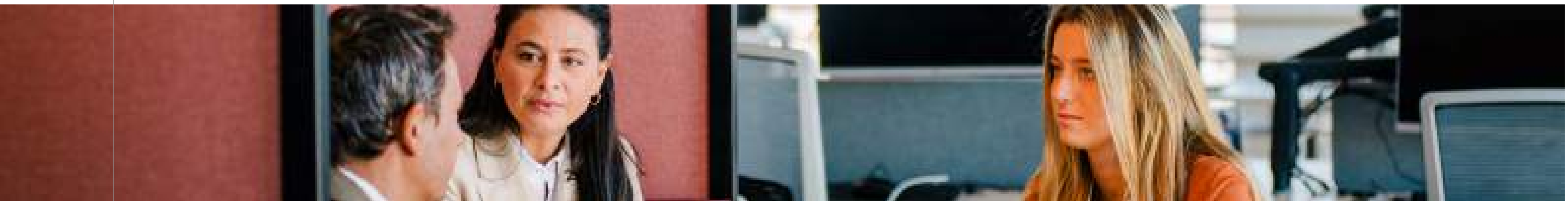
- Identifying existing models, assessing the quality thereof and how they are used by the Group.
- The establishment of a framework of governance, managing each model according to its materiality (management based on *Tier*).
- Monitoring using a set of KPIs to flag up model risk, breaking model risk down into its main sub-risks (quality, governance, control environment).

KEY MILESTONES

As main milestones, in 2021, the framework for managing and controlling model risk was developed alongside stakeholders in related areas (developers and validation units). The Group also implemented the reporting framework, which allows the most relevant models to be disclosed, as well as significant aspects of risk management.

OPERATIONAL AND REPUTATIONAL RISK

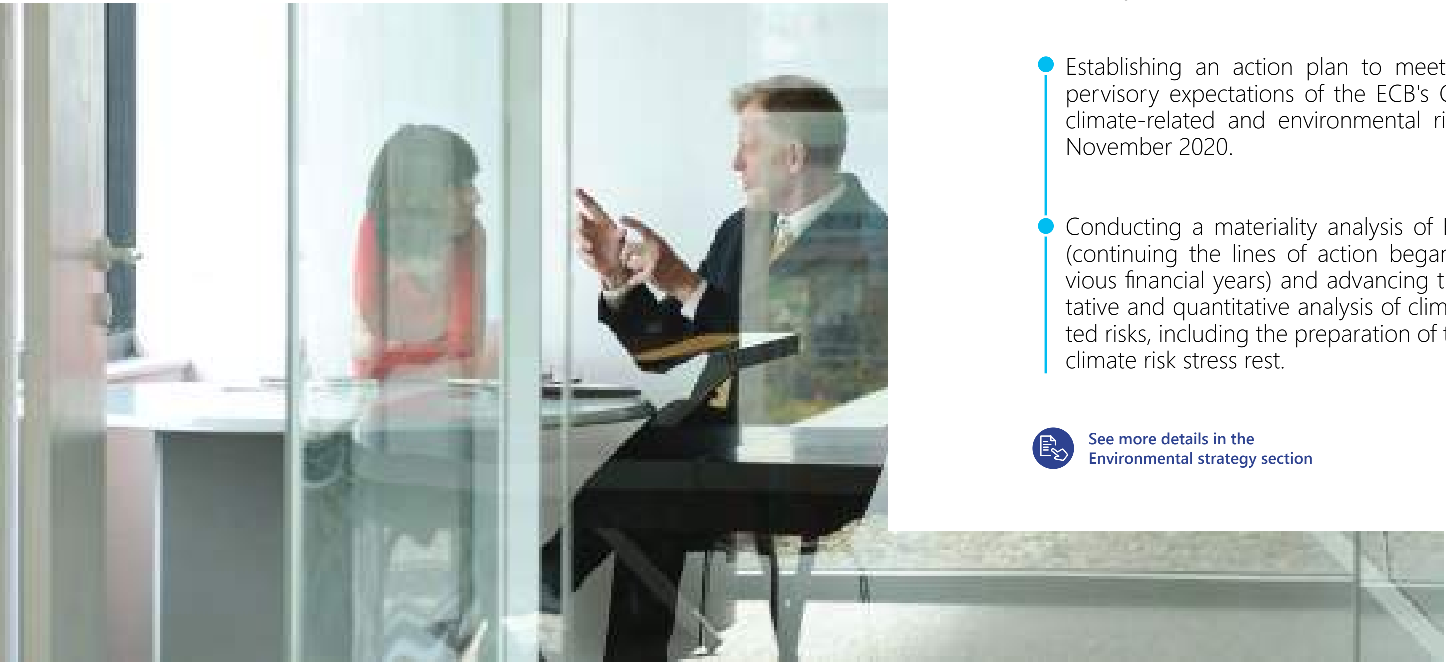
	RISKS	RISK MANAGEMENT	KEY MILESTONES
OTHER OPERATIONAL RISKS	Risk of loss or damage caused by errors or shortcomings in processes, due to external events or due to the accidental or intentional actions of third parties outside the Group. This includes risk factors related to outsourcing, the custody of securities or external fraud.	Managing this risk involved identifying, measuring, assessing, mitigating, monitoring and reporting the risk levels involved in the governance and management of outsourcing, external fraud, business continuity, etc. seeking to avoid or mitigate negative impacts on the Group, either directly or indirectly due to the impact on relevant stakeholders (e.g. customers), arising from inadequate internal processes or from the actions of third parties.	During 2021, the Group rolled out the specialised second line of defence for "other operational risks" such as external fraud, business continuity and outsourcing risks. This area also covered the integration of Bankia and CaixaBank.
REPUTATIONAL	The possibility that CaixaBank Group's competitive edge could be blunted by loss of trust by some of its stakeholders, based on their assessment of real or purported actions or omissions carried out by the Group, its Senior Management or governance bodies, or due to the bankruptcy of related unconsolidated entities (*Step-In* risk).	This management approach aims achieve a satisfactory level on the main CaixaBank reputation indicators.In particular, it aims to help promote a positive perception of the entity by all its stakeholders through ongoing dialogue and fluid communication with all of them, as well as to advance the mitigating and preventive measures of this risk throughout the organisation.	In terms of governing this risk, progress has been made with the creation of a cross-cutting Reputational Risk Committee. In addition, reporting to Governing Bodies has been strengthened with new information tools such as the quarterly identification of critical milestones that affect the Group's reputation. In the field of risk prevention and management, the Group has bolstered the protocol for reputational crisis management, as well as control of this risk in the field of customer registration. In addition, ESG (environmental, social and governance) criteria were used to monitor the sustainability risks, especially by the Sustainability Committee.



THE MOST RELEVANT CHANGES TO THE REVIEW OF THE CATALOGUE IN 2021:

01. RISK OF IMPAIRMENT OF OTHER ASSETS

Integrating the risk of impairment of other assets (such as equity investees, deferred tax assets, intangible assets and property) as part of credit risk, in line with the regulatory treatment, even taking into account the specific management of some of the above.



02. ESG RISK (SUSTAINABILITY)

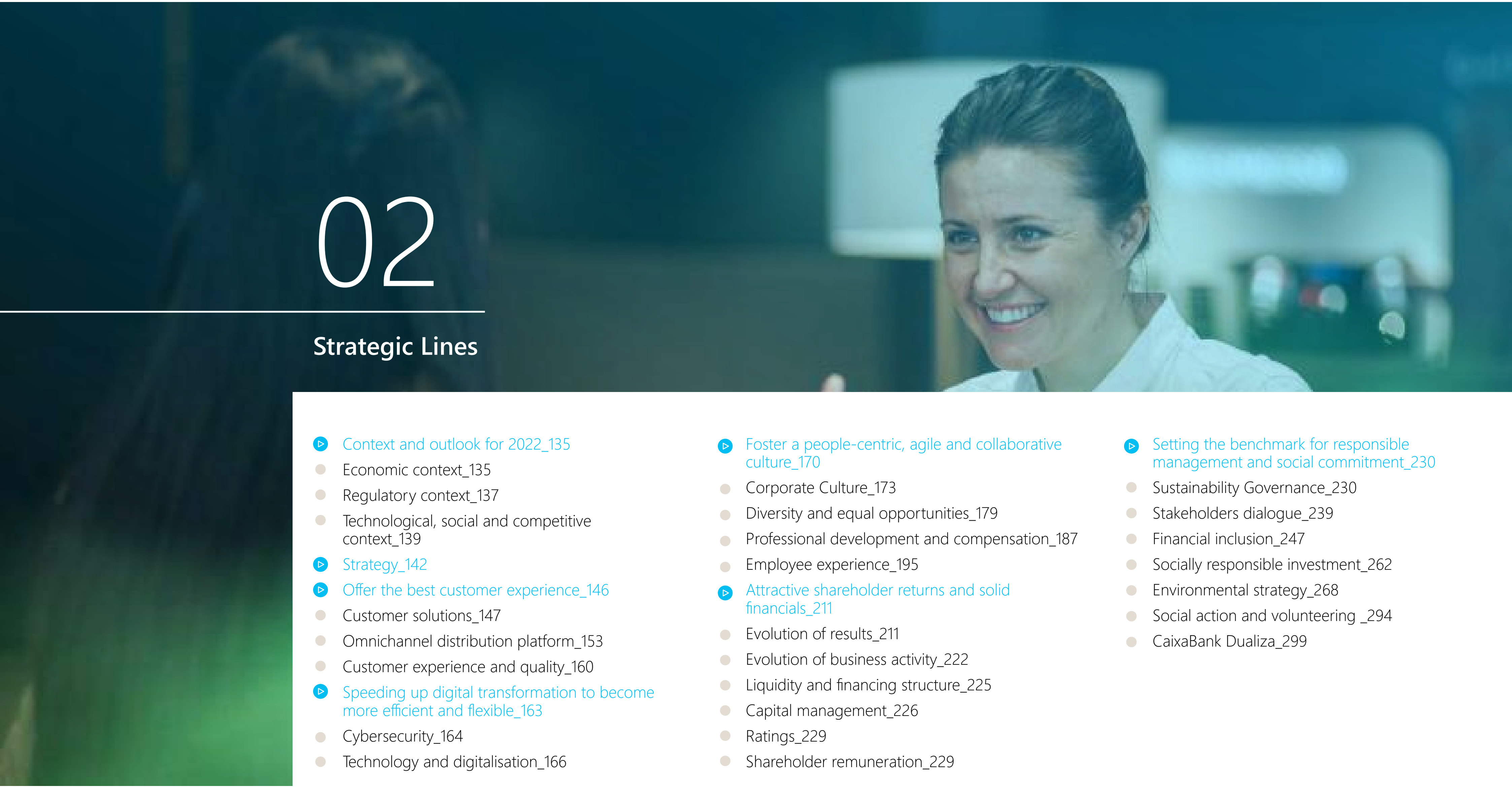
With regard to ESG risk (sustainability): it remains a candidate to emerge in the Corporate Catalogue during 2022 given its growing relevance. It is currently included in the Catalogue as a transversal factor in several of its risks (credit, reputational, other operational risks).

It should also be mentioned that CaixaBank has integrated specific ESG aspects in risk management into its Socially Responsible Banking Plan approved by the Board of Directors in 2017. In this regard, the environmental strategy approved by the Management Committee, which is embodied in active management of environmental risks and those associated with climate change, stands out.

In this regard, CaixaBank's lines of action in 2021 were the following:

- Establishing an action plan to meet the supervisory expectations of the ECB's Guide on climate-related and environmental risks from November 2020.
- Conducting a materiality analysis of ESG risks (continuing the lines of action began in previous financial years) and advancing the qualitative and quantitative analysis of climate-related risks, including the preparation of the ECB's climate risk stress rest.
- Advancing the classification of portfolios, in compliance with the EU Taxonomy Regulation.
- Signing up to the *Net Zero Banking Alliance*, committing to align its financing portfolios to the Paris Agreement targets and achieve net zero emissions by 2050.

See more details in the Environmental strategy section



02

Strategic Lines

Context and outlook for **2022**

Economic **context**

Evolution **in global economy and eurozone**

After the historic recession in 2020 (3.1% drop in global GDP), as a result of COVID-19 and the severe restrictions on activity imposed to contain it, the global economy recorded a strong recovery in 2021, with an estimated increase in GDP of around 6%. The rapid and robust economic policies that began in 2020 and followed in 2021, together with the gradual withdrawal of a large part of the restrictions, propped up the recovery throughout the year.

However, the recovery was uneven; just as the shock had a heterogeneous impact, some countries felt the recovery more than others. Thus, when the pandemic erupted in 2020, and wave after of wave came crashing down, despite being a global shock, the intensity varied from one place to another depending on the sectoral characteristics of the local economy; the more or less aggressive containment strategy; and, finally, the degree of economic stimulus adopted. If the shock was global, but the impact local, something similar is happening with the recovery. In this regard, the key factors that have defined 2021 were the degree of vaccination of the population; the fiscal and monetary capacity to continue supporting the economy; the appearance of new variants of the virus, which have spread in widely disparate vaccination contexts; and the disruption of global supply chains. Thus, China's economy did not shrink with respect to the 2020 (+2.3%) and will have grown by around 8% in 2021; the United States. already reached pre-pandemic GDP levels in Q2 2021 (-3.4% in 2020 and estimated 5.4% in 2021); the eurozone will not reach these pre-COVID levels until 2022 (-6.5% in 2020 and around the estimated 5.1% in 2021).

For the next quarters, the global economic recovery will continue, albeit at a slower pace. Similarly, the risks of a further slowdown in progress are not negligible. Specifically, the impact of new variants and interruptions in the global supply chain are significant.

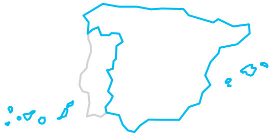
Global GDP rebound in 2021: **+6%** (estimated)

Recovery Eurozone 2022: **+4.1%** (forecast)

This reality, in turn, is fuelling even more concerns about inflation in many countries (such as in the US). In this regard, the pressure on the Fed to raise interest rates has intensified, and we estimate that it could do so up to three times in 2022. At a more regional level, the crisis at the Chinese property company Evergrande is a matter of concern. Although the possibility of international financial contagion is limited, the main risk comes from contagion in the domestic property sector, which would negatively affect the growth rate of the Asian giant.

In the eurozone, following a significant recovery in activity in the second and third quarters of 2021, the latest indicators show a weaker performance in the fourth quarter. Specifically, activity has been negatively affected by the supply shortage, which is impacting substantially on countries such as Germany, given its high exposure to the industrial sector (especially the automotive industry, which is highly integrated into global value chains). Furthermore, the increase in cases of COVID-19 in central and northern Europe has also led to new limitations on mobility, with clear effects on the economy. Even so, we estimate that the eurozone's GDP will have grown by around 5% in 2021. For 2022, the annual progress will slide down to around 4.1% with clear differences between countries: from more to less difference between Italy and France; and from less to more difference between Germany and Spain. The main countries in the eurozone will return to pre-pandemic GDP levels by 2022.

Evolution in **Spain**



In 2021, the Spanish economy recorded an intense recovery in activity and, above all, employment, which returned to pre-pandemic levels. However, the evolution throughout the year was characterised by ups and downs. After a hesitant start to the year, due to the effects of the third wave of the pandemic and adverse weather conditions, activity resumed its recovery in the second quarter thanks to widespread vaccination and the consequent easing on infection rates and hospital pressure. This, in turn, helped reactivate tourism flows and family spending, especially in activities that require more social interaction and which were more affected by the prior restrictive measures. These include activities that are hugely important to our economy, such as hospitality, leisure and tourism.

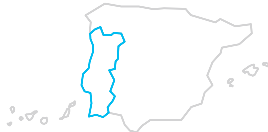
In the last stretch of the year, activity kept growing, albeit at a more moderate pace, against the backdrop of a strong rise in inflation due to the energy increase and supply chain difficulties due to bottlenecks. For 2021 as a whole, the GDP grew 5.0%. This means that, at the close of the year, GDP would still be 4.0% below pre-crisis levels (fourth quarter of 2019).

In 2022, it is expected that the economic recovery will gain further ground, while GDP growth will accelerate to 5.5%, so that GDP will reach the pre-crisis level of the fourth quarter of 2019 in the last quarter of 2022. The pandemic may still bring new waves of infections, but its impact on the healthcare system is expected to be limited thanks to the progress of vaccines, making it unnecessary to impose severe restrictive measures on activity again. Growth in 2022 will be based mainly on three leverage factors: the recovery of the tourism sector, the impact of European funds and pent-up demand. Even so, 2022 will not be without its share of uncertainty. On the one hand, the energy crisis that is being experienced in Europe has led to strong increases in energy prices that undermine the purchasing power of households and put pressure on business margins. The impact of this crisis, although acute, should be transitory and its effects should be moderated once winter has passed. Furthermore, disruptions in global supply chains will continue to hamper the industrial sector's recovery capacity, especially during the first half of 2022. However, the energy crisis and logistical problems are expected to have a relatively contained impact compared to the magnitude of growth drivers. Although new waves and/or new variants of the virus cannot be ruled out, we predict that the impact on the economy will be limited thanks to the effectiveness of vaccines in preventing the most severe cases of the disease, so it would not be necessary to implement measures to restrict activity.

Growth in 2022 will be based mainly on three leverage factors: the recovery of the tourism sector, the impact of European funds and pent-up demand

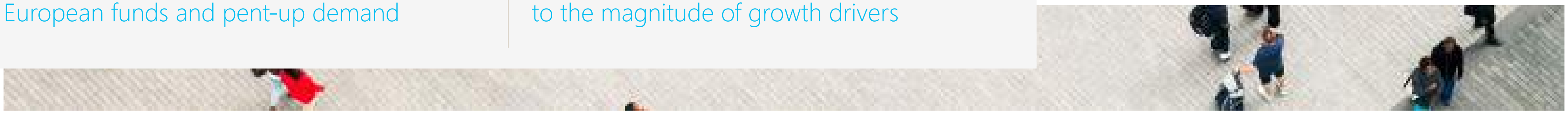
The energy crisis and logistical problems are expected to have a relatively contained impact compared to the magnitude of growth drivers

Evolution **in Portugal**



In 2021, the Portuguese economy experienced a notable recovery, although performance was uneven throughout the year. After a weak start to the year marked by a new wave of infections, March saw a gradual withdrawal of the measures restricting activity and mobility. In this vein, the economy registered marked dynamism, with GDP growth of 4.4% quarter-on-quarter in the second quarter and 2.9% in the third quarter. This recovery was supported by the success of the vaccination plan—with nearly 88% of the population fully vaccinated, Portugal was at the top of the global vaccination ranking—which contributed to the positive performance of tourism in the summer months. In the last quarter of the year, the pace of GDP growth is expected to slow down, reflecting, on the one hand, that activity is entering into a period of greater normality, but, on the other hand, that there is still some uncertainty regarding COVID-19 infections, the early elections scheduled for the end of January 2022, bottlenecks in production chains, and the increase in energy prices. The GDP grew 4.9% in 2021 as a whole, narrowing the gap at the end of the year with respect to the end of 2019 to 1.4%.

For 2022, taking into account the implementation of possible pandemic control restrictions—possibly more pronounced in the first months of the year—we forecast GDP growth of 4.9%. Increased tourism, European funds and accumulated savings will be the engines of growth in 2022 and will outweigh the factors that slow growth (energy crisis and bottlenecks). However, the scenario remains subject to some uncertainty that could prove unfavourable if the negative factors persist longer than expected, or favourable if they dissipate more quickly.



Regulatory context

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

CaixaBank takes a broad-based approach to influencing public policy, with the aim of supporting the economic development and growth of the regions in which it operates. CaixaBank is particularly in favour of regulatory initiatives designed to enhance financial stability and underpin good practice in the European banking system, especially those intended to further progress on the Banking Union, including the development of an effective resolution mechanism and the creation of a common deposit guarantee fund. Likewise, as a socially responsible entity, CaixaBank supports the development of a regulatory framework for sustainable finance to meet the goals of the 2030 Agenda and the Paris Agreement on Climate Change. In this realm, CaixaBank believes it is important to ensure a fair transition towards a sustainable economy. Other areas CaixaBank has worked on include measures to drive digital transformation, improve transparency and protect consumers.

CaixaBank does not engage direct lobbying or interest representation services to influence public authorities. Instead, in general, it shares its views through various associations to try to come to an understanding on the industry's position, although in some specific cases it may communicate directly with regulators and public authorities.

The **Regulation Committee** is the body responsible for defining CaixaBank's regulatory strategy and its position on regulatory and legislative initiatives. The Committee uses internal studies of proposed regulatory changes to identify potential unwanted effects or impacts that could be disproportionate in relation to the desired aim of the legislation. After analysing the proposals, the Committee decides on the regulatory strategy that will be channelled through associations or communicated directly to the authorities.

Relationships with political parties and public authorities are subject to CaixaBank's Code of Ethics and Action Principles and its Anti-Corruption Policy. These documents inform all of CaixaBank's interactions in regulatory processes.

CaixaBank's Code of Ethics and Anti-Corruption Policy are intended to ensure not only compliance with applicable legislation, but also to underscore its firm commitment to its ethical principles as signatories to the United Nations Global Compact and our determination to combat corruption in all its forms.

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

[1] Mainly CECA (€1,169,971), IIIF (€126,306) and ESBG-WSBI (€112,101).

MAIN INITIATIVES MONITORED BY CAIXABANK DURING THE YEAR THAT HAVE AN IMPACT ON THE GROUP

Sustainable finance

- Regulations and Delegated Acts on climate taxonomy and disclosure requirements
- EBA report standards for disclosure of ESG risks under Pillar 3
- EC consultation reports on social taxonomy and taxonomy linked to environmental objectives
- Proposal for European Sustainable Bond Regulations
- Proposal for a Corporate Sustainability Reporting Directive (CSRD)
- Delegated Acts on the integration of ESG preferences:
  - MiFID II
  - IDD (Insurance Distribution Directive)
  - AIFMD (Alternative Investment Managers Directive)
  - UCITS (Undertaking for the Collective Investment in Transferable Securities)
  - Solvency II
- European Climate Law
- Establishment of a global standard setter (IASB) and a European standard setter (EFRAG) for non-financial information

Markets

- Executive Regulations that establish a legal substitute for CHF LIBOR and EONIAEC Consultation of the Retail Investor Strategy
- Law on the new regime for related-party transactions and long-term shareholder engagement
- Quick review (quick fix) of the European securitisation framework
- RDL transposing the Covered Bonds Directive
- ESMA Consultation on the Suitability Assessment and Best Execution Guidelines

Innovation and digitisation

- Launch of the Digital Euro research phase
- Modification of the eIDAS Regulation (electronic Identification, Authentication and trust Services)
- Regulation on crypto-asset markets (MiCA)
- Regulations on the Digital Markets Act (DMA)
- Regulation on digital operational resilience of the financial sector (DORA)
- Regulation on harmonised standards in artificial intelligence (AI Regulation)

Financial stability and strengthening of the financial sector

- Flexibility measures in response to COVID-19, including:
  - Royal Decree-Law (RDL) 5/2021 on extraordinary measures to support business solvency, as well as the Code of Good Practices provided for therein
- RDL 7/2021 and 24/2021, transposing:
  - Second Banking Recovery and Resolution Directive (BRRD 2)
  - Fifth Capital Requirements Directive (CRD 5)
  - Fifth Anti-money Laundering Directive (AMLD 5)
- Application of second Capital Requirements Regulations (CRR 2)
- EC legislative proposal for CRR 3 (Capital Requirements Amendments Regulation) and CRD 6 (Capital Requirements Directive)
- Package of EC legislative proposals on AML/CFT, which includes, among others:
  - Regulation for the establishment of a new European AML/CFT Supervisory Authority (AMLA)
  - Regulation on AML/CFT obligations
- EBA consultation on update of the Supervisory Review and Evaluation Process (SREP)
- BE consultation on macroprudential tools
- EC public consultation on the review of the banking crisis management and deposit guarantee framework
- BCBS consultation on the prudential treatment of crypto-assets
- International Financial Reporting Standards

Consumer protection and transparency

- Review of the Consumer Credit Directive
- Consultation on the revision of the Mortgage Credit Directive
- Circular on the models of reserved statements on market conduct, transparency and customer protection, and on the register of complaints
- CNMV consultation on the modification of models of annual reports on directors' remuneration and corporate governance
- ECB guide on suitability assessment (fit & proper)
- Consultation on the Preliminary Draft Law regulating services for consumers and users acting in their capacity as customers

Social, technological and competitive context

Profitability and solvency

The improvement in the economic situation with respect to 2020 has allowed banking institutions to see their profitability return to levels similar to those observed before the outbreak of the pandemic. In particular, the return on equity (ROE) of the Spanish banking sector reached 10.94% in the third quarter of 2021[1], representing a year-on-year increase of 13.5 percentage points. The improvement was mainly due to positive extraordinary results in the first half of 2021 (especially the impact of the CaixaBank and Bankia merger) and lower provisions. Excluding CaixaBank and Bankia and, therefore, this positive extraordinary adjustment, the sector's aggregate ROE reached 9.78%, a similar profitability level as before 2020.

However, the sector's profitability levels remain relatively low when compared to other sectors, and they remain below the cost of capital. This is explained by a lower capacity for revenue generation as a result of prolonged low interest rates and the moderation of recurring activity. In particular, the credit portfolio, after growing significantly at the start of the pandemic as a result of economic policy support measures (mainly ICO guarantee lines), remained stable in 2021. Up to November 2021, the portfolio of credit to private-sector residents had increased by 0.6% in the year to date, although with marked differences in the evolution of the portfolio of credit to households and non-financial companies and the self-employed.

On the other hand, economic reactivation has led to a reduction in risks affecting financial stability, although the macroeconomic environment is still demanding and some vulnerabilities can be observed, including the financial vulnerability of households and businesses most affected by the restrictions on activity imposed during the pandemic.

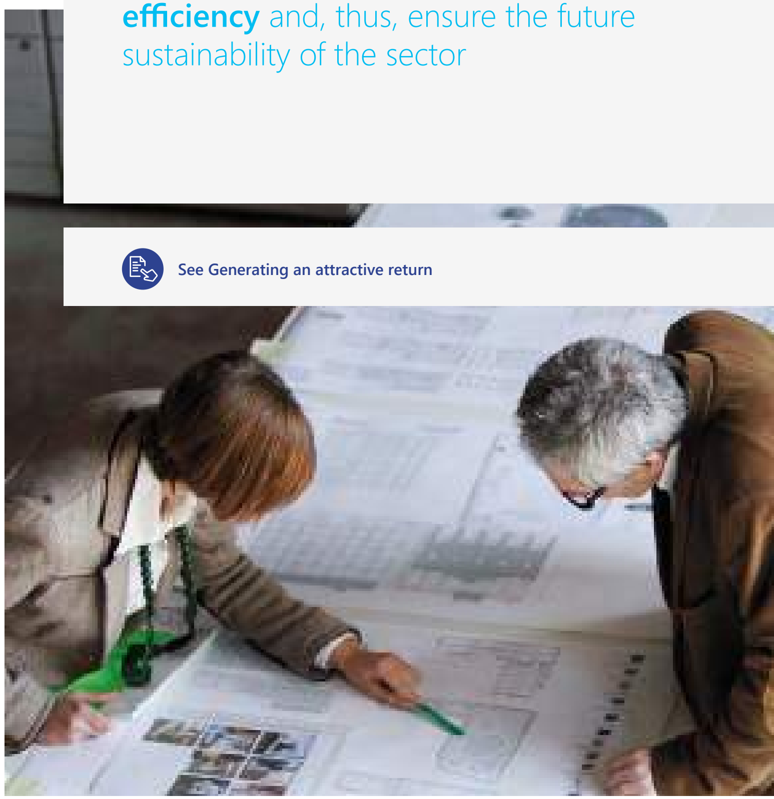
To date, credit quality has remained stable, thanks to a range of measures introduced by the Government and the sector (moratoria, furlough programmes and public guarantee schemes), which have significantly mitigated the effects of the pandemic on household and business incomes and prevented non-performing loans suddenly surging. In fact, the sector's NPL rate in Spain maintained its downward trend in 2021 (although at a lower rate than in the years prior to the pandemic), and in November 2021 it reached 4.29%, 0.3 percentage points below November 2020. As a result of this, and following the significant effort in provisions made in 2020, the sector reduced provisions to pre-pandemic levels in 2021, a fact that has been reflected in the recovery of the aggregate results of banks.

However, the final impact of the pandemic on credit quality could still take some quarters to materialise (which could have an impact on the results of banks). Similarly, as the Bank of Spain points out, despite the aggregate reduction in non-performing loans, certain signs of impairment of credit quality and heterogeneous behaviour are observed by activity sectors. Of particular note are the significant increase (53% year-on-year) in loans under watch-list performing[2], particularly in the sectors most significantly affected by the pandemic (hospitality, transport, and car manufacturing) and the year-on-year recovery in refinancing or restructuring, which shows that banks have relied more on this resource to facilitate loan repayment.

Meanwhile, higher levels of capital compared to the 2008-2014 crisis mean the Spanish banking sector has greater capacity to absorb potential losses, even in more adverse scenarios. More specifically, in the third quarter of 2021, the Spanish banking sector's CET1 capital ratio increased by 87 basis points compared to 2019 levels[1], to 13.66%, while the LCR stood at 213%, up from 196% a year earlier. Likewise, the results of the Bank of Spain's stress tests show how, in an adverse scenario, despite the fact that banks would consume part of their capital to absorb new losses, their aggregate solvency level would still be adequate.

Falling income for banks means **additional efforts will be needed to reduce operating costs and improve efficiency** and, thus, ensure the future sustainability of the sector

See Generating an attractive return



[1] Bank of Spain data.

[2] A credit is classified under watch-list performing when a significant increase in credit risk has been observed since the time it was granted, even if no default has occurred. In this regard, loans under watch-list performing are more likely to be impacted compared to loans in a normal situation.

Digital Transformation

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

For the banking sector, the digital transformation is leading to a growing focus on customers and greater demands to keep them satisfied (in terms of convenience, immediacy, personalisation and cost). More specifically, customer satisfaction is becoming increasingly important at the same time that customer loyalty is diminishing, as it is easier to change bank in the digital environment. Furthermore, the digitisation of the banking sector causing new non-traditional competitors to appear, such as Fintech and Bigtech digital platforms, with business models that leverage new technologies, raise service quality standards and increase pressure on the sector's margins.

In turn, access to data and the ability to generate value from them have become an important source of competitive advantage. In particular, the use, processing and storage of data results in information that is used to create products that generate greater value for the customer and that are more adapted to their risk profile. Additionally, there has been an increase in the use and development of new technologies (such as Cloud, Artificial Intelligence and Blockchain) in the sector, although with different maturity levels. In any case, the use of new technologies in the sector means players will have to adapt business processes and strategies to the new environment.

The digitisation of the sector brings with it numerous opportunities to generate greater income. In particular, thanks to the use of digital technology, companies can expand their customer base and provide services more efficiently and at a lower cost, as they can reach a greater number of potential customers without having to expand their network of branches. In turn, digitisation also produces new business opportunities, for example, by offering its digital platforms for third parties to market their products, or by introducing new financial products that best suit the needs of each customer.

Meanwhile, payment habits are changing. COVID-19 has accelerated the reduction in the use of cash as a means of payment in favour of electronic means of payment. Digital payment systems are also evolving away from a model dominated almost exclusively by card systems (linked to bank deposits) towards a more mixed model in which Fintech and Big Tech also participate (and are beginning to offer alternative payment solutions), with the emergence of new types of money and payment methods, such as stablecoins. Against this backdrop, the central banks of the most developed economies are assessing the possibility of issuing digital money (in the medium term) as a complement to cash. In Europe, last July the ECB announced the start of the research phase of the digital euro where basic elements of its design will be outlined and defined.

CaixaBank's strategy for meeting the challenge of digitisation focuses on improving the customer experience. The digital transformation process brings new opportunities for CaixaBank to get to know its customers and offer them a value proposition through an omnichannel service model. In particular, CaixaBank has a distribution platform that combines immense physical capillarity with strong digital capabilities—proof of this is that the bank has more than 10 million digital customers in Spain. In response to changing habits resulting from the health crisis, special emphasis is also being placed on initiatives that allow for improved interaction with customers through non-face-to-face channels. The digital transformation is also helping the organisation to develop enhanced capabilities such as advanced analytics and the provision of native digital services. Regarding this last point, Imagin offers a digital ecosystem and lifestyle platform focused on the younger segment and offering financial and non-financial products and services. The Bank is also developing new, more transversal and collaborative ways of working, seeking active partnerships with new entrants that offer services that can be incorporated into the group's value proposition. In the payment field, CaixaBank is participating in sector level initiatives to develop new payment solutions.

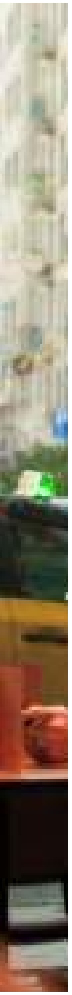
CaixaBank's strategy for meeting the challenge of digitisation **focuses on improving the customer experience**

Cybersecurity

Digital transformation is vital for the competitiveness and efficiency of banking, but it also brings increased technological risks. In this regard, the increased digital operations of customers and employees make it necessary to increase the focus on cybersecurity and information protection. CaixaBank is aware of the existing threat level and therefore constantly monitors the technological environment and applications in order to ensure the integrity and confidentiality of information, the availability of IT systems and business continuity. This monitoring is carried out through planned reviews and a continuous audit (including the monitoring of risk indicators). CaixaBank also performs the studies needed to ensure its security protocols are adapted to new challenges, with a strategic information security plan that is designed to keep the bank at the forefront of data protection, in accordance with the best market standards. Finally, the bank develops and distributes extensive cybersecurity awareness content and programs for all its employees, customers and society in general.

Digital transformation is vital for the competitiveness and efficiency of banking, but it also brings **increased technological risks**

Sustainability



The goal of decarbonising Europe's economies in the medium-term has led to increased regulatory activity at all levels and growing pressure (from investors as much as regulators and supervisors) on companies to adjust their strategies accordingly.

New standards and recommendations are being issued to guide companies, investors and supervisors, and provide them with the tools needed for proper management and governance. This is where EU's green taxonomy comes into play. It establishes a classification system for sustainable activities and the adoption of the Delegated Act[1] of the European Commission that implements the reporting requirements on the degree of alignment with the taxonomy for companies subject to the Non-Financial Reporting Directive (NFRD). For credit institutions (subject to this directive), it has been proposed to disclose (from 2022) the proportion of exposures that are within the perimeter of the taxonomy, and from 2024, the proportion of exposures aligned with the taxonomy (Green Asset Ratio).

Elsewhere, in the area of banking oversight, the ECB's action plan (with deliverables in 2024) explicitly incorporates climate change and energy transition into its framework of operations. The plan, which will be implemented in parallel with the introduction of European initiatives and policies in the field of sustainable reporting, seeks to ensure broad disclosure of climate risks by companies and financial institutions and a greater understanding of climate risks and their impact. This way they can be treated as a further financial risk. In addition, a climate stress test will be launched in 2022 to assess the resilience to climate risks and the level of preparedness of banks to deal with them—although this exercise will not have an impact on banks' capital requirements for the time being.

For its part, the EU has passed the European climate law (which sets the bloc's 2050 emissions neutrality target as a legal commitment) and has begun to deploy measures to reduce greenhouse gas (GHG) emissions and move towards a decarbonised economy. The Next Generation EU (NGEU) Recovery Plan is also intended to make a major contribution to decarbonising the European economy. In particular, measures and initiatives promoting climate objectives are one of the main elements of the recovery plan, which in the case of Spain account for nearly 40% of European non-refundable transfers (€27,600 million). This commitment offers a unique opportunity to support the building of a more sustainable economy by advising and mobilising investments that accelerate the green transition and contribute to climate change mitigation and adaptation.

In this context, transitioning to a neutral carbon economy that encourages sustainable development and is socially inclusive is essential, in CaixaBank's view.

See more details in the Environmental Strategy section

Social and governance matters are also receiving increasing attention from investors and society as a whole. CaixaBank shows a strong commitment to improving the financial culture and inclusion in order to boost financial services across all sectors, and to developing active social policies that go beyond its financial activities and seek to ameliorate social problems. With regard to the latter, the company channels and promotes hundreds of social initiatives through its branches thanks to CaixaBank's network of volunteers and to the strategic partnership with the "La Caixa" Foundation. Similarly, through the issuance of social bonds (€1,000 million issued in 2021), the company contributes to the development of a sustainable society by fighting poverty and promoting employment creation in the most disadvantaged areas.

CaixaBank considers it essential to **make progress in the transition to a low-carbon economy** that promotes sustainable development and is socially inclusive

1 Delegated Act on article 8 of the taxonomy Regulation.

Strategy

The year 2021 marks the end of the 2019-2021 Strategic Plan. A people-focused plan, which sought to promote technology at the service of customers and employees, generate attractive returns for shareholders and strengthen the Group's socially responsible banking model.

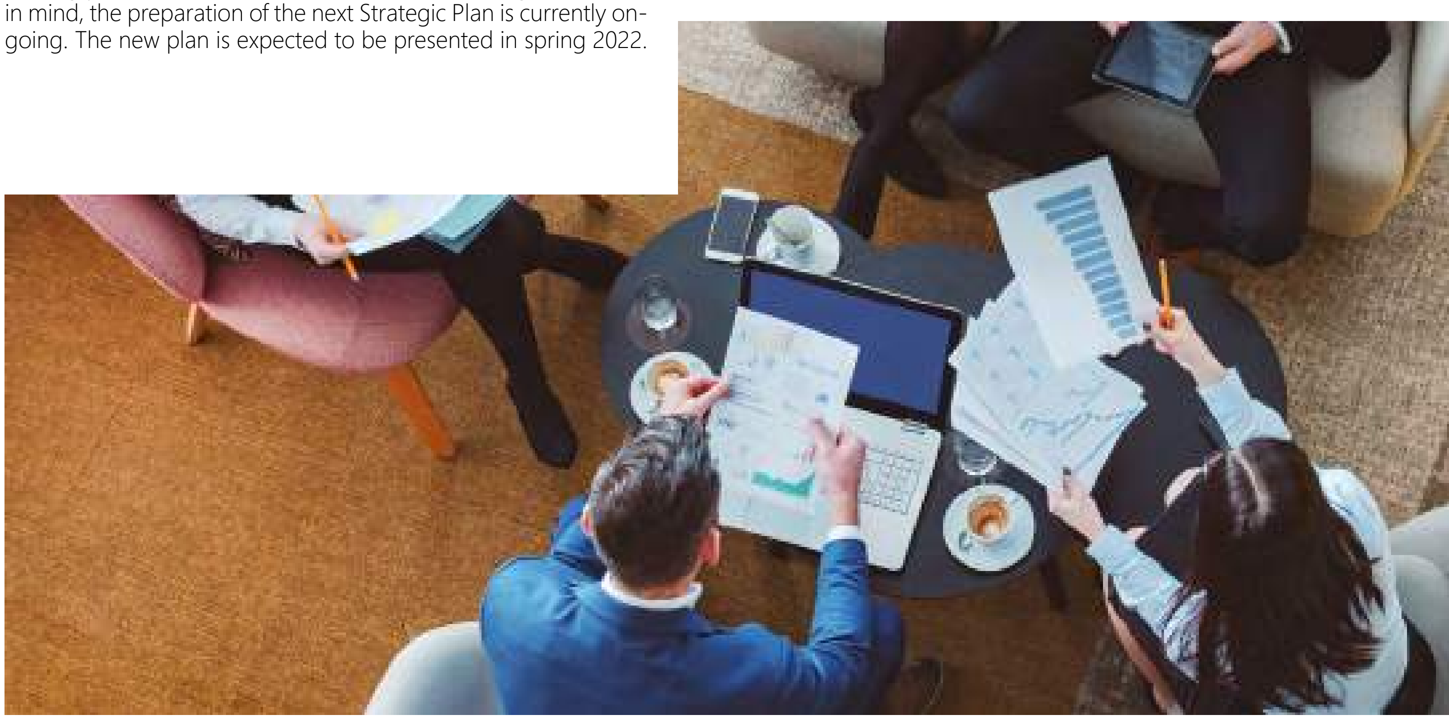
The preparation of the next Strategic Plan is currently ongoing. The new plan is expected to be presented in spring 2022

In short, the plan sought to generate value sustainably for all CaixaBank stakeholders (customers, shareholders, employees and society) and in accordance with the Group's mission to contribute to the financial well-being of our customers and the progress of society.

However, the COVID-19 pandemic and the deterioration of the economic environment made it difficult to fully realise many of Plan's financial objectives (including profitability) in 2020 and 2021. In addition, the pandemic also forced the bank to adjust some business priorities to deal with the worsening macroeconomic scenario. Changes brought about by the pandemic, such as the increased use of digital and remote tools by customers and employees, have led other priorities of the 2019-2021 Strategic Plan to be redefined. These include accelerating the bank's digital transformation and improving the capabilities of its digital channels while making it possible for a substantial part of the organisation's employees to work from home.

Meanwhile, the company culminated the legal merger with Bankia in March 2021. The operation, which was not contemplated in the 2019-2021 Strategic Plan, is best understood as the bank's strategic response to the major challenges facing the sector, which have been accentuated by the COVID-19 pandemic. The merger puts CaixaBank in a strong position and lays the foundations for sustainable future growth. On the one hand, the merger has strengthened the CaixaBank Group's leadership in Spain with 21 million customers. On the other hand, it has allowed the company to reach a critical size to improve efficiency and enjoy a further investment capacity in technology and innovation, with improved financial strength and greater capacity to generate sustainable returns. However, with the merger, some objectives of the 2019-2021 Strategic Plan ceased to be relevant, as the scope on which they were defined included only CaixaBank. In addition, several strategic initiatives had to be rethought in order to adapt to the new post-merger context.

All this calls for a strategic update to set the roadmap for the coming years for the new Bank born from the merger. With this in mind, the preparation of the next Strategic Plan is currently ongoing. The new plan is expected to be presented in spring 2022.



2019-2021 Strategic Plan

Offer the best customer experience

In recent years, CaixaBank has given a boost to its omnichannel distribution model, which combines face-to-face and remote services to offer a service tailored to customers' needs. Thus, throughout 2019-2021, the bank made progress in the transformation of the urban branch network by concentrating branches, and has deployed the new *Store* branch model. The bank also continued to strengthen digital channels and to promote new customer service models, such as the inTouch remote service, with a personal advisor.

Likewise, in the area of service quality and customer experience, the 2019-2021 Strategic Plan placed a strong emphasis on revising customer journeys to put the focus on customers' needs by continuing to expand the use of advanced analytical tools to customise our commercial services and by implementing new digital marketing capabilities to enhance sales through digital channels. Lastly, this customer focus led the bank to continue to deepen the provision of digital native services and new business models, namely the new Imagin proposal.

MAIN MONITORING METRICS
2019-2021 STRATEGIC PLAN

2019	2020	2021
86.2 Experience Rating (IEX, Scale 0 - 100)	86.1 IEX (Scale 0 - 100)	86.3 IEX (Scale 0 - 100)[1]
61.7% Digital customers	67.6% Digital customers	73.1% Digital customers[1]
458 *Store* Centres	548 *Store* Centres	608 *Store* Centres
1.3 m inTouch customers	1.4 m inTouch customers	2.3 m inTouch customers[1]

[1] Metrics impacted by the incorporation of Bankia customers.

Speeding up digital transformation to become more efficient and flexible

In the period 2019-2021, the bank focused on improving the flexibility, scalability and efficiency of its IT infrastructure by continuously migrating solutions and processes to the cloud and by evolving towards an internal computer architecture based on APIs. All this allowed the Bank to significantly reduce the time-to-market of projects, streamline the development of applications and reinforce the resilience of its IT. On the other hand, the company also continued to broaden its application of advanced analytics in an increasing number of areas of the organisation.

MAIN MONITORING METRICS
2019-2021 STRATEGIC PLAN

2019	2020	2021
-5.8% Improved Time-to-Market of Projects	-11% Improved Time-to-Market of Projects	-26% Improved *Time-to-Market* of Projects
9.7% Level of cloud adoption	16.6% Level of cloud adoption	21% Level of cloud adoption
20% IT people working in *agile*	25% IT people working in *agile*	26% IT people working in *agile*

Foster a people-centric, agile and collaborative culture

In terms of its people, in addition to the integration of teams after the merger, the Bank has continued to promote new ways of working (more transversal and collaborative), focusing on attracting and developing talent and promoting a progressive change in the profiles of a large part of the organisation to increase the number of specialists in all segments. All this is done while ensuring that employees can develop their potential on an equal opportunity basis, fostering meritocracy and diversity.

MAIN MONITORING METRICS[1]

2019-2021 STRATEGIC PLAN

	2019	2020	2021
% of women in management positions from large branch sub-managers and up[2]	41.3%	41.6%	41.3%
Assessment of employee perception of empowerment	72%	70%	70%
% of employees with flexible remuneration measures		15.5%	25.9%
% of professionals certified above and beyond compulsory MIFID II training	47.3%	48.8%	48.7%

Attractive shareholder returns and solid financials

COVID-19 and the deterioration of the economic environment have postponed many of the financial objectives of the Strategic Plan beyond 2021. Nevertheless, CaixaBank has a solid capital and liquidity position. In particular, the bank started from a comfortable solvency position at the start of the pandemic (CET1 of 12.0% at December 2019) at year-end 2021; CaixaBank continued to maintain a large capital buffer, with a CET1 ratio of 13.1%[3], despite the impact of restructuring costs.

MAIN MONITORING METRICS

2019-2021 STRATEGIC PLAN

	2019	2020	2021
ROTE (%)	7.7%	6.1%	7.6% (ROTE (%)[4])
Subordinated MREL ratio	19.6%	22.7%	22.8% (Subordinated MREL ratio[5])

[1] Metrics relating to CaixaBank, S.A., pre-merger perimeter.
[2] A and B branches.
[3] Includes IFRS9 effect.
[4] Excludes extraordinary impacts of the integration with Bankia.
[5] Excludes the issuance of €510 million of Tier 2 instruments, which will be amortised in February, and includes the issuance of €1,000 million in Senior preferred debt in January 2022.

Setting the benchmark for responsible management and social commitment

CaixaBank has continued to strengthen its position in the field of sustainability. Namely, CaixaBank is included in the main sustainability indices, including the *Dow Jones Sustainability Index (DJSI) World*. In 2021, the Company was included for the 10th consecutive year, coming in 9th among the world's most sustainable banks. In addition, the Bank comfortably exceeded the strategic target of €1,500m in green and social bonds after the issuance of 7 bonds totalling €6,582m. CaixaBank has also continued to make progress in measuring and managing environmental and climate risk through, among other initiatives, the development and gradual implementation of a green taxonomy. In the area of financial inclusion, the CaixaBank has maintained its positioning in offering banking services to people in small towns, with a percentage of coverage (through branches or managers) very similar to that of 2019. Likewise, access to financial services continued to be strengthened through micro-loans and the MicroBank social bank.

CaixaBank is included in the **main sustainability indices**

MAIN MONITORING METRICS

2019-2021 STRATEGIC PLAN

2019	2020	2021
Inclusion in the DJSI for the 8th year in a row	Inclusion in the DJSI for the 9th year in a row	Inclusion in the DJSI for the 10th year in a row
Issuance of €1 bn in first social bond	Issuance of €2 bn in SDG Bonds	Issuance of €3,582 m of SDG bonds
€725 m new MicroBank concession	€1,625 m new MicroBank concession (2019-2020)	€2,578 m new MicroBank concession (2019-2021)

Offer the **best customer experience**

Customisation of service, enhancing user experience, the increasing importance of financial advice, increased interaction through mobile channels and other innovations are all trends changing customer behaviour.

One of the Group's strategic priorities is to offer the best customer experience. That is, to place the customer at the centre and build a more emotional relationship with the company.

STRATEGIC PRIORITIES

- Setting the benchmark
- Relationship based on proximity and trust
- Commitment to innovation
- Value proposition for each segment
- Excellence in service

LEVERS

- Agreements to expand the services offered and build an ecosystem that goes "beyond" banking
- Continue to transform the distribution network to give greater value to the customer
- Intensify the digital remote service model
- Segmentation and focus on customer journeys

Best Bank Transformation in the World in 2021

Best Bank in Spain 2021

Euromoney

Best Bank in Spain in 2021

Best Bank in Western Europe in 2021

Global Finance

Bank of the Year in Spain in 2021

The Banker

Five Stars Awards in the Financial Planning Simulator, Retirement Savings Plans and Five Stars Banking categories

Five Stars

Most trusted banking brand in Portugal 2021

Selecções Reader's Digest

Mark of excellence in 2021

Superbrands

Customer solutions

Setting the benchmark, customer confidence translates into high market shares

SPAIN

		Market share	Variation vs 2020 (pp)	Variation vs 2019[1] (pp)
Private Banking	Loans	24.2%	+8.0	+8.2
	Deposits	25.2%	+9.6	+10.0
Individuals	Direct deposits of pensions	33.7%	+13.6	+13.7
	Mortgage credit	25.9%	+10.7	+10.2
Businesses	Loans to business	23.7%	+7.2	+8.3
Asset management	Pension plans	33.9%	+7.6	+8.4
	Investment funds	24.5%	+6.9	+7.4
Insurance	Life-savings insurance	34.7%	+4.8	+6.0
	Life-risk insurance	23.3%	+1.8	+3.9
	Health insurance[3]	28.9%	-1.6	-1.2
Payment systems	Card turnover	32.7%	+9.5	+9.2
	POS terminal invoicing	36.7%	+10.2	+9.2

PORTUGAL

	Market share	Variation vs 2020 (pp)	Variation vs 2019[1] (pp)
Loans[2]	11.1%	+0.4	+0.7
Mortgage loans[2]	13.2%	+1.0	+1.3
Deposits[2]	10.9%	+0.3	+0.8
Direct deposit of salaries[2]	9.7%	+0.1	+0.0
Investment funds[2]	17.2%	-1.6	-2.8
Insurance[2]	12.3%	+0.9	+1.1

43%
 # 1 IN MARKET SHARE PRIVATE CUSTOMERS
(SPAIN)

32%
TOP BANK FOR PRIVATE CUSTOMERS
(SPAIN)

1 Since the start of the 2019-2021 Strategic Plan.
2 Data as at November 2021.
3 Data as at September 2021.

Responding to the 4 life stages through a powerful platform and strategic alliances

Having our own factories together with strategic agreements with leading companies allows us to offer customers the best value proposition in an efficient manner.

DAILY BANKING

DAY TO DAY
Making the customer's day-to-day life easier by offering our services quickly and easily whenever they are needed

€64,214 m BILLING €50,893 m IN 2020	713,243 POINTS OF SALE 438,889 IN 2020	3 m BIZUM CUSTOMERS

Comercia Global Payments (20% stake) #1 Payment methods | CaixaBank

Partnerships to improve the value proposition with new services

MAIN PRODUCTS

- Accounts
- Payments
- Transfers
- Bills
- Cards
- Donations

INSURANCE AND PROTECTION

SLEEP PEACEFULLY
Being by our customers' side to take care of what is important to them and help them protect it

€11,294 m MARKETED PREMIUMS €9,609 m IN 2020	€4,815 m BENEFITS PAID €4,171 m IN 2020	>985,000 MYBOX POLICIES MARKETED 587,000 IN 2020

VidaCaixa #1 Life insurance | SegurCaixa Adeslas (49.9% share) #1 Health insurance

MAIN PRODUCTS

- Life-risk insurance
- Non-life insurance (health, home, car, funerals, etc.)
- Home and personal protection services

FINANCING

ENJOY LIFE
Making financing easier for customers to help their current and future dreams and projects become a reality

>22,700 CAR LEASING OPERATIONS 13,585 IN 2020	>155,000 OPERATIONS IN WIVAI (DIGITAL CHANNELS)	€953 m MICROCREDITS GRANTED AND OTHER FINANCING WITH SOCIAL IMPACT €900 m IN 2020

CaixaBank | wivai | MicroBank

Agreements with manufacturers to finance and distribute

MAIN PRODUCTS

- Mortgages
- Personal loans
- Consumer loans
- *Project Finance*
- Guarantees
- Working capital lines
- Microloans

LONG-TERM SAVINGS

THINK ABOUT THE FUTURE
Helping our customers plan their savings and face their future with certainty

€114,010 m FUNDS MANAGED (INSURANCE AND PENSION PLANS) €96,467 m	€110,089 m INVESTMENT FUNDS, PORTFOLIOS AND SICAVS €71,315 m IN 2020

VidaCaixa | CaixaBank Asset Management #1 Investment funds

MAIN PRODUCTS

- Investment funds
- *Unit Linked*
- Managed portfolios
- Pension plans
- Saving insurance
- Securities and other financial instruments

Creation of specialised value propositions

Our mission to provide the best customer experience has led to an increased level of specialisation and customisation, and, as a result, the creation of specialised businesses / centres where expert managers offer the specific and customised financial advice services that our customers deserve.

AgroBank

AgroBank's services are aimed at all the customers in the agri-food sector, covering the entire value chain, i.e. production, processing and marketing.

AGROBANK'S PROPOSAL IS BASED ON 4 AREAS:

01. The most complete range of products and services

02. Specialised branches and personnel

03. Activities to boost the sector

04. Digital innovation and transformation of the sector

503,562
CUSTOMERS
343,000 IN 2020

1,175
BRANCHES SPECIALISED IN THE AGRI-FOOD SECTOR

1,650
RURAL BRANCHES IN MUNICIPALITIES WITH UNDER 10,000 INHABITANTS

45.3%
PENETRATION RATE FOR SELF-EMPLOYED FARMERS
+17.71 BP COMPARED TO 2020

€17,391 m
OF NEW FINANCING PRODUCTION FOR CUSTOMERS IN THE SEGMENT
€7,954 m IN 2020

2021 **Milestones** - **Commitment and drive to the sector**

Extension of the partnership agreement with the **Ministry of Agriculture, Fishing and Food** to jointly promote the sector over the next few years.

Membership in the **National Rural Network of the Ministry of Agriculture, Fishing and Food** to support rural municipalities and boost rural development while avoiding financial exclusion.

Alliance with the *European Innovation Council* (EIC) to speed up the digitisation of the agricultural sector by implementing innovation solutions in Spain for the best European start-ups.

AgroBank Diversity Programme to encourage diversity and women in rural areas:

1. Specific agreements with **AFAMMER**[1] **and FADEMUR**[2]
2. **Training for Women to Participate in Governing Bodies of Agri-food Cooperatives**

- Presentation of the **third study of the agri-food sector** by CaixaBank. Research involving topics such as:
  - **The post-Covid recovery**
  - **How the agri-food sector is moving** towards sustainability
  - The Spanish pig industry **is experiencing a golden age**
  - The Spanish wine sector**, a symbol of tradition and a world leader**
- **14th edition of the XXI Entrepreneur Awards**, where we reward the best start-up that helps achieve the sector's challenges with the **Semilla XXI Prize**.
- **AgroBank Chair**, in collaboration with the University of Lleida, to promote the transmission of scientific and technical knowledge in the sector.
- Development, together with **CaixaBank Dualiza,** of activities intended to combine training and agriculture to prepare future professionals in the sector through vocational training.
- Launch of the Ecological Transition Agroinvestment loan to boost organic farming.
- Holding of **six AgroBank technical seminars** in face-to-face and digital formats to deal with subjects as important as the NGEU funds, the new CAP 2023-2027, innovation and digital transformation in water management, and promoting Rural Women.
- **AgroBank magazine, Blog and social media:** Moving towards digitisation, 98,400 customers have received the numbers in digital format.
- Presence at the **leading industry fairs**, which brought together more than 150,000 visitors, companies and professionals from the agricultural and fishing sectors.

[1] Confederation of Federations and Associations of Rural Families and Women.
[2] Federation of Rural Women's Associations.

dayone

dayOne is a new kind of financial service exclusively created to accompany global start-ups and scale-ups with activity in Spain with high growth potential.

The Company has six business centres in Madrid, Barcelona, Valencia, Zaragoza, Málaga and Bilbao. The *hubs* serve as meeting points between founders of technology companies, partners helping them to grow their business, and investors interested in innovative companies with growth potential.

In addition to offering a specialised line of products and services for these customers, CaixaBank makes its network of contacts available to them in order to boost and promote the innovation economy through all its agents.

Meanwhile, DayOne has designed and is promoting a programme of networking initiatives tailored to entrepreneurs and investors.

[1]

Since its inception in 2007, the initiative has invested **€6.7 m in cash prizes** and actions to support entrepreneurs, benefiting a total of **430 companies**

ENTREPRENEUR XXI AWARDS

The 15th edition of the Entrepreneur XXI Awards was held in 2021. This initiative promoted by *DayOne* seeks to identify, recognise and guide newly created innovative companies with great growth potential. These awards are co-managed with the Ministry of Industry, Trade and Tourism in Spain and with BPI in Portugal.

2021 EDITION

763

PARTICIPATING BUSINESSES IN SPAIN AND PORTUGAL
955 IN 2020

€0.8 m

IN PRIZES
(CASH, INTERNATIONAL TRAINING AND VISIBILITY)
€0.8 m IN 2020

9

[1] https://dayonecaixabank.es/

The awards have the backing of the Israeli Embassy in Spain and Portugal's ANI, which have both given a second award for innovation. In addition, on the occasion of the 15th anniversary of the awards, two additional second awards will be given: for the best *Deeptech* solution and for the project with the highest Social Impact.

Banking XXI. The digital and technological transformation of the financial sector: Innovative solutions that provide value to the range of products and services in the financial sector (banking and insurance).

City XXI. More sustainable, secure, connected and adapted cities: Aimed at companies that propose solutions to make the cities and towns we live in more sustainable, secure, connected and with adapted mobility.

Planet XXI. Environmental sustainability, a better planet for new generations: This challenge seeks innovative proposals that help find the best solution for a lifestyle that is kinder to natural resources.

***Silver* XXI.** Ensure active ageing and a long and healthy life through technology: This challenge is aimed at sectors such as age-tech, life sciences, e-health, reduced mobility, senior tourism, sport, fitness... In short, the goal is to innovate in all those things that help to improve the health of people through technology.

Seed XXI. Digital transformation and innovation in the agri-food sector: Technological solutions related to the agri-food industry to establish more efficient, effective, sustainable and healthy production.

Live XXI. Digitisation, new business models and reactivation of the hotel, catering, tourism and leisure sectors: Solutions that help revitalise the sector, as well as new and innovative business models and solutions that help to digitise it.

01.

DayOne has created a virtual community of entrepreneurs. ***DayOne Alumni XXI*** was created in an effort to help start-ups in their development by having the winners of the Awards exchange knowledge, ideas and experiences. It also aims to promote their business opportunities and access to investment.

02.

In addition, *DayOne* organises the ***Entrepreneur XXI Investors Day***, with the aim of putting the award winners in contact with the investor ecosystem.

03.

In 2019, in collaboration with the IESE Innovation and Entrepreneurship Centre, the **DayOne Iberian Startups Observatory** was created with the aim of generating information and research on the start-up sector in Spain and Portugal. The third report[1], corresponding to the 14th edition, was published.

1

9

[1] https://dayonecaixabank.es/wp-content/uploads/2021/07/Premios-EmprendedorXXI_Analisis-de-una-nueva-generacio%CC%81n-de-startups-en-Espan%CC%83a-y-Portugal.pdf

Omnichannel distribution platform

The growth of digital channels, especially the mobile channel, is one of the main changes in the financial sector in recent years, yet the key importance of branches remains.

The last decade has been an intense period of optimisation of the distribution network for CaixaBank, reducing the number of branches and increasing their efficiency, continuing a commitment to specialisation while developing digital and remote channels.

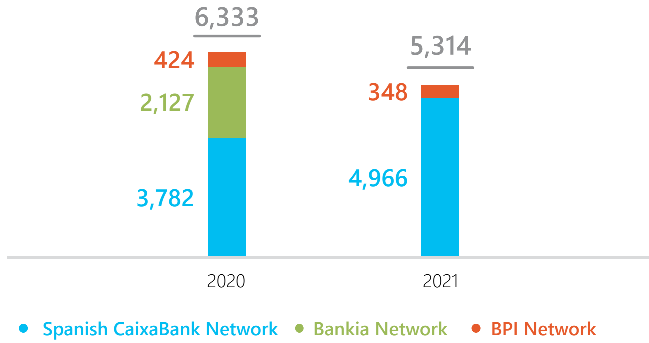
CaixaBank consolidates the largest commercial network in Spain's financial sector, with a presence in more than 2,200 municipalities, in 420 it is the only entity present CaixaBank has

expressed its commitment to keep offering its service in all those towns where it is now present

Resizing the network

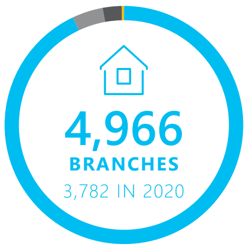
In 2021, CaixaBank began the process of integrating more than 800 branches as a result of the merger with Bankia. After this process, CaixaBank's network of physical branches will continue to be the largest in Spain, and it will also feature the largest network of ATMs, which can be used to carry out up to 250 different transactions.

As a result, the Entity is streamlining its network of branches to avoid overlaps, especially in certain regions such as Madrid, Valencia, the Balearic Islands, Eastern Andalusia and Murcia.



More than 90% of the branches that are being absorbed are operating in other branches that are less than 500 metres away, and of that percentage, almost 70% are less than 250 metres away. The Bank has chosen those premises that, due to their size and location, are best suited to the needs of customers. 52% of them are from CaixaBank, while 48% are from the old Bankia network. In order to inform customers about the changes in branches, the Bank is engaged in a process to guide and communicate with its customers through physical letters, *newsletters*, *push* messages in *CaixaBankNow*, email and SMS.

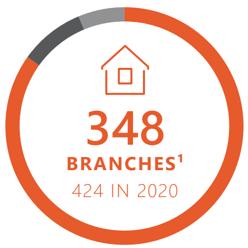
SPANISH NETWORK



- 4,615 *Retail*
- 208 Business Banking
- 127 Private Banking
- 15 *Institutional Banking*
- 1 *Corporate Banking*

13,008
ATMS
8,827 IN 2020

PORTUGUESE NETWORK



- 297 *Retail*
- 29 Business Banking
- 22 Premier / Private

1,418
ATMS
1,456 IN 2020

[1] Includes an office in Switzerland.

URBAN MODEL

In 2021, CaixaBank accelerated the rollout of its *Store* urban branch model, 608 in 2021. These branches, with which the bank hopes to offer an improved customer experience, are larger than conventional branches, they are open non-stop from morning until afternoon, and they feature a team of specialist advisers and more commercial and technological services. The goal is to have 725 in 2022.

CaixaBank also offers *All in One* customer service centres in Barcelona, Valencia, Madrid and Ibiza. These flagship branches, in addition to financial advice, also offer customers coworking spaces and host training sessions and other events.

4 *ALL IN ONE* CENTRES
2 IN 2020

608 STORE CENTRES
548 IN 2020

RURAL MODEL

CaixaBank has 1,650 rural branches located in towns with under 10,000 inhabitants. CaixaBank also has special initiatives to enhance its service in rural areas, such as **mobile branches (ofibuses)**, which serve 270,000 people in 426 municipalities.

The Bank has 16 mobile branches that provide services in eleven provinces: Ávila, Burgos, Castellón, Ciudad Real, Granada, Guadalajara, La Rioja, Madrid, Segovia, Toledo and Valencia.

Mobile branches are essential to CaixaBank's strategy to prevent the financial exclusion of rural areas

Each mobile branch has different daily routes and, depending on the demand, visits the locations where it provides service once or several times a month. In addition to preventing the financial exclusion of rural areas, this service preserves the direct relationship with the customers who reside in these locations and upholds the company's commitment to the agricultural and livestock sectors.

ATM*Now* Project

CaixaBank is launching its new ATM technology platform, ATM*Now*, designed to overhaul the user experience and incorporate new services and features.

The new platform has been created to offer the same operations and feel at ATMs as in *CaixaBankNow*, the online banking channel accessible via website and mobile. Even though the technological features of the devices are completely different, ATM*Now* involves a complete adaptation to the ATM environment of CaixaBank's digital banking use experience and service quality.

Moreover, ATM*Now* provides CaixaBank ATMs with new services and features that make for a smoother and more intuitive interaction. Among other innovations, it improves, for example, the cash withdrawal process, which is reduced to just two steps.

Also of note is the inclusion of technology to customise the options menu and thus give each user direct access to their most common operations and options on the home screen. The system will make this change by default whenever the customer starts using the ATM with their card, without requiring any special settings. The ATM displays have also been redesigned to provide more space to show information to users.

The ATM*Now* project has been designed with new agile and design thinking methodologies. The process relied on the opinion and involvement of customers of different ages and profiles, as well as on groups of bank employees.

Accompanying the roll-out of ATM*Now* will be a new wave of facial recognition technology devices, which CaixaBank has pioneered globally and that makes it easier to withdraw money by reducing physical contact between customers and the ATM while enhancing the security of the terminals.

142
ATMS IN SPAIN THAT FEATURE FACE RECOGNITION TECHNOLOGY

Development of the best digital products and services

CaixaBankNow

CaixaBankNow brings all the Bank's digital services together in one place.

THE HIGHEST LEVEL OF DIGITAL PENETRATION

~40%
PENETRATION AMONG DIGITAL CUSTOMERS (SPAIN)[1]

CAIXABANK CUSTOMERS REQUIRE OMNICHANNEL SERVICES (DIGITAL AND PHYSICAL)

10.5 m
OF DIGITAL CUSTOMERS
(NOW CUSTOMERS) 6.9 m IN 2020

73.1%
67.6% IN 2020

DETAILS OF DIGITAL CUSTOMERS

14.3% 100% digital
85.7% Omnichannel

53.8% *Mobile*
39.1% *Mobile + Web*
9% *Web*

72%
HIGHER MARGIN OF OMNICHANNEL USERS COMPARED TO PHYSICAL USERS

47.4%
HIGHER AVERAGE OMNICHANNEL USER ENGAGEMENT COMPARED TO PHYSICAL USERS

3.0 m
OF CUSTOMERS CONNECT DAILY
2.5 m IN 2020

Best Digital Bank for Private Banking in Spain 2021, Global Finance

Best private banking mobile app in Western Europe from
Global Finance for the third year in a row

CaixaBank awarded World's Best Bank Transformation 2021 by Euromoney

Global Innovator 2021 EFMA-Accenture

THE CRITICAL MOBILE CHANNEL

Now Mobile is an app with customisation and artificial intelligence that allows transactions to be initiated from a mobile phone.

1.15 m
OF PURCHASES MADE WITH A MOBILE
1.09 m IN 2020

3.8 m
CARDS DOWNLOADED FROM MOBILE PHONES
2.3 IN 2020

MARKETING THROUGH DIGITAL CHANNELS

The digital channel is becoming one that generates sales and has undergone sustained growth in recent years.

% OF SALES IN DIGITAL CHANNELS

31%
PENSION PLANS

28%
INVESTMENT FUNDS AND PORTFOLIOS

12%
CARDS

BPI NET

51.1%
DIGITAL CUSTOMERS
46.7 IN 2020

In 2021, new developments were carried out in the digital channels to improve customer experience, efficiency and support for Commercial Managers.

The new developments and upgrades were carried out in the digital channels for individual customers and companies.

9

[1] Source ComScore

inTouch

InTouch is a model for engaging with financial customers that combines remote communication tools (video call, voice call, email, WhatsApp, etc.) with the trusted relationship provided by an expert adviser. The service relies on a specialised adviser who, aided by CaixaBank's technological capabilities, can meet the needs of customers through all types of remote channels.

2.3 m
CUSTOMERS USING INTOUCH
€1.4 m IN 2020

2,400
INTOUCH ADVISERS

Due to its characteristics, this service is especially suitable for customers who interface with the Company primarily through digital channels. This way, they can count on the help of an expert adviser to answer their questions through the communication channel of their choice.

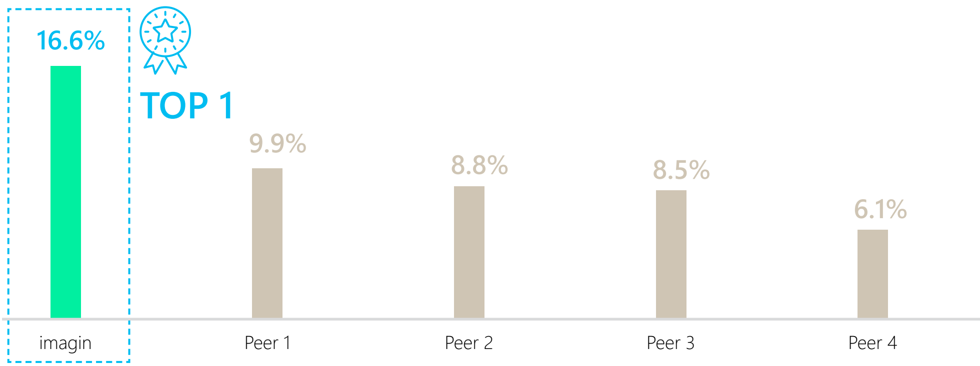
The customer has an adviser to whom to send enquiries, with a commitment to reply within 24 hours. In addition to answering any questions, the customer can also receive specialised product advice and, if they wish, complete the contract process online.

CaixaBank will promote inTouch by incorporating 900 new advisers, all of them from other positions in the bank, and opening 3 new centres, in Córdoba, Huelva and León. As a result, inTouch will have a total staff of 2,400 advisers and 26 centres.

Thanks to this structure, inTouch expects to exceed 4 million customers in 2022.

imagin

2021 CONSOLIDATION AS A **DIGITAL LEADER**



Source: *Smartme Analytics* ranking of active users of mobile applications for new digital and *fintech* banking (November 2021).

imagin, the digital service and lifestyle platform driven by CaixaBank, grows 23% in new users and consolidates its leadership among the leading neobanks and fintechs, with an active user share of 16.6%.

The AQMetrix ranking also gives the platform the highest user experience rating among neobanks in Spain.

In addition to growing the number of new users, imagin also managed to boost the loyalty of existing imaginers.

imagin, from a purely online bank to a *lifestyle* community to promote the **loyalty of digital customers**

3.7 m users

1 m OF WHOM ARE MINORS
3 m IN 2020

60%

OF IMAGIN USERS LOG INTO THE APP MORE THAN 3 TIMES A WEEK

23 m

ACCESS TO THE APPLICATION

4.2 m

MONTHLY BIZUM TRANSACTIONS THROUGH IMAGIN

Three unique value propositions **depending on age**

IMAGINKIDS (0 TO 11 YEARS OLD)

With a focus on financial education through games and designed for parents to decide when and how it is used. It offers all its content free of charge, even if the family is not a CaixaBank customer.

IMAGINTEENS (FOR ADOLESCENTS BETWEEN 12 AND 17 YEARS OLD)

Introduction to managing personal finance and first cards with a free tool for managing allowances and a pre-paid card with parental control so parents can have full knowledge and control of their transactions.

IMAGIN (FROM 18 YEARS OF AGE)

Digital platform that includes financial and non-financial services, such as digital content and experiences. Part of this offer is available to any user registered on the platform, regardless of their level of banking.

Consolidation of the value proposition for the imaginers community

In 2021, imagin's value proposition established the brand as a *leading player* in **digital neobanks** by constantly improving its portfolio of products and services in order to keep covering the entire life cycle of our customers. The brand doubled down on its 100% digital, fee-free proposition by promoting a digital strategy to capture new customers that recruited 1.1 million new users since its launch in 2020.

At imagin, we develop and make available to our users a range of digital products that satisfy their main savings and financing needs, which we communicate in a personalised manner through segmented digital campaigns and fully automated customer journeys.

Of note among the financial products is the launch in 2021 of the ***MyCard*** Imagin card as the main payment option, with a series of advantages such as currency exchange at no extra cost and free ATM withdrawals abroad, making it the perfect travel card for imagin users.

Rounding out imagin's value proposition is the *eCommerce shop Wivai*, which has continuously expanded its portfolio of technology products this year, including medium and medium-low range items at a competitive price, in keeping with our imagin target. Completing our current line-up of partners are AirBnB, Glovo and others, with exclusive offers for imagin customers.

Empresa B Certificada

IMAGIN, CERTIFIED B CORP FOR ITS POSITIVE IMPACT ON THE ENVIRONMENT AND SOCIETY

IMAGIN WAS B CORP CERTIFIED IN 2020, GUARANTEEING THE COMPANY'S COMPLIANCE WITH THE HIGHEST STANDARDS OF SOCIAL AND ENVIRONMENTAL PERFORMANCE, PUBLIC TRANSPARENCY AND CORPORATE SOCIAL RESPONSIBILITY

Our commitment to **Sustainability**

imaginPlanet and **imaginChangers** encompass initiatives with a positive impact on the environmental and social sustainability of Imagin and its community by promoting a more sustainable and environmentally friendly society.These include:

Reforestation of devastated areas: 100,000 trees planted, offsetting more than 118 tonnes of CO_2.

imagin Seabins: installation in different ports throughout Spain of an innovative marine device that helps to **clean the seas and oceans** by capturing plastic waste, floating debris and microfibres. Each Seabin is able to collect between 1-1.4 tonnes of plastic every year.

imagin Planet Challenge: a sustainability entrepreneurship programme in which young university students develop their business ideas, and that in 2021 had more than 700 participants, over 230 teams and two winning projects, Ecodeliver and Kidalos, intended to make the parcel transport and the toy industry more sustainable, respectively.

Open **innovation model**

In addition to the in-house products offered, thanks to its open platform business innovation model, imagin remains committed to incorporating third-party products and technologies through collaborations and partnerships with other fintechs and start-ups. Since 2020, imagine has partnered with *Plug and Play*, the world's leading innovation and venture capital platform, to identify disruptive fintech proposals from entrepreneurs all over the world.

In the last year, imagin integrated technologies from start-ups such as Earthly into its platform to help users offset their CO_2 emissions; and Bankify, providing a social layer that encourages imaginers to interact with users in the community.

Accompanying all this is an *agile* and *Lean startup* working methodology with a customer-centric approach and with *Design Thinking* tools to understand the real needs of users and adapt the product. Co-creation sessions were held with more than 350 users.

Customer experience
Customer Experience Measurement Model - NPS

Throughout 2021, CaixaBank's listening model, pursuing excellence in Customer Experience, has evolved towards a real-time measurement system throughout the *Retail*, *InTouch* and Private Banking network, including Bankia's branches, after the technological integration.

Listening to customers through various interactive environments and understanding them helps us provide an immediate response if their expectations have not been met *(Inner Loop)*. Then, based on an advanced analysis of the information with artificial intelligence platforms, we design structural improvements that allow us to make wide-ranging improvements to processes, products or in the different journeys *(Outer Loop)*.

The integration meant the need to standardise how we engage with customers and how we use new interaction tools, which is why continuous guidance and training have been essential.

The creation of a *Customer Experience* website and communication channel means having a space that combines information on the measurement model and on the steps aimed at improving how our customers experience each interaction.

EVOLUTION: FROM IEX TO NPS *REAL TIME*

WE IMPLEMENTED THE RETAIL, INTOUCH AND PRIVATE BANKING OF THE NPS *REAL TIME* MODEL TO OBTAIN FEEDBACK FROM CUSTOMERS IN REAL TIME AND TO GIVE THEM AN IMMEDIATE RESPONSE, THUS IMPROVING THEIR CAIXABANK EXPERIENCE.

LABS/AREAS ENGAGEMENT

NEW TOOLS HAVE BEEN DEVELOPED TO ANALYSE AND COLLECT INFORMATION FROM CUSTOMERS' FEEDBACK, AND A NEW SYSTEM HAS BEEN CREATED TO GATHER *INSIGHTS* AND MEET THE NEEDS OF ANY BANK DEPARTMENT THAT INTERACTS WITH CUSTOMERS.

ONLINE ACTION

BASED ON THE INFORMATION OBTAINED AND THE CONSTANT IMPROVEMENT IN CUSTOMER EXPERIENCE, ACTIONS ARE IMPLEMENTED THAT HELP US ANTICIPATE NEEDS AND THAT ARE SUCCESSFUL IN CONVERTING A DISSATISFIED CUSTOMER INTO ONE WHO RECOMMENDS US.

Three **areas of work**

01. VOICE OF THE CUSTOMER

- **NPS measurement:** Rollout of the NPS Branch measurement model to the entire CaixaBank Network, and development of NPS measurement in the rest of the bank's main settings: ATM, *Contact Center* and *CaixaBankNow*.

02. LAB

- An **automated scorecard** has been designed to streamline the processing of customer *feedback*, which allows us to determine, analyse and manage the opinion of detractor customers.

- ***Close the Loop:*** Rollout of the process to manage and address any unsatisfactory experiences that customers have reported after visiting a branch or contacting their adviser in *Retail* or *inTouch*.

- Once the NPS + *Close the Loop* methodology is deployed, we continue with a second survey to see if the customers' perception of CaixaBank changes after the *Close the Loop* process.

- We created the **Customer Experience Excellence Centre (CoE)**, which interacts with the lab and other areas of the bank and which:

  - Filters and prioritises measurement requests from the Labs that are not done independently by them.

  - Interprets qualitative and quantitative information.

  - Provides a report on insights and improvement levers.

03. ACTION

Designs actions to respond to customer needs and standardise how we do things:

- ***Back to Basics* Plan:** Rollout in *Retail* of the *Back to Basics* Plan in order to enhance these core concepts based on the HOWs and customer processes in order to guarantee the best possible experience.

- **Management of dissatisfied customers:** All the supporting documentation has been developed to help understand and implement the *Close the Loop* NPS model.

- **Branch integration:** Preparation of documentation with useful information for the commercial network on the branch integration process (protocols, recommendations, sales pitches and FAQs), in order to make it more comfortable and simple for customers and employees alike.

- **A new Customer Experience website was created** in *PeopleNow* that is easy and intuitive and includes the latest news and supporting documentation to manage the customer experience.

MEASURING THE CUSTOMER EXPERIENCE

10,034,005
USERS CONTACTED
228,537 IN 2020

9,832,831
USING TOUCH POINTS
120,150 IN 2020

201,174
VIA SURVEYS
107,070 IN 2020

CAIXABANK SPAIN

86.3
EXPERIENCE INDEX (IEX)
(SCALE 0-100)
85.4 IN 2020[3]

54.2%
NET PROMOTER SCORE BRANCH (NPS)[2]

59.6%
NPS REGISTRATION NEW CUSTOMER

34.9%
COMMITTED CUSTOMERS[1]
33.8% IN 2020[3]

65.4%
NPS PERSONAL LOAN FINANCING
56.7% IN 2020

67.0%
NPS WIVAI PURCHASE FINANCING
66.0% IN 2020

BPI

91.4
IEX PRIVATE CUSTOMERS
(SCALE 0-100)
91.0 IN 2020

88.6
IEX PREMIER
89.8% IN 2020

[1] % of total customers surveyed who simultaneously gave experience, loyalty and recommendation a rating of 9 or 10.

[2] The NPS measures likelihood of recommendation by CaixaBank customers on a scale of 0 to 10. The index is the result of the difference between the % of Promoter customers (ratings 9-10) and Detractor customers (ratings 0-6).

[3] IEX and Committed customers: 2020 figure based on the recalculation of information by organisational restructuring.

Speeding up digital transformation to become more efficient and flexible

CaixaBank continues to focus on improving the flexibility, scalability, and efficiency of its IT infrastructure, an approach which enables us to improve cost efficiency, potentially diversify outsourcing, reduce time-to-market, increase timing of versions, and become more resilient.

CaixaBank's constantly increasing investment in technology is a key part of our strategy, as it enables us to satisfy customer demands, ensure growth and adapt to changing business needs. The robustness of the infrastructure and constant innovation work ensure the availability of information with full guarantees of security.

Our constant search for efficiency and better service involves a firm commitment to emerging and pioneering technologies, ranging from blockchain to robotics, and including artificial intelligence and quantum computing.

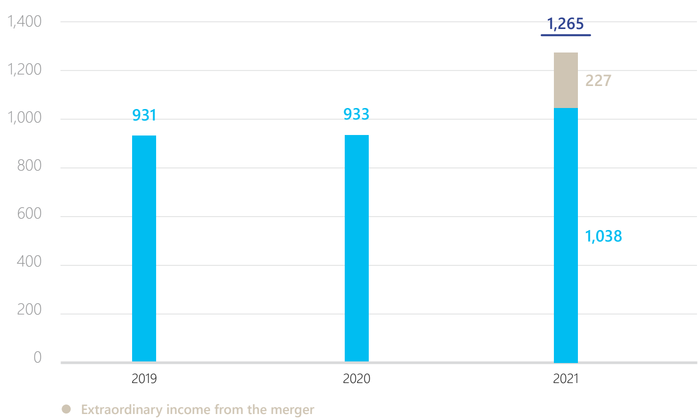
All of this will be driven by the creation of CaixaBankTech as the group's technological muscle and talent attraction hub.

The main challenge of 2021 has been the CaixaBank - Bankia merger, which entailed the largest technological, commercial and operational integration ever carried out in the Spanish financial system, in terms of business volume, amount of data and complexity of the technological structures

Most Innovative Financial Institution in Western Europe 2021
Global Finance

Best Private Banking Institution in Big Data Analysis and Artificial Intelligence in Europe 2021

INVESTMENT IN TECHNOLOGY AND DEVELOPMENT (€ MILLION)



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Cybersecurity

Cybersecurity is one of CaixaBank's top priorities. In addition to the threats arising in 2020 from COVID-19, in 2021 we were also further threats associated with Bankia's technological integration, which has increased exposure to potential attacks on the infrastructure, as well as possible fraud against customers of both banks.

To this end, cybersecurity protocols have been reinforced, adjusting them to the specific characteristics of the project, and an exhaustive monitoring of threats has been implemented, thus allowing the technological integration to be carried out by mitigating all the risks identified. The increase in cyberattacks on all types of organisations was particularly relevant this year, significantly more so than in 2020, which led us to strengthen the processes for managing risks arising from relationships with third parties (providers/customers), ensuring the CaixaBank Group was not affected.

All measures taken are in line with the Strategic Information Security Plan, which continuously assesses our capabilities against industry's best practices and benchmarks.

INFOPROTECT

A brand that has integrated all safety awareness initiatives aimed at employees and customers since 2015

9 16

Highly trained team using a **multi-site model**

55 EMPLOYEES[1]

+90 CERTIFICATIONS

24 hours **7** days EXTERNAL SOC[2]

62% OUTSOURCING

An advanced and certified model of cybersecurity

We hold recognised and prestigious certification which is updated annually. It includes ISO 27001 certification of all our cybersecurity processes, and CERT, which accredits our CyberSOC 24x7 team and allows us to actively cooperate with other national and international CERTs.

Robust **governance**

Corporate Information Security Policy

In order to develop corporate principles on which to base actions in the field of information security.

Last updated: December 2021.

Information Security Committee

It is the highest executive and decision-making body for all aspects related to Information Security at a corporate level.

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

In addition, the Global Risk Committee periodically provides information to the governing bodies.

Monitoring cybersecurity: three lines of defence

The first line, **Information Security,** is responsible for implementing policies, identifying and assessing risks, identifying weaknesses in monitoring and executing action plans.

The second line of defence, **Non-Financial Risk Responsibility**, is responsible for regular and independent assessments of information security risk.

The third line of defence, **Internal Audit Responsibility**, supervises the previous two. Approximately 815 internal audit reviews have been conducted during the last 3 years, indicating a high degree of maturity and control and covering 99% of the NIST cybersecurity control framework.

[1] Due to the merger of Bankia S.A. in 2021, the Information Security function has increased its resources. These will be distributed to different Group companies during the next financial year.

[2] *Security Operations Center.*

+€50 m

INVESTED IN INFORMATION SECURITY IN 2021
+€50 m IN 2020

33%

0-CLICKERS IN *PHISHING* CAMPAIGNS
54% IN 2020

12

***PHISHING* SIMULATIONS PER EMPLOYEE**
12 IN 2020

99%

OF EMPLOYEES COMPLETED THE SECURITY COURSE IN 2021
98% IN 2020

6

TEAM NETWORK *EXERCISES FOR THE YEAR*
THE ROBUSTNESS OF OUR SYSTEMS IS TESTED WITH CONTROLLED REAL ATTACKS BY INDEPENDENT THIRD PARTIES

TIBER-E Framework

IN 2022, WE WILL CONTINUE TO INVEST AND PROMOTE INITIATIVES THAT HELP US IMPROVE IN THIS AREA:

TRAPEZE
Improved control of the privacy of customer data in financial services by end users.

CONCORDIA
Pan-European X-sector Cybersecurity Centre.

ENSURESEC
Improved surveillance of e-commerce services.

INFINITECH
Monitoring based on data analytics for the assessment of security risk and fraud in the financial environment.

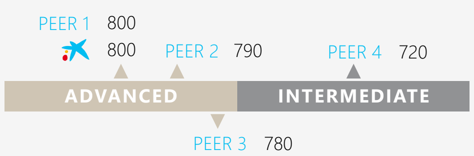
REWIRE
Certification of skills for professionals dedicated to cybersecurity in the European financial field.

ALL THIS MAKES IT POSSIBLE FOR CAIXABANK TO GAIN THE MOST IMPORTANT ACCREDITATIONS AND BE AMONG THE MOST HIGHLY VALUED IN THE SECTOR

BENCHMARKS

	CNPIC[1]	DJSI[2]	INCIBE[4]
CABK	9 (+0.4)	9.5 (+1)	6.88
PEERS	8.4 (+0.2)[3]	8.7 (+0.2)	6.84

BITSIGHT[3]



CERTIFICATIONS

CSIRT.es
FIRST

[1] Cyber resilience report 2021.
[2] Dow Jones Sustainability Index 2021.
[3] Spanish financial institutions. Note 0-900.
[4] INCIBE CyberEx España 2020.

9 16

Technology and digitalisation

Technological Integration

The excellent result of the integration, with very significant challenges, makes it a benchmark in the management of integrations in the banking sector. The integration, which has enabled the bank to combine all the information and operations on a single platform, has been a huge technological challenge:

- **Migration in less than 24 hours** of a volume of 10.4 petabytes, which is equivalent to 1.8 billion songs in high-quality mp3 format.
- **+ 2.5 billion digitalised documents** (ID documents, contracts, signatures, bills and correspondence, among others).
- **The channels were operational 4 hours ahead** of plan and **all of this was carried out without any significant incidents** with customers, **without impacting the performance** of the infrastructure and **maintaining the service level.**

The road to successful integration has overcome several challenges:

- Reduction of integration risk due to the limited time frame of 13 months through a soft-start strategy with a primary milestone.
- Merger of two functionally complex entities with significant differences, with a *zero-gap* approach to reduce risks.
- Coordination of many stakeholders, allowing for efficient progress and taking agile decisions.
- Reduction of the impact of integration on the business, ensuring the quality of integration and maintaining the level of business support. With 100% of the operational functionality throughout the integration, without significantly affecting the service level and with a customer communication plan with the recognition of the CNMC.
- Reinforced regulatory control, with continuous supervision throughout the process, making it the merger with the greatest regulatory control by national and European supervisory bodies.
- Enhancing the human teams, skills and knowledge of all the people who make up the new CaixaBank institution.
- Adaptation of the infrastructures and target applications to the new volumes, processing 30-50% more transactions, with peak loads of x5 times on the first day.
- Focus on risk management, to ensure the success of the integration in the face of any adversity, and especially cybersecurity, with reinforced monitoring.

And all this in the midst of the pandemic, which made it necessary to adapt CaixaBank's integration methodology to the new reality, to the effective coordination required by remote working and to specific plans for preventing and mitigating the impact, strictly complying with all the prevention measures during the 13 months of the project.

>> **ABILITY TO MANAGE + 25,000 TRANSACTIONS PER SECOND**

>> **NETWORK LINKING MORE THAN 16,000 SERVERS**

>> **x2 LOGINS IN APP NOW IN THE FIRST FEW DAYS**

>> **30-40% INCREASE IN TRANSACTIONS IN SYSTEMS AND OPERATIONS WITH CARDS**

>> **+44,000 JOBS AND 100,000 MOBILE DEVICES**

All these actions have enabled the integration to be a success, with the target platform processing record volumes and maintaining the level of service and adequate response times

9

Technological infrastructure

In recent years, the increasing use of digital channels by customers and the digitalisation of processes has led to an exponential rise in the number of transactions.

The continuous improvement of IT infrastructure is a cornerstone of the Group's management. The Group has two high quality operational Data Processing Centres[1] (DPCs), connected to each other to support and develop the Group's activities.

We are also continuing to focus on a progressive migration to cloud solutions and processing, which allow us to significantly reduce operating costs by more than 50% and develop applications more flexibly.

Big Data

In an era marked by the mass data revolution, CaixaBank continues to develop its Big Data model to ensure greater reliability and productivity in data processing.

CaixaBank has a single information repository called Datapool with information governance and data quality; and a significant increase in the use of information and related knowledge.

84.4% REGULATORY REPORTS GENERATED BASED ON DATAPOOL
82.2% IN 2020

15 TB OF DATA MANAGED DAILY
11 TB IN 2020

>> IN THIS SENSE, THE CONTINUOUS IMPROVEMENT OF IT INFRASTRUCTURE MAKES IT POSSIBLE TO PROCESS GREATER AND GREATER VOLUMES

153,179 BILLION TRANSACTIONS PROCESSED
120,666 IN 2020

≈ 25,000 TRANSACTIONS PER SECOND
>16,000 IN 2020

612 APPLICATIONS MANAGED ON THE CLOUD
476 IN 2020

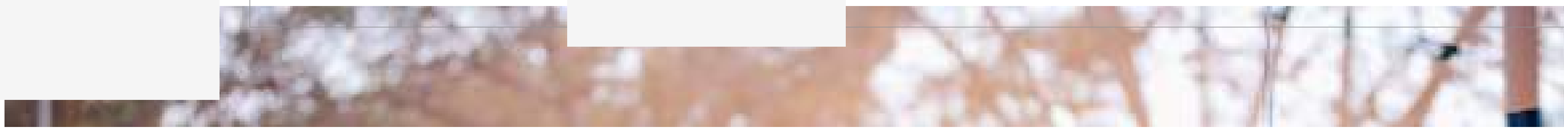
>85% RELEVANT INCIDENTS RESOLVED IN LESS THAN 4 HOURS
79% IN 2020

>> A BIG DATA MODEL THAT ALLOWS FOR GREATER ADAPTABILITY

INTERNAL SOURCES
EXTERNAL SOURCES

Big Data
Structured information
Unstructured information

SMARTBANKING
ONLINE MARKETING AUTOMATION
ANALYSIS OF EMOTIONS
CUSTOMER PROFILE ENHANCEMENT
CUSTOMER BEHAVIOUR TRENDS
ARTIFICIAL INTELLIGENCE



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[1] The DPC in the corporate building in Las Rozas will undergo a refurbishment after the integration of Bankia to become a third DPC for the group in 2023, which will improve its operational resilience.

Implementation of new technologies

CaixaBank aims to promote the adoption of artificial intelligence (AI) and to this end it includes this line in the definition of its strategy, with an AI corporate governance model that offers scalable and robust services.

In 2021, the AI architecture connected to the transactional and datapool has been reused to serve different areas, in the fields of virtual assistants, document management, predictors and voice services, thus leveraging the assets created.

Virtual assistants have consolidated their use and efficiency, with 1.8 million conversations per month and with a high uptake rate in the NOA website and app (95%) and in employee assistance (85%), generating large savings in telephone assistance services.

Artificial intelligence is also aimed at improving the experience of customers and employees. This year saw the creation of the basis for the new generation of virtual assistants, a new way of operating the financial terminal, in natural language and guided by artificial intelligence, to improve the user experience and efficiency and increase the uptake of contacts.

Disseminating the technical knowledge generated in best practices is also a goal for the organisation, developing and transferring capabilities within the areas and promoting a Centre of Excellence with the centralised knowledge of the Group.

8

[1] Cumulative data.

>> AT CAIXABANK, ADOPTING THE LATEST TECHNOLOGY IS KEY TO INCREASING PRODUCTIVITY

>> ROBOTICS

451

NUMBER OF CASES WHERE ROBOTICS HAVE BEEN IMPLEMENTED[1]

302 IN 2020

>> ARTIFICIAL INTELLIGENCE

14

NUMBER OF COGNITIVE ASSISTANTS FOR ADMINISTRATIVE PROCESSES

3 IN 2020

88%

AUTOMATIC REPLIES FROM THE VIRTUAL ASSISTANT WITH EMPLOYEES - BRANCH CHANNEL

89% IN 2020

5,922,112

CONVERSATIONS INITIATED WITH EMPLOYEES' VIRTUAL ASSISTANT - BRANCH CHANNEL

5,034,060 IN 2020

>> THE IMPLEMENTATION OF NEW TECHNOLOGIES IS KEY TO OPERATIONAL EFFICIENCY

At CaixaBank, the implementation of new technologies has made it possible to reduce the time spent on administrative processes in branches, as in the automatic management of incidents in the charging of bills.

15.9%

TIME DEDICATED TO ADMINISTRATIVE PROCESSES IN BRANCHES

-0.6pp

REDUCTION IN TIME SPENT ON ADMINISTRATIVE PROCESSES IN BRANCHES COMPARED TO 2020

CaixaBank is developing an artificial intelligence solution with the start-up Revelock to enhance security in digital channels

The project is the result of a collaboration strategy with start-ups to accelerate innovation and identify talent.

The technology, which is already integrated into *CaixaBankNow*, CaixaBank's online banking, makes it possible to detect activity that could indicate fraudulent use by cybercriminals. The system detects changes in the usual behaviour patterns of customers and compares it with risk patterns, providing added security to all customers using the bank's online banking.

CaixaBank has an agreement with IBM Servicios to speed up its transition to cloud computing and promote innovation in financial services

CaixaBank and IBM Servicios are working to speed up the bank's transformation and promote innovative digital solutions that improve its financial service users' experience.

The agreement, signed in 2020, has a duration of six years during which the IT Now technology *join venture* will continue to operate.

Partnership with Salesforce to boost the digital transformation of banking services

CaixaBank continues to promote the creation of a network of strategic alliances that will contribute to the advancement of the technological transformation process. This agreement allows us to study how technological innovation allows us to better understand the needs of our customers. With this objective, a state-of-the-art CRM will be implemented and integrated into the international R&D programme *Salesforce Financial Services Cloud Design Partner Program* to develop new ways of knowing customers and understanding their needs.

In 2020, CaixaBank developed the first risk classification model in the Spanish banking using quantum computing

The bank is furthering its strategy of preparing for the supremacy of quantum computing and has developed a machine-learning algorithm for classifying customers according to credit risk.

By carrying out these projects, CaixaBank became the first bank in Spain, and one of the first in the world, to incorporate quantum computing into its R&D activity.

8

Foster a **people-centric**, agile and collaborative culture

Our strategic objective is to strengthen the corporate culture and keep people at the centre of the organisation, **based on the following three axes:**

01.

PROMOTING TALENT, ENSURING THAT PEOPLE CAN DEVELOP THEIR POTENTIAL WITH EQUAL OPPORTUNITIES, BASED ON MERITOCRACY, DIVERSITY AND EMPOWERMENT.

02.

DEFINING AND OFFERING THE BEST VALUE PROPOSITION BY IMPROVING EMPLOYEE EXPERIENCE.

03.

PROMOTING THE ATTRIBUTES OF AGILITY AND COLLABORATION.

In 2021, one of the Company's priorities was to successfully integrate Bankia and, in this goal, the integration of people and teams has been one of the key factors.

Within the framework of the merger, a communication plan was outlined for CaixaBank's new organisational chart. In February of this year, the proposal for the new composition of the Management Committee was published, with the appointment of the Chairman José Ignacio Goirigolzarri and the CEO of CaixaBank as the primary executive of the new CaixaBank.

In turn, the Management Committee proposed a new management structure in the Corporate Centres on the basis of an organisational model, designed to improve efficiency, agility, collaboration and transversality between people and teams, with fewer hierarchical levels, and larger, cross-cutting, and autonomous teams. In March, after the evaluations of the candidates for management positions were completed by external consultants, the new responsibilities in the 15 Regional Management units and in the Corporate Centres were communicated.

In December, the new management structure of the Regional Management units was presented following the integration of CaixaBank's and Bankia's networks, which involves a step further in the integration process and is the beginning of a new phase in leading the transformation of the Spanish financial system.

In general, all the quantitative data in this section do not include the first 3 months of 2021 of the Bankia Group perimeter, as 26 March 2021 is considered to be the date of integration of the Bankia Group's staff into the CaixaBank perimeter. For metrics that require a 12-month time horizon: remuneration and salary gap, the data of Bankia employees for the first quarter of 2021 has been included.

Furthermore, the data of BPI Banco presented in 2020 differ slightly from those presented in the previous report due to not including the subsidiary BPI Suisse, which has been included in 2021 as other Group companies.

CAIXABANK GROUP EMPLOYEES AT 31 DECEMBER 2021

CAIXABANK GROUP

49,762 Employees

55.5% Female

44.5% Male

7,489 Directors

7,986 Middle management

34,287 Other employees

Permanent contracts 99.8%

Average age 46.0 years

Average length of service 18.4 years

CAIXABANK, S.A.

41,602 Employees

56.0% Female

44.0% Male

6,901 Directors

6,771 Middle management

27,930 Other employees

Permanent contracts 99.8%

Average age 46.1 years

Average length of service 19.2 years

BPI, S.A.

4,462 Employees

57.1% Female

42.9% Male

313 Directors

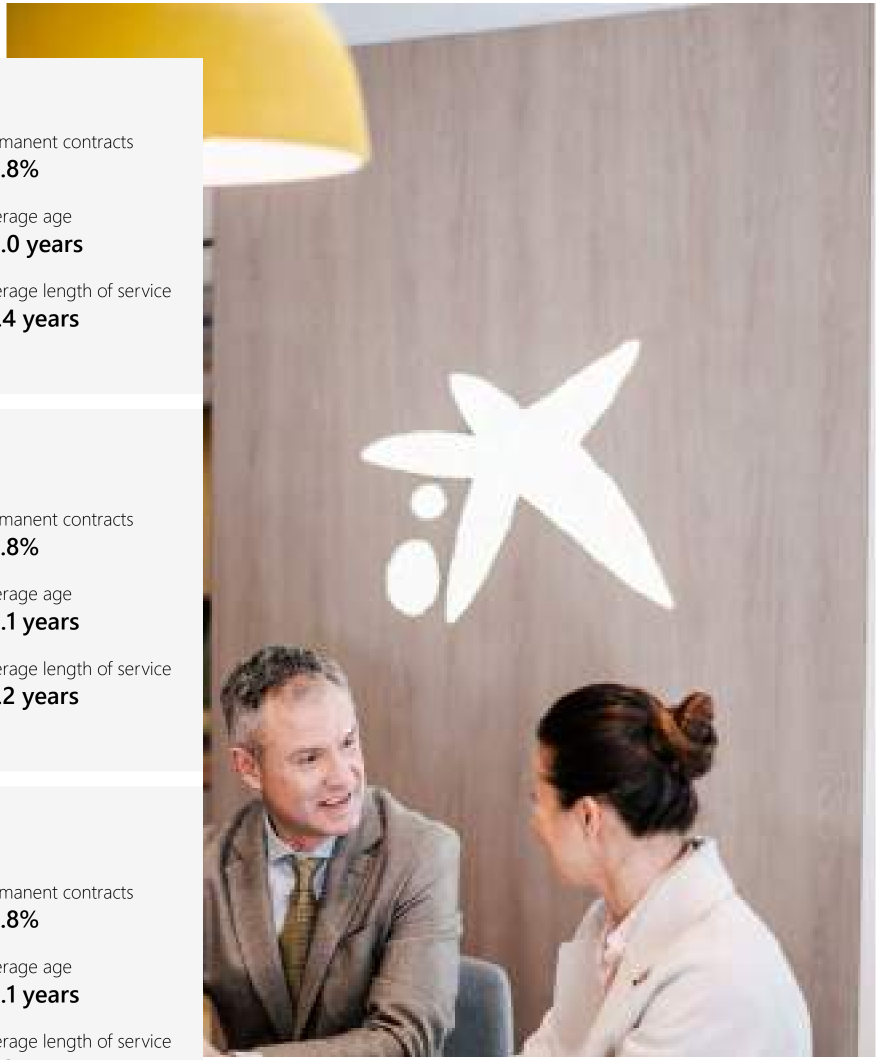
643 Middle management

3,506 Other employees

Permanent contracts 99.8%

Average age 46.1 years

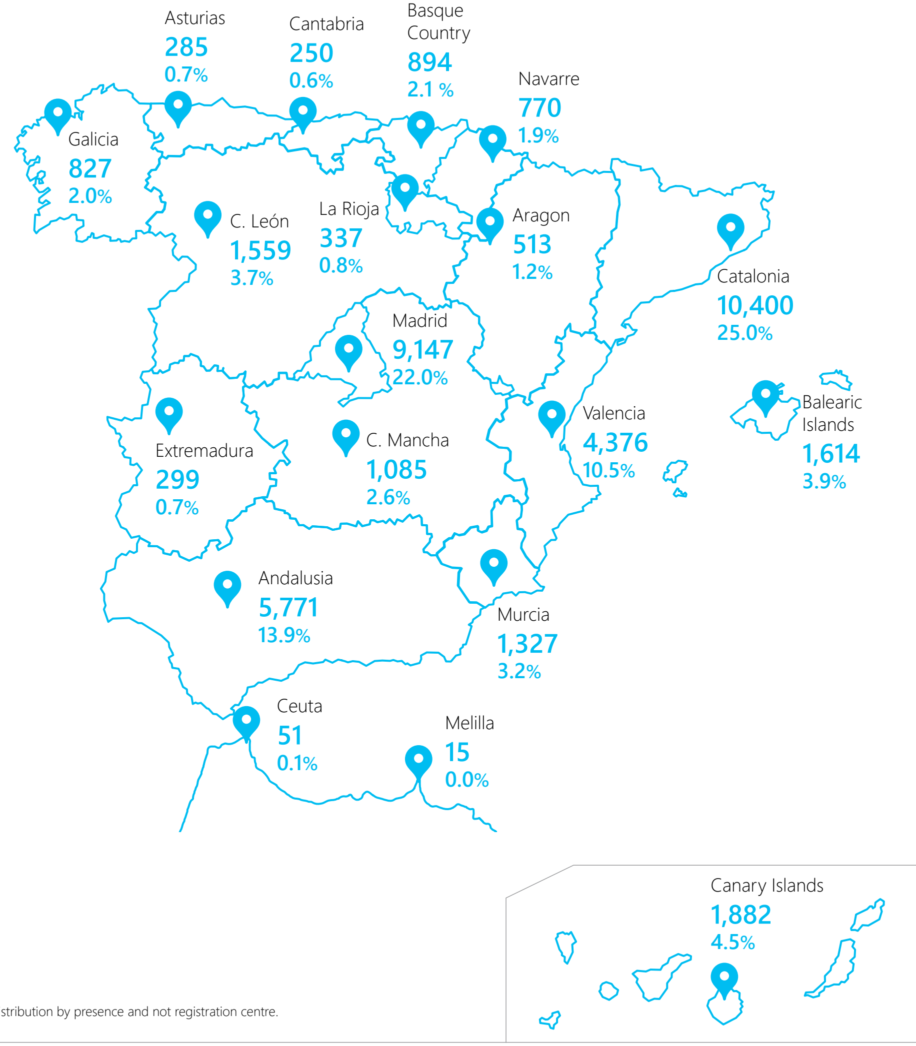
Average length of service 19.3 years



GEOGRAPHICAL DISTRIBUTION OF CAIXABANK GROUP STAFF

Spain	**44,912**
Portugal	**4,649**
Africa	**38**
Algeria	3
Egypt	3
Morocco	28
South Africa	4
North America	**8**
Canada	2
The United States	6
South America	**12**
Brazil	3
Chile	3
Colombia	3
Peru	3
Asia	**19**
China	9
United Arab Emirates	3
India	4
Singapore	3
Rest of Europe	**122**
Germany	14
France	14
Great Britain	18
Italy	4
Luxembourg	31
Poland	21
Switzerland	16
Turkey	4
Oceania	**2**
Australia	2

DISTRIBUTION BY AUTONOMOUS COMMUNITY OF CAIXABANK, S.A. STAFF[1]



[1] Distribution by presence and not registration centre.

Corporate Culture

Culture determines how an organisation works and the way people act. The world moves fast and therefore we must advance and adapt permanently to continue being a leading entity. It is necessary to strengthen those aspects that have led CaixaBank to success and adapt a series of behaviours that ensure the company maintains its leading position in a changing environment.

The **Culture Plan** facilitates behaviours that are in line with CaixaBank culture and are included in the concept **We Are CaixaBank**

>> PEOPLE, OUR PRIORITY

- **Committed:** we encourage actions that have a positive effect on people and society as a whole.
- **Close:** we listen and support everyone, providing solutions to their current and future needs.
- **Responsible and demanding:** we act guided by criteria of excellence, thoroughness and empowerment with the aim of adding value to others.
- **Honest and transparent:** we build trust by being upright, honest and consistent.

>> COLLABORATION IS OUR STRENGTH

- **Collaborative:** we think, share and work together as a single team.

>> FLEXIBILITY IS OUR ATTITUDE

- **Flexible and innovative:** we promote change with foresight, swiftness and flexibility.

Culture is a strategy facilitator, an accelerator of digital transformation, and it is expressed in the Company through employee experience, increasing the engagement. During 2021, the corporate culture model was implemented in the main CaixaBank Group subsidiaries, adapting it to their reality. Culture teams have been created; workshops have been delivered; and communication plans have been defined and implemented to transfer corporate culture.

In order to enhance the customer experience/service, we must start by increasing the commitment and motivation of employees by providing a value proposal aligned with the Company's values and culture, and it manifests in the employee's pride, satisfaction and discretionary effort. Active and constant listening to employees and the dissemination of corporate culture by means of a transforming leadership model that focuses on people and their ideas, provides them with responsibilities and generates commitment to our Bank's project help us adapt to a changing environment.

Five levers are promoted in order to transmit and involve all professionals in the integration of *We Are CaixaBank* behaviour.

i. Communication

With the aim of improving knowledge and awareness of the attributes of Culture, driving participation and generating commitment, the following initiatives stand out, among others:

- **The Culture and Leadership Book:** dissemination of the leadership handbook for managers entitled *We are CaixaBank*, which includes each of the attributes and behaviours associated with a leader.
- **Everyday culture:** material for managers, with the aim of sharing it with their teams and so they can reflect on their behaviours of their day-to-day work.
- **Commendations:** campaign that consisted in inviting professionals to publicly recognise and acknowledge their colleagues, highlighting a particular attribute. A spontaneous and transversal acknowledgement between colleagues took place.
- **Informative videos:** (I) *Culture Video*, a presentation of the CaixaBank Culture, describing each of its characteristics, and the *We are CaixaBank* programme; (II) *Story-Video of a commitment*, covering the main milestones of the Bank's history since 1904 and; (III) *Welcome Video*, with testimonials to welcome new employees from Bankia.

ii. Training

Online face-to-face workshops are conducted for managers of Retail Banking, which integrates culture within the Leadership Model and the Commercial Model, developing knowledge and skills in a practical way for their day-to-day application in the office. The contents include the following:

- **Leadership model:** The Manager as a transformative leader: motivator of results, enabler, strategic proactive approach, innovative, service leader and ethical reference.
- **Conversations for development (EpC[1] 360):** The Manager as a dynamiser and developer at key moments of leadership.
- **Commercial model:** The Manager as a driving force of the commercial system who identifies and guides the moments of truth in sales, and guarantees a good customer experience and the achievement of goals.

iii. Active listening

Active listening allows us to obtain information on the perception of Culture by professionals, to provide feedback for behaviour and the action plan. In 2021, more active listening actions were carried out, and new technological tools (Qualtrics), which was also implemented in the main Group companies. This has allowed for an improved managerial autonomy and time-to-market for action plans. The various studies carried out in 2021 included:

- **Commitment study:** Launched to a sample of 2,500 employees in CaixaBank, S.A. in January, enabling us to analyse the climate, commitment and culture, as well as their progress with regard to previous studies.
- **Strategic gauging:** with the aim of learning how the integration process had been carried out (May 2021) and measuring the support to departures in the restructuring process (October 2021).
- **Specific gauging:** Occasional quantitative and tailor-made listening actions are conducted based on specific issues.
- **Inclusion of listening in the Touchpoint of the employee's journey:** with the aim of improving employee experience. Deviations are corrected permanently thanks to this continuous listening formula.

See more details in the Employee experience section

[1] Skills assessment.

iv. Employee Experience

EMPLOYEE LIFE CYCLE

ATTRACTING AND HIRING
1. I'm interested
2. I apply to offers
3. Selection

WELCOMING
4. I'm hired
5. Onboarding

LINK
6. Daily work with my manager
7. My physical environment - relationship with colleagues
8. Developing me
9. Assessing me
10. Paying me
11. Vital moments
12. Looking for/receiving communication
13. Change of position
14. Areas as customer

ENDING
15. Separation

	EMPLOYEES	MANAGERS
HIRING	Objectivity Transparency Innovation	Greater autonomy Agility Employee branding
ONBOARDING/ POSITION CHANGE	Support Accompaniment Severability	Agility Rapid immersion Ease
DEVELOPING ME	Growth Motivation Bolstering role of belonging	Developing talent Meritocracy and diversity Bolstering the managerial role
APPRAISING ME/ CHALLENGES AND SKILL ASSESSMENT	Acknowledgement Proximity Objectivity	Leadership Two-way communication
AREA AS A CUSTOMER	Linkage Support	Efficiency Expiry
OFFBOARDING	Accompaniment	*Feedback*

In 2021, with the aim of improving the employee experience, we continued focusing on the following moments in the employee's life cycle:

1. Attracting and Hiring

Improving the candidate's and manager's experience by using technology predictably in order to get the best candidate for each position, while boosting the company as employer branding through digital actions and communications.

- [1] Upgrading the internal and external Career site, with the aim of improving user experience and consolidating CaixaBank's employment portal. At the same time, by improving the internal Career site, it wants to reinforce the CaixaBank brand as an employer branding among employees.
- CaixaBank and Group companies are part of the *PeopleXperience HUB*, a disruptive innovation, learning and talent ecosystem on the CaixaBank Group brand, to attract talent and to be a benchmark in innovation. Each company also has its own external hiring site in the Hub.
- Maintaining the *Talent Programs* (*WonNow*, and *New Graduates Talent*).
- Social media management and improvement of the digital footprint as employer branding.

2. Welcoming

Implementing a stand-out experience by creating a structured onboarding process with automated accompaniment. In 2021, the *Onboarding* Plan was key to welcoming new Bankia employees.

- Provision of a physical Welcome Pack to Bankia employees at their work centre on the day of the merger, which included their new employee card, business cards (Network employees), an institutional message from the Chairman and CEO and a welcome video with testimonials from colleagues from both entities.
- Provision of the contractual pack: within the Employee Portal, Bankia employees had a personalised space with the documents relevant to them and the documents they had to sign. The first part of the contractual pack was signed following the statutory integration (data protection, code of ethics and code of conduct, ORP, Volunteering, Mutual Society, etc.), while the second part was signed after the integration's Labour Agreement.
- Handing out of a *Welcome Plan* (details of interest, guideline for the role of buddy, *Welcome pack* in digital format) and the assignment of a buddy for the rest of new additions, as well as an introduction to the Virtaula training plan.
- Redesigning of onboarding programmes: *CaixaBank First Experience* (lasting 2 years) to attract and retain young talent; *CaixaBank Executive Experience* to expedite the revitalising of incorporation into the management team.

The integration and onboarding process has been defined and implemented in Group companies, and it includes, among others: the communication plan, gamified training itinerary, welcome guides for employees and managers, adoption of change programme for managers and actions tailor-made to each company.


[1] https://caixabankcareers.com/?locale=en_US

3. Developing and Assessing

Developing internal talent, enhancing acknowledgement and recurring feedback.

- CaixaBank Campus, teaching model that structures the training offer at CaixaBank in three blocks: regulations, recommended and self-learning.
- Extension of the content associated with digital transformation with three itineraries.
- Learning plan associated with the integration.
- Consolidation of the instigators (people and tools) of learning at CaixaBank are: (i) Virtaula.Next allows maximising learning opportunities in the virtual environment and making the learning plan more flexible; (ii) Internal trainers, as business facilitators; and (iii) *Change Makers* as facilitators of digital transformation.
- Managerial and Pre-managerial development programmes and Young Talent programmes.

More information in the Professional development and remuneration section

- The *Welcome* Manager programme, arising as a result of the integration of Bankia, to accelerate the transition process, providing tools, skills, competencies and knowledge that contribute to the achievement of business goals. The following activities have been carried out:

Change adoption programme:
Workshop and support materials for managers as tools to make the integration process smoother (all managers).

Get to know CaixaBank
Masterclass sessions presenting Bankia executives with CaixaBank's main strategic and business lines.

***Buddy* programme**
Personalised support programme (assigning mixed buddy pairs among some managers of both banks).

PROA
Action aimed at working on the planning, commercial monitoring and leadership of sales teams.

Strategy
Training programme on leadership skills and competencies in changing contexts and environments *(masterclass)* (all managers).

Transition *coaching*
A *coaching* process is offered to Bankia managers aimed at accelerating the CaixaBank integration process.

- In 2021, around 9,862 Skills Assessments have been carried out in the Branch Network and in Central Services.

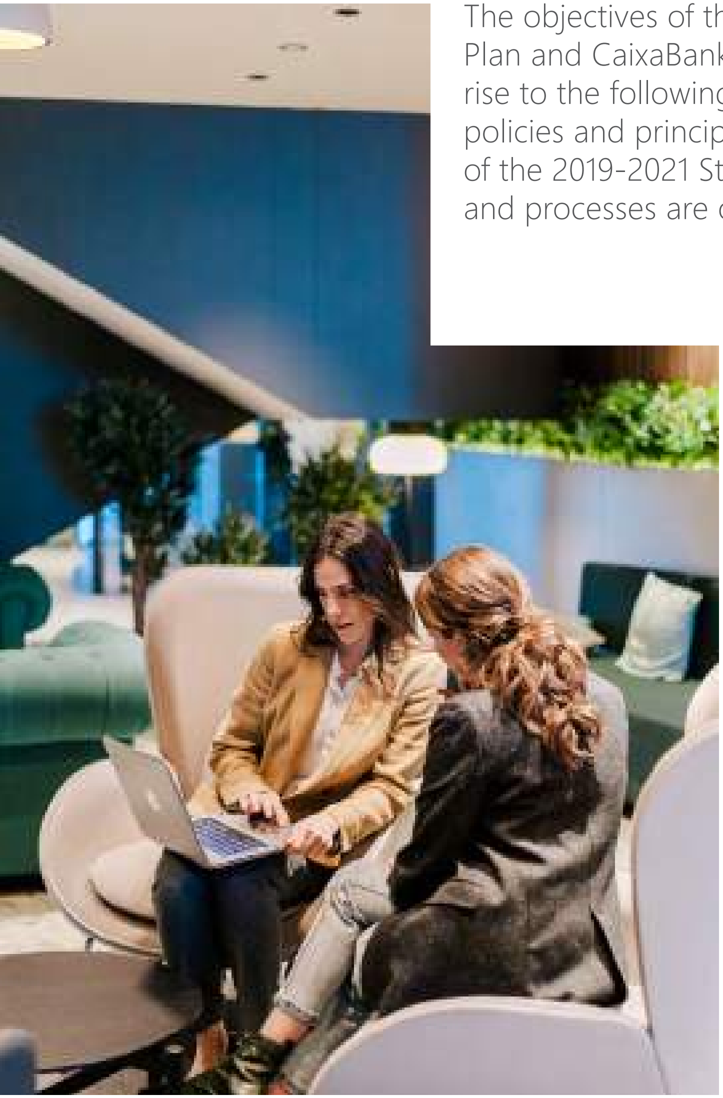
In 2021, particularly noteworthy is the launch of the single corporate assessment model in the main Group companies, which is aligned with the CaixaBank model and has assessed a total of 2,721 employees, who also received support training throughout the process, and the launch of the 360º assessment model in 6 companies, with around 300 participants. Lastly, the corporatisation of Talent Committees in order to decide on the cover of the managerial positions using the Talent and Contribution matrix is worth a mention.

4. Area as customer

Facilitate employees's procedures when they interact as customers of our products and services.

v. Ambassadors of Culture (change makers of Culture)

Individuals who transmit and help spread the Bank's Culture among the entire workforce and who are permanently listening. They are noted for being digital, close and accessible people, and they are the *role model* for CaixaBank Culture's behaviours.



The objectives of the 2019-2021 Strategic Plan and CaixaBank's corporate culture give rise to the following people management policies and principles. Under the provisions of the 2019-2021 Strategic Plan, the policies and processes are of a corporate nature.

CaixaBank promotes its policy of people management with respect for diversity, equal opportunities, and the inclusion and non-discrimination on the basis of gender, age, disability or any other factor. The Group believes it is essential to ensure transparency in the selection and internal promotion of its professionals.

- **TO ENSURE THAT TALENTED INDIVIDUALS CAN DEVELOP THEIR POTENTIAL BASED ON MERITOCRACY, DIVERSITY, TRANSVERSALITY AND EMPOWERMENT**
- **TO OFFER THE BEST VALUE PROPOSITION FOR EMPLOYEES AND RENEW IT** (NEW ENVIRONMENTS AND SPACES, METHODOLOGIES AND APPLICATIONS, ASSESSMENT AND RECOGNITION SYSTEMS, ETC.) **ENHANCING THEIR EXPERIENCE, PROMOTING WELL-BEING IN A HEALTHY AND SUSTAINABLE ENVIRONMENT**
- **TO PROMOTE THE ATTRIBUTES OF AGILITY AND COLLABORATION, ADAPTING STRUCTURES AND PROCESSES TOWARDS MORE AGILE AND TRANSVERSAL WORK MODELS**
- **TO DEVELOP COMMUNICATION CHANNELS TO ENCOURAGE PARTICIPATION AND COLLABORATION**

ALL OF THIS SERVES TO ACHIEVE THE SATISFACTION AND MOTIVATION OF STAFF IN A POSITIVE WORK ENVIRONMENT

Diversity and equal opportunities

CaixaBank is committed and works to promote diversity in all its dimensions as part of its corporate culture, by creating diverse, transversal and inclusive teams, recognising people's individuality and differences and eliminating any exclusionary and discriminatory conduct. To this end, the company has a solid framework of effective policies that guarantee equal access for women to management positions (internal promotion), and ensures fairness in recruitment, training and professional development, promoting policies of flexibility and conciliation and reinforcing an inclusive culture with principles set out in the **Diversity Manifesto.**[1]

The ***Wengage*** programme promotes gender, functional and generational diversity. It is a programme based on meritocracy, equal access to opportunities, and which promotes participation and inclusion. The implementation of this programme in CaixaBank Group companies continued in 2021.

5

[1] https://www.caixabank.com/en/people/diversity-equal-opportunites/diversity-manifesto.html

Gender diversity

On an **internal level**, the gender diversity programme seeks to increase representation of women in management positions, promoting the value of diversity and raising awareness of gender biases and stereotypes. The core initiatives implemented are:

STRENGTHENING THE ROLE OF WOMEN IN THE ORGANISATION

- **AED (Spanish Association of Directors) *Lead Mentoring by* CaixaBank:** Closing of the 1st edition of the online programme aimed at promoting female leadership through a women's Mentoring programme among large corporates (60 participants in the 2020-2021 programme).
- **Atrévete programme:** its objective is to develop and train female talent and promote the appointment of women in managerial positions in the Regional Directorate of Western Andalusia and Extremadura.
- **Consolidation and continuation of the** women's *Mentoring* programme.

RAISING AWARENESS AND INVOLVING EVERYONE

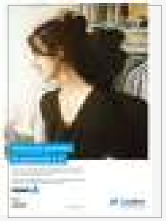
- **Equal Communication podcast:** aimed at continuing the effort of the Guide for Equality-based Communication and contributing to the female talent blossoming with full potential. They are published on *PeopleNow* (corporate intranet) and bring new perspectives aimed at reflecting upon aspects of our communication that promote empathetic and egalitarian interpersonal relationships.
- **CaixaBank Volunteer Diversity Month:** online workshops and webinars focusing on raising awareness on diversity issues, such as a race, gender and sexual identity, and delivered to volunteers and their relatives.
- **Unconscious bias training:** online content available on the PeopleNow platform aimed at helping detect and minimise unconscious biases (non-inclusive opinions and behaviours) and providing tools to avoid them. There are two exclusive modules for Human Resources professionals.
- **Support workshop on reincorporation after parent leave:** online group sessions with expert advice, focused on sharing experiences and concerns and on helping manage the emotions that arise following a parent leave, normalise them and take on professional challenges.
- **Dissemination of an internal guide with all labour rights for victims of gender-based violence,** aimed at preventing them from exiting the labour market.
- **Quarterly meetings of Equality Agents** from each of the Regional Management units and delivery of the 2021 diversity initiatives catalogue.
- **#LetsSpeakAboutDiversity:** internal videos of talks between two reference figures for their talent and the diversity they represent. The aim is to present and highlight the experiences and stories of Company professionals that represent diverse and inspiring realities.

CONTRIBUTING **FROM HUMAN RESOURCES** PROCESSES

- **Consolidation of shortlist of 3 candidates for managerial positions.**
- **Encouragement of remote working.**
- **Analysis of equality of pay between men and women:** salary register with 2020 data. The preparation of a salary register and a salary audit with 2021 data, under the current regulations, has been agreed with the legal representatives of workers.
- In 2022, adaptation of the current Equality Plans in all Group companies to the new Royal Decree 901/2020.

Externally, we want to contribute to raising awareness of the value of diversity and equal opportunities in society, focusing our efforts into four areas:

LEADERSHIP AND ENTREPRENEURSHIP



- Organisation of the 5th edition of the **Women in Business Award** and collaboration with the international IWEC award to support to women entrepreneurs. It is the Bank's acknowledgment, for five years now, of the professional and business excellence of women who maintain an outstanding leadership background in the Spanish business environment.
- **CaixaBank Women in Business Community**, a new LinkedIn network which brings together regional and national winners of the four editions of the CaixaBank Women in Business Award.
- **Professional Self-employed Women's Award:** 1st edition, which rewards the careers of self-employed workers in Spain.
- **Agreement with AMMDE** (Multisectorial Association of Women Managers and Businesswomen) to create the 1st *Data Analytics* Observatory of women managers and businesswomen. The aim of this observatory is to extract quantitative and qualitative information about the incorporation of women in Senior Management and the business world.
- ***ClosingGap. Women for a Healthy Economy:*** adherence to the benchmark platform on analysing the economic and social cost of gender gaps and the impact of initiatives aimed at reducing them.
  This is a benchmark cluster that collaborates closely with the public and private sectors to develop joint mentoring programmes and exchange experiences between the member companies. The study on the pay gap in the agricultural sector was presented in February 2022.
- Bolstering of **women's empowerment in the rural world,** including:
  - Adherence to strategic alliances with the main associations supporting women in the rural area: **FADEMUR** (Federation of Rural Women's Associations) and **AFAMMER** (Association of Rural Families and Women).
  - Second call of the **AgroBank Chair Award**, which recognises the best master's thesis by a female student.
  - **Rural Women's Day**, the purpose of which is to highlight the role of women in the rural world by creating a space in which to discuss, debate and resolve issues in this area.

INNOVATION AND EDUCATION

- Raising awareness and driving STEM careers among the female population. Together with Microsoft, CaixaBank held the **4th edition of the WONNOW Awards** for the academic, personal, professional and social excellence of women in STEM (Science, Technology, Engineering and Mathematics) careers. 723 candidates registered. The winner of the cash prize receives €10,000, and 10 winners of the internship award join CaixaBank for 6 months in leading areas. In addition, they are given access to a mentoring programme led by Microsoft.
- **Alliance Ministry Niñas en pie de Ciencia (Girls ready for Science):** initiative led by the Ministry of Education and Vocational Training that promotes female children and youth STEAM (science, technology, engineering, and mathematics linked to arts and humanities) vocations.

SPORT

- **Synchronised:** broadcasting of a series of 5 chapters on television and social media starring female athletes in the context of the Tokyo 2020 Olympic Games, in which we transmit CaixaBank's commitment to the values of sport and gender equality.
- **Support for female sport** through the sponsorship of the Spanish women's football and basketball teams and other sports events.

COMMUNICATION

- **European Diversity Month:** organised through the European Commission and the 26 organisations that promote the Charter in the European Union. It includes more than 12,000 signatory companies in Europe and 1,195 in Spain. It has the following objectives:
  - celebrating and promoting diversity and inclusion,
  - raising awareness on its benefits and
  - motivating companies and entities to give visibility to their actions and commitments.
- **Diversity section on the corporate website.**

5

ADHERENCE TO NATIONAL AND INTERNATIONAL PRINCIPLES OF PROMOTING DIVERSITY

DIVERSITY CHARTER

Code of Commitment promoted at a European level by Fundación Diversidad.

UN WOMEN EMPOWERMENT PRINCIPLES

Adherence to the initiative promoted by the UN.

TARGET GENDER EQUALITY

Adherence to the new United Nations Global Compact initiative.

STEAM ALLIANCE FOR FEMALE TALENT

Adherence to the STEAM Alliance for female talent "Niñas en pie de ciencia" of the Ministry of Education and Vocational Training, with the aim of promoting scientific vocation in female children and youth.

EJE&CON

Adherence to the Code of Good Practices for Talent Management and the Improvement of Business Competitiveness.

ACKNOWLEDGEMENTS

DIVERSITY & INCLUSION INTRAMA AWARDS

Second prize in the TOP GENDER DIVERSITY COMPANY category for the good practice shown in "Wengage".

BLOOMBERG

Global leaders in the Bloomberg 2021 GEI.

EWOB

Leading Spanish company in the 2020 *European Women on Boards* (EWoB) Gender Diversity Index. The Index examines the representation of women in leadership roles for companies included in the Stoxx Europe 600.

STEM AWARDS

Second prize in the WONNOW Awards initiative for promoting female talent in the STEM area. Awarded at the *STEM Women Congress*.

EFR CERTIFICATE

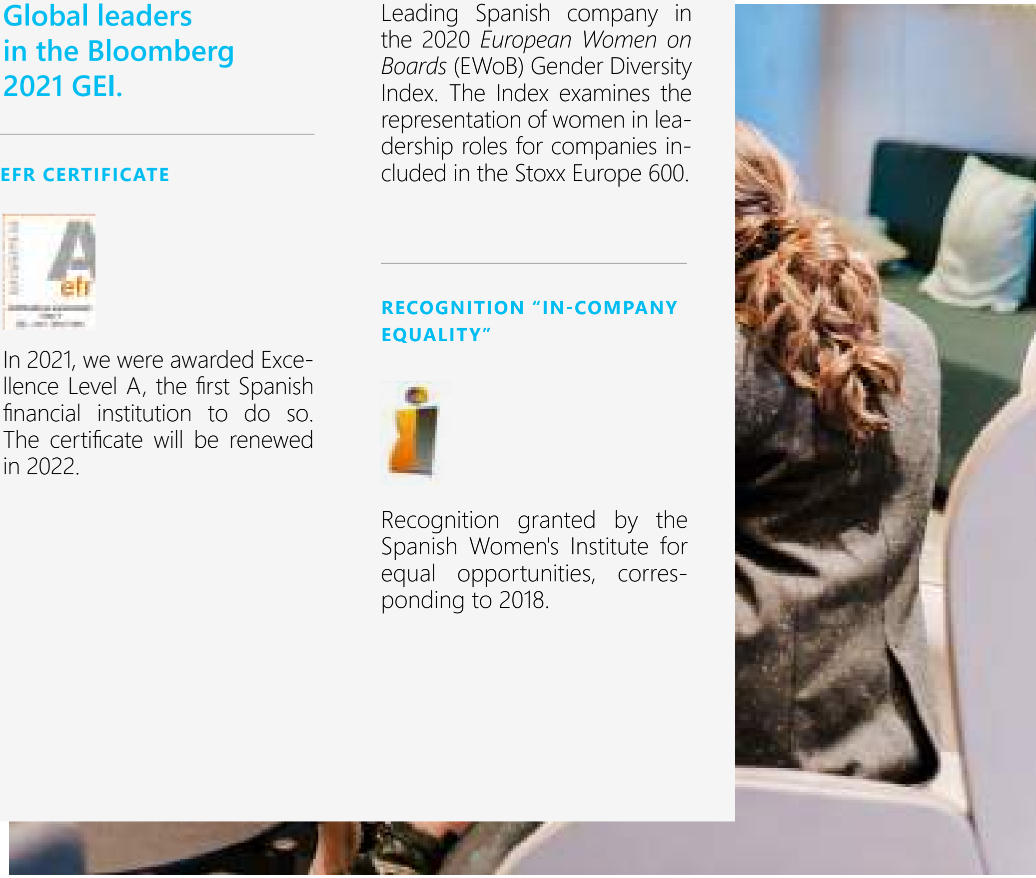
In 2021, we were awarded Excellence Level A, the first Spanish financial institution to do so. The certificate will be renewed in 2022.

RECOGNITION "IN-COMPANY EQUALITY"

Recognition granted by the Spanish Women's Institute for equal opportunities, corresponding to 2018.

EQUILEAP

CaixaBank, top performer in Spain for gender equality Equileap.



5

GENDER DIVERSITY IN NUMBERS

Employees distributed by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
Male	16,091	22,128	12,271	18,303	1,993	1,916
Female	19,343	27,634	15,133	23,299	2,610	2,546
Total	**35,434**	**49,762**	**27,404**	**41,602**	**4,603**	**4,462**

Employees by contract type and gender

CaixaBank Group	Part-time, fixed or indefinite-term contract full-time		Part-time, fixed or indefinite-term contract part-time		Temporary contract	
	2020	2021	2020	2021	2020	2021
Male	15,963	22,056	27	26	101	46
Female	19,206	27,551	21	27	116	56
Total	**35,169**	**49,607**	**48**	**53**	**217**	**102**

New hires by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
Male	333	77	190	16	22	21
Female	307	95	163	26	27	40
Total	**640**	**172**	**353**	**42**	**49**	**61**

Redundancies by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
Male	43	43	24	27	4	3
Female	45	39	24	26	2	3
Total	**88**	**82**	**48**	**53**	**6**	**6**

The turnover calculated as the redundancies over the average workforce (excluding the restructuring plan and voluntary redundancies) is 0.17%. In addition, a total of 1,201 departures took place as at 1 November, corresponding to the 2021 Restructuring Plan (CaixaBank S.A.), of which 1,130 correspond to active staff and 71 to staff on leave of absence and in other situations.

See the section
Restructuring plan and Labour Agreement for further details

Average remuneration by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
Male	66,591	64,314	71,343	67,185	40,804	40,335
Female	54,285	52,821	58,919	55,649	30,349	30,474
Total	**59,864**	**57,919**	**64,471**	**60,711**	**34,876**	**34,708**

Average remuneration by professional category and gender

Group CaixaBank	Directors		Middle management		Rest of employees	
	2020	2021	2020	2021	2020	2021
Male	105,478	96,365	74,807	73,945	50,884	50,626
Female	87,683	81,487	66,703	65,251	46,161	46,351
Total	**98,509**	**90,691**	**70,601**	**69,424**	**48,100**	**48,047**

Average remuneration of Directors by gender - CaixaBank S.A.[1] (in thousands of euros)

	2020	2021
Male	308	143
Female	175	143
Total	**261**	**143**

[1] It does not include the remuneration derived from positions other than those of representation of the Board of Directors of CaixaBank, S.A.

GENDER PAY GAP

The comparison of salaries is calculated as the average for men minus the average for women over the average of men and is 17.9% (18.5% in 2020).

Salary gap

	CaixaBank Group	CaixaBank, S.A.	Banco BPI
2020	1.77%	0.64%	5.55%
2021	1.05%	0.53%	2.72%

The gender pay gap is calculated by comparing wages between employees with the same length of service in the company, performing the same role or position and with the same rank. This allows similar jobs to be compared.

Functional diversity

The functional diversity programme is based on respect for people, their differences and capabilities, equal access to opportunities and non-discrimination.

Inclusive policy for people with disabilities

CaixaBank has an Inclusive policy for people with disabilities in place since January 2020, which was agreed with the workers' legal representatives. Its principles and commitments are geared towards respect for people with functional diversity and fostering their integration into the Organisation under the same conditions as the rest of the workforce, establishing a series of social benefits.

PRINCIPLES

- NON-DISCRIMINATION
- INCLUSION
- RECOGNITION OF CAPABILITIES, MERITS AND SKILLS
- FIGHT TO COMBAT STEREOTYPES, PREJUDICES
- FOSTERING RECEPTIVE ATTITUDES
- ACCESSIBILITY

EMPLOYMENT COMMITMENTS AND RECRUITMENT OF PEOPLE

- IMPROVING THE PRESENCE OF PEOPLE WITH DISABILITIES AT THE ORGANISATION ANNUALLY
- FOSTERING THE HIRING OF PEOPLE WITH A LEGALLY RECOGNISED DISABILITY
- PROMOTING INCLUSION AND HIRING OF PEOPLE WITH FUNCTIONAL DIVERSITY

588
EMPLOYEES WITH DISABILITIES
362 IN 2020

Some of the benefits or measures implemented include: adapting the workstation, extension of a day's paid leave to cover any medical needs and free advice for legal procedures.

At the **internal level**, the following objectives and the main initiatives implemented include:

DEVELOPING TALENT AND CHAMPIONING PROFESSIONAL OPPORTUNITIES FOR PEOPLE WITH FUNCTIONAL DIVERSITY

- **Championing external hiring.** Identifying labour exchanges through a collaboration agreement with Incorpora.
- **Contracting services with Special Employment Centres (CEE)** to promote the inclusion of people with functional diversity in the workplace and people's professional development.
- **Fundación Adecco Family Plan:** programme for children of employees with disabilities (equal to or greater than 33%), aimed at promoting skills and abilities that increase their autonomy and their possibilities of joining the labour market.
- In 2021, CaixaBank joined the **Reto 8M** (8M Challenge) launched by Eurofirms, which aims to incorporate 1,000 disabled women into the labour market by means of training that improves their employability in 1 year. CaixaBank collaborates by offering grants and through the CaixaBank Volunteering initiative.

AWARENESS AMONG THE ENTIRE ORGANISATION IN TERMS OF INCLUSION AND DIVERSITY

- Development of a new Plan based on the **Inclusive policy for people with functional diversity.** The following initiatives are planned for 2022: (i) Equality agents focusing on functional diversity, (ii) training and tools for managers and employees and (iii) availability of an own space in PeopleNow for Wengage programme communication geared towards functional diversity.

Externally, support is offered to the community by championing the hiring and inclusion of people with functional diversity, and generating a short and long-term social impact. Some of the initiatives carried out include:

SERVICE ADAPTED TO OUR CUSTOMERS WITH FUNCTIONAL DISABILITIES

- CaixaBank branches and apps accessible to people with functional diversity.

More information in section Local accessible banking

- New project to improve the service for customers with hearing disabilities and to learn about their needs, expectations and use of banking (face-to-face and digital), with the aim of guaranteeing their inclusion by improving interaction, the resources available to advisers and the experience in this customer segment.

COMMITMENT TO SOCIETY

- Participation in the *Global Disability Equality Index*, which will provide information about new initiatives and good practices.
- Donations to foundations and association for the purpose of employing people with disabilities, managed by Social Action, the SPECIALISTERNE project, which is engaged in the employability of people with Autism Spectrum Disorder, stands out in 2022.

CHAMPIONING ADAPTED AND PARALYMPIC SPORT

- In 2021, CaixaBank extended its support with the Spanish Federation of Sportspeople with Physical Disability by becoming the official sponsor of the European wheelchair basketball championship.
- **#non-conformistsofsport,** agreement between CaixaBank and the Spanish Paralympic Committee to support Paralympic sportspersons in their journey and dissemination of content.
- CaixaBank Talks with two Paralympic athletes part of the #non-conformistsofsport campaign, with the aim of empowering all people and recognising them for their skills and talent.

Generational diversity

The generational diversity programme begins with the diagnosis of the situation in the Group, analysing demographic evolution and impacts on structural indicators. Given the ageing of the general population and CaixaBank's workforce in particular, generational diversity will be a key factor to be managed in our organisation, promoting synergies between generations and addressing the different needs and expectations at each stage. It has the following objectives:

- To integrate generational diversity into the corporate strategy and the employee experience.
- To foresee the problems arising from the ageing of the workforce.
- To identify actions that improve the coexistence of different generations in the Organisation.
- To take advantage of the knowledge of each generation to drive and accompany the Company's strategy.

A roadmap has been defined in 2021 with lines of actions to pursue: Leadership, Training, Awareness, Employee experience, Retirement planning, Metrics and Analytics.

These are some of the initiatives and actions that have been carried out during 2021:

- **Health and Well-being** programme with a generational vision.
- Ongoing **Training** plan and healthy ageing, promoting the employability of all people throughout their professional career.
- **Diverse team management module** in all managerial development programmes, ensuring the real inclusion of all people, as well the cohesion of teams through inclusive leadership.
- **Raising awareness** among all people through specific content on diversity and inclusion and through unconscious biases to combat prejudices and eliminate the labels given to each generation.
- New initiative by ***BUDDY GENERACcionando*** to reinforce culture and knowledge transfer. This is a pilot test carried out by the Regional Directorate of the Balearic Islands with 27 buddy pairs (senior-junior buddies), which will be extended to the rest of the Regional Directorates and establishes the foundation for a future intergenerational buddy programme.

CaixaBank also:

- Collaborates with the Generation & Talent Observatory **"Generacciona":**
  - Taking part in the Diagnosis of generational diversity.
  - Taking part in the Study on Intergenerational Leadership II.
  - Planning the 2020 study "Intergenerational health and well-being".
- Takes part in task forces with other companies to champion the value of senior talent and reveal the corresponding social visibility. Particularly noteworthy is the **Libro Blanco del Talento Sénior** prepared by the Lab Talento Senior with Fundación Adecco-Fundación Eres, which includes best practices aimed at raising awareness in companies, public administrations and society about the relevance that the *senior* workforce will acquire in the coming years.
- Cooperates in the EFR Teamwork Senior Talent. Group led by Fundación Másfamilia and comprising various companies; the objective is to anticipate and adapt to this new reality, seeking to anticipate the full potential of senior talent.

GENERATIONAL DIVERSITY IN NUMBERS

Employees by gender

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
<30 years	1,655	1,302	1,308	1.021	144	120
30-39 years	6,500	7,105	4,799	5,566	817	623
40-49 years	20,657	27,423	16,755	23,384	2,399	2,390
50-59 years	6,384	13,414	4,453	11,259	1,151	1,255
>59 years	238	518	89	372	92	74
Total	**35,434**	**49,762**	**27,404**	**41,602**	**4,603**	**4,462**

Employees by contract type and age

CaixaBank Group	Part-time, fixed or indefinite-term contract full-time		Part-time, fixed or indefinite-term contract part-time		Temporary contract	
	2020	2021	2020	2021	2020	2021
<30 years	1,464	1,211	5	5	186	86
30-39 years	6,463	7,075	13	18	24	12
40-49 years	20,641	27,401	12	18	4	4
50-59 years	6,370	13,406	12	8	2	
>59 years	231	514	6	4	1	
Total	**35,169**	**49,607**	**48**	**53**	**217**	**102**

Employees dismissed by age

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
<30 years	5	10	3	6	2	1
30-39 years	27	16	15	12	1	1
40-49 years	39	37	21	24	3	4
50-59 years	14	17	7	9		
>59 years	3	2	2	2		
Total	**88**	**82**	**48**	**53**	**6**	**6**

Average remuneration by age

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
<30 years	28,311	29,967	28,319	30,811	19,231	20,102
30-39 years	45,318	43,780	48,940	46,180	24,422	25,098
40-49 years	61,718	57,698	66,202	60,476	33,050	32,397
50-59 years	74,856	67,415	82,822	69,918	46,257	44,143
>59 years	107,597	89,007	174,332	98,403	57,429	53,929
Total	**59,864**	**57,919**	**64,471**	**60,711**	**34,876**	**34,708**

Professional Development and Compensation

Development of **potential**

CaixaBank is committed to strengthening the critical professional skills of its professionals and their development. For that purpose, practically 100% of CaixaBank employees undergo assessments to obtain a global perspective (performance and skills assessment). Particularly noteworthy in 2021 is the assessment process of Managerial Talent carried out within the framework of Bankia's integration, in which a total of 2,078 interviews were conducted with the collaboration of 7 external expert consultancy firms and which led to making appointments for the new post-integration managerial structure. In addition, to assess the entire workforce and determine its potential, some 3,958 interviews were carried out with the branch managers and large branch sub-managers, while the rest were given a psychotechnical test.

99.9%
OF MANAGEMENT POSITIONS COVERED INTERNALLY
99.1% IN 2020
CAIXABANK, S.A.

26,470
PARTICIPANTS IN DEVELOPMENT PROGRAMMES
(INCLUDES CAIXABANK TALKS PROGRAMME)
CAIXABANK, S.A.

Management and Premanagement

CaixaBank promotes professional development programmes at the managerial and pre-managerial level. Highlights include:

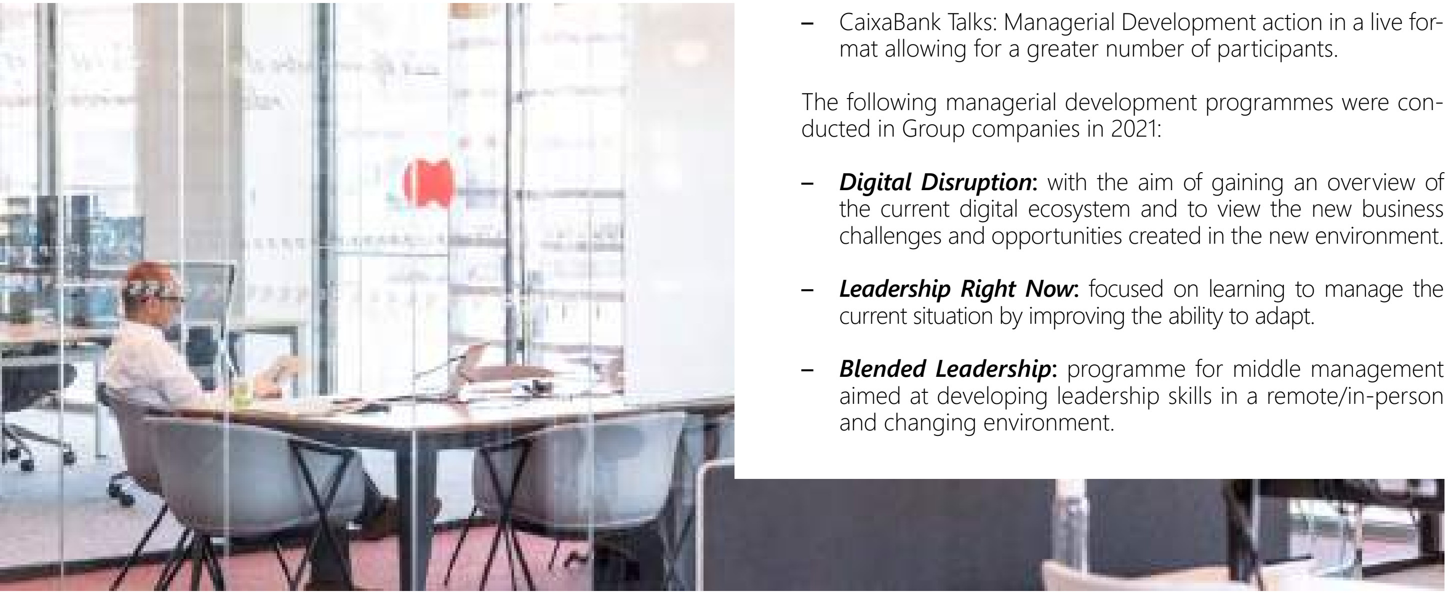
- **Managerial Development Plan** focused on certifying leadership skills and promoting strategy and transversality in the Company, reinforcing the Transformative Leadership model, whose principles are:
  - To serve staff by helping them achieve results.
  - To promote innovation and creativity as levers of change.
  - To promote the personal and professional growth of staff.
  - To act as ethical references for stakeholders.
- **"Progress" pre-managerial programme**, intended for professionals from different areas and Regional Management (branch managers, Central Service managers and Directors of Private Banking and Business Banking), which includes coaching sessions and leadership training.
- Managerial training features two stages (inclusion and consolidation) and a third stage for high-potential groups, and offers incremental development through consolidation in a staff member's position and where the concept of "Certification" is incorporated through Universities and Business Schools.
- **Incorporation:** training aimed at developing leadership that is focused on oneself and on laying the foundations of the business. It is proposed for professionals newly accessing management roles. The core programmes include: PROA (Business Area Management), GPS (Central Services and Business Area Management), Leadership Certificate C1 Programme, online self-training and transition coaching assignment processes.
- **Consolidation** (between 3 and 5 years in the position)**:** focused on their role as leaders of others and drivers of change and strategy implementation. The core programmes include: *C2 Leadership Certificate (Senior Management), programmes related to transformation in the digital age (IMD), online self-training, and consolidation and mentoring coaching sessions.*
- **High-potential development:** proposals to contribute to and promote the development of leadership in executives with high potential. TOP 200 Programme.

The following are particularly noteworthy initiatives carried out in 2021:

– Commitment to the Self-training for Managers initiative with programmes related to *well-being*, skills (management of emotions, communication, impact and negotiation), leadership and digital transformation.

– The *Welcome* Manager programme, arising as a result of the integration of Bankia, to accelerate the transition process, providing tools, skills, competencies and knowledge that contribute to the achievement of business goals.

– Completion of the women's mentoring programmes that were currently being implemented in the Branch network and aimed at generating empowerment (in Regional Management units with lower female presence in managerial positions), also aimed at women in the Private Banking and Business Banking segments.



– *Buddy* programme:

  – **Manager Welcome**, provides accompaniment in the onboarding process by promoting collaboration with 80 buddy pairs from Central Services and 110 in the Branch network.

  – **GENERACcionando**, allows managing knowledge and the sharing of experience between seniors that leave as a result of the Restructuring plan and juniors.

  – **Operational support**, used as an operational support resource, aimed at providing a contact person in the event of any incidents arising during the technological integration.

– Pioneering mentoring action for women executives in large corporates within the framework of the *Closing Gap* project.

– English school: an online Premium platform launched for managers.

– CaixaBank Talks: Managerial Development action in a live format allowing for a greater number of participants.

The following managerial development programmes were conducted in Group companies in 2021:

– ***Digital Disruption***: with the aim of gaining an overview of the current digital ecosystem and to view the new business challenges and opportunities created in the new environment.

– ***Leadership Right Now***: focused on learning to manage the current situation by improving the ability to adapt.

– ***Blended Leadership***: programme for middle management aimed at developing leadership skills in a remote/in-person and changing environment.

– **Change adoption:** tools for managers that facilitate the transition during the integration process.

– **Online communication:** Intensive programme to improve the communication skills of managers in a digital/hybrid context.

Young talent programmes

CaixaBank has talent programmes to identify and develop early talent and thus anticipate future needs. CaixaBank's programmes to attract external talent include:

– ***WonNow***: intended for female STEM (Science, Technology, Engineering and Mathematics) students at Spanish universities. The winners of the internship award will join for six months in strategic positions.

– ***New Graduates* for Central Services:** to identify and incorporate talent for positions that are more difficult to cover internally and for strategic digital positions. A two-year programme with a career plan and the possibility of onboarding into structural positions. For this group, the *Developing Skills* (ESADE) programme has been carried out online.

In 2021 several initiatives were launched from the PeopleXperienceHub aimed at creating an internal and external talent where CaixaBank Group's knowledge and experiences are shared.

Ongoing training

CaixaBank Campus is the teaching approach under which the Company's training is developed, promoting a culture of ongoing learning where the figure of the internal trainer, as a learning facilitator, plays a key role. This model structures training in three main blocks:

CaixaBankCampus

01
>> REGULATIONS
WHAT THE REGULATORY BODY DEMANDS FROM ME

Compulsory training, required by the regulator: short term, as well as certifications in LCI (Real Estate Credit Act), IDD (Insurance Distribution Directive) and MiFID. In addition, mandatory training linked to the sustainability bonus has been launched for the entire CaixaBank, S.A. staff in 2021.

02
>> RECOMMENDED
WHAT CAIXABANK SUGGESTS FOR ME

Training recommended by the company to employees according to their role and the segment to which they belong, and which meets business challenges and needs: You make CaixaBank, "Mis Clientes", Digital Transformation (digital proximity, transformation journeys in the Digital era, O365 Itineraries), *CrossWelcome*, *NPS Feedback & Loops*, Defaults, Sustainable Investments for the entire Private Banking segment, Environmental Risks for Business Banking, etc.

03
>> SELF-LEARNING
WHAT I DECIDE

Self-training that responds to the individual needs of our employees: Virtual Academy of English (Education First), Postgraduate in Risks, Training in Agile Methodologies, Sustainability School training, etc.

The drivers (people and tools) of learning at CaixaBank are:

- **Virtaula.Next:** an online learning platform, which has been overhauled to include new digital features and improve the employee experience. In 2021, new developments allow maximising learning opportunities in the virtual environment and making the Learning Plan more flexible:
  - Implementation of the Teams videoconference system within the platform.
  - Virtaula. Next Development of an intelligent system that associates competencies with learning within Virtaula.
  - New soft skills catalogue with more than 80 new courses.
- **Internal trainers:** learning community comprising 1,163 employees (1,043 in 2020). Their role in 2021 is crucial, as their essence as support figures and facilitators in their peers' learning processes is regained.
- ***Change Makers***: they have consolidated themselves in 2021, and they are the drivers of transformation in CaixaBank, a core element for cultural change and digital transformation.

In 2022 the figure of the internal trainer/change maker is expected to evolve towards CaixaBank Trainers. This evolution aims to normalise this Role within the Bank, unifying and certifying their preparation and specialising the group by field: Commercial trainers, Risk trainers, Digital Change makers trainers and Culture trainers.

Excellence in Practice Silver Award 2021 - Professional Development

Second prize in the "EFMD *Excellence in Practice* 2021" awards in the "*Professional Development*" category for the Risk School project. This project was built with colleagues from CaixaBank's Risks area and Pompeu Fabra-BSM University.

In data we trust - Vidatathon

Gamified training programme carried out in VidaCaixa to improve the analytical capabilities of all employees. Third place in the 2021 EFMA-Accenture Innovation in Insurance Awards.

€12.7 m
TOTAL INVESTMENT IN TRAINING[1]
€14.9 m IN 2020

€263
INVESTMENT IN TRAINING PER EMPLOYEE
€417 IN 2020

3,943,021
HOURS OF TRAINING IN 2021 (98.2% ONLINE TRAINING)
2,609,008 IN 2020 (96.8% ONLINE TRAINING)

81.8
HOURS OF TRAINING PER EMPLOYEE
73.3 IN 2020

Training is aimed at the entire workforce, regardless of the type of contract

With regard to subcontracting **suppliers**, they are requested to know, sensitise, accept and commit to **complying with CaixaBank Group's Code of Conduct for Suppliers of CaixaBank Group**, and in matters of occupational risk prevention, the business activities are coordinated in such a way that it ensures suppliers are aware of **CaixaBank's Occupational Risk Prevention Policy**

Training strategy for the integration of Bankia employees

The training of 15,600 employees from Bankia focusing on their cultural and operational integration in CaixaBank has been crucial in guaranteeing a transition with a low impact on the day-to-day of employees, customers and results. To this end, a powerful training strategy has been designed considering the complications caused by the COVID-19 situation, as it is the first integration process of this size that has been carried out in a remote working format.

This training strategy has involved more than 2,400,000 hours of training (126 class hours + 32 *training in job* hours per person) and is structured along three axes: Training Plan, Commercial Team Integration Plan and Change Management Plan. These plans have provided comprehensive training on the processes and tools for each person, focusing on CaixaBank's customers, products and services, as well as on adopting the Company's systematic and cultural approach.

Training itineraries have been designed for both Network and Central Services employees.

In Central Services:

- Following the legal integration, access has been provided via Virtaula to the common training itinerary for Central Services.
- The Training plan is structured around 3 phases and is split into 2 blocks:
  - A first block common to all areas and managed by Training.
  - A second block in which each Area identifies its particular training needs and develops them internally through expert internal trainers.

[1] The investment in training per employee could be contained thanks to having a tool like Virtaula, which is cost-efficient.

In the Network:

The Training Plan is structured around 3 phases, detailed below, and has been adapted to the 6 business segments and split into 7 themes (Welcome, Tools, Products, Systematics, Regulations, Culture and Risks).

During the period of preparation for the operational integration, which lasted more than 9 months, a training in job process was conducted. Its aim was to provide support framed within the perspective and knowledge of the daily activity of a CaixaBank branch. This process has sought to make the most of the knowledge acquired on CaixaBank's reality by experienced figures in order to facilitate the transition of Bankia's branches to the new model -key figures from Bankia also took part and helped smoothen the process, and the movement of employees between branches. It all involved 2,200 trainers, through the following figures:

2,080 BANKIA DELEGATES

A contact person from Bankia at each of the Bankia branches that also acts as a liaison with CaixaBank contact persons.

Support team to promote and adapt training. This group has a process of advanced training, which is more intense and specific to their function.

141 PERSONS IN THE INTEGRATION SUPPORT CENTRE

This integration support centre (Call center) focuses on helping with any queries that may arise regarding Operations, Tools and Products. These queries are resolved by CaixaBank experts over the phone.

220 CAIXABANK CONTACT PERSONS

CaixaBank face-to-face trainer (two in each of the Area Divisions) to implement *training in job*. These are disseminators of CaixaBank Commercial Systematics and Culture in the day-to-day.

15 INTEGRATION COORDINATORS

They coordinate the Contact Persons in the Territory when it comes to monitoring the progress of the implementation with Management, to transferring actions to the Contact Persons and Delegates, and, lastly, to obtaining feedback from their Contact Persons.

110 BANKIA AREA MANAGERS

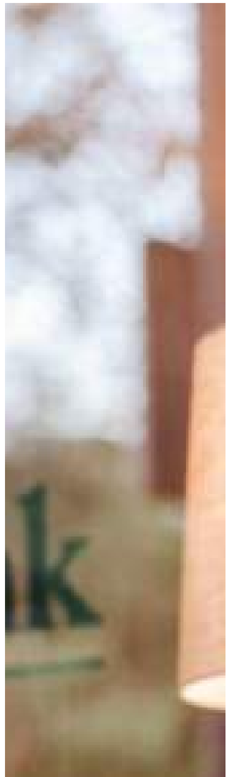
A Bankia employee that guarantees the training is delivered in the entire area, ensures compliance with the KPIs and identifies any critical points with the aim of establishing a training action plan if required.

1,829 INTERCHANGES

The interchanging of operational profiles between CaixaBank and Bankia employees for 2 months before and after the technological integration, applicable to 1,829 branches in total.

The execution phases were as follows:

- **Phase 0 - Preparation** (January to March 2021): first contact with CaixaBank's financial terminal and tools, learning about basic browsing and how to carry out the most common daily operational processes.
- **Phase 1 - Training** (March to June 2021): this phase combines training in operational processes and a more-in-depth view of CaixaBank's culture. During this phase, the main marketed products, the business model and the customer relationship were presented. Meanwhile, the Bank's specific regulatory processes were explained.
- **Phase 2 - Consolidation** (June to September 2021): this phase has allowed assimilating and consolidating the most relevant aspects when it comes to facing successfully the cultural, commercial and technological integration process.
- **Phase 3 - Reinforcement** (September to December 2021): this phase reinforced the secondary aspects, helping fully understand the non-critical operating processes and learn about the differential regulatory aspects in the CaixaBank model.



Appropriate and meritocratic **compensation**

In 2019, CaixaBank's Board of Directors approved a revision of the **CaixaBank General Remuneration Policy**, which specifies and adapts to the main features of each remuneration type. It can be accessed by all employees via the corporate intranet.

Remuneration at CaixaBank essentially features the following pay items:

- **Fixed remuneration** based on the employee's level of responsibility and career path. This accounts for a significant part of total remuneration, also includes the different social benefits, and is governed by the collective bargaining agreement and the various internal labour agreements.
- A **variable remuneration** system in the form of bonuses and incentives for achieving previously established objectives and set up to prevent possible conflicts of interest, and, where applicable, to include qualitative assessment principles in line with customer interests, codes of conduct, and prudent risk management.

The principles of the General Remuneration Policy are applicable to all employees of CaixaBank Group and, among other objectives, they seek to encourage behaviour that ensures the generation of value in the long term and the sustainability of results over time. Furthermore, the strategy for attracting and retaining talent is based on making it easier for professionals to participate in a distinctive social and business project, on the possibility of developing professionally and on competitive conditions in total compensation.

In September 2021, the General Remuneration Policy was amended to include the new regulations on sustainability risk, i.e. ESG risks, and CaixaBank's adaptation to this trend, and specifically to comply with the obligations stemming from Regulation 2019/2088, which establishes that financial market participants and financial advisers must include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and publish that information on their websites.

The Company has, in this respect, developed specific sustainability targets that impact on the variable remuneration paid to Private Banking managers engaged in providing investment advice.

> The amendment to the Remuneration Policy in 2021 reflects the connection between remuneration and ESG risks, which are already in place in CaixaBank

In addition to the remuneration items, CaixaBank's staff enjoy numerous **social and financial benefits**, such as the retirement savings contribution offered in the Pension Plan, risk premium covering death and disability, free health insurance, childbirth benefits, aids for death of a family member and bonus for 25/35 of service.

With the aim of aligning the variable remuneration with the sustainability and good corporate governance goals, the weight of metrics linked to ESG factors (such as Sustainability, Quality and Conduct and Compliance) has been increased in the annual and long-term variable remuneration schemes in 2022. This greater weight provided to the ESG factors affects the Executive Directors (see details in the IARC), Senior Management and a significant portion of the workforce.

As a supplement to the remuneration items, in 2021, the **Flexible Remuneration Programme (Compensa+)** has been consolidated, allowing for tax savings and the customisation of remuneration according to each person's needs. The products offered by the Company in 2021 up to 30% of gross annual salary are: health insurance for family members, transportation card, day care services and retirement savings insurance. At the end of 2021, a total of 6,992 employees had subscribed to 1 or more products within the Plan.

In December 2021, two new products/services linked to the purchase of CaixaBank shares and language training were incorporated for the entire staff to contract.

Fund that promotes social and environmental initiatives by investing in companies that follow good governance practices

The **CaixaBank Pension Plan** continues to be the leader in assets and return. In 2021, CaixaBank's employee pension fund (PC30) obtained an annual return of 13.64%. In a 5-year period, the annualised return of the same was 6.13% per year (above the investment target of a 3-month Euribor +2.75% in the same period). The annual return since the fund was established is 4.40%. The CaixaBank Pension Plan received the following awards:

CAIXABANK EMPLOYEE PENSION PLAN – PC30

In 2021, the PC30 received the "Best Employment Pension Fund" award by the Spanish publication El Economista for the second time. This prize is awarded solely on the basis of the annual yield accumulated throughout the year, which in the case of PC30 was 5.50%.

The PC30 not only achieved a record return, but also proved its commitment to Socially Responsible Investment, combining financial criteria with extra-financial, environmental, social and good governance criteria, while complying with the statement "Fund that promotes social and environmental initiatives by investing in companies that follow good governance practices", according to the *Sustainable Finance Disclosure Regulation* (SFDR).

Furthermore, it maintains its commitment as signatory to the UN Principles for Responsible Investment (PRI) in the long term, and is a member of the *Task Force on Climate-Related Financial Disclosure* (TCFD), as the first State Pension Fund that joins the initiative to disclose the risk associated with climate change.

	Assets at 31/12/2021 in € m	Annualised Returns 15 years	10 years	5 years	3 years	1 year
CaixaBank	**7,066**	**4.58%**	**6.70%**	**6.13%**	**10.40%**	**13.67%**
Company 1	3,195	4.10%	5.33%	4.37%	7.07%	9.71%
Company 2	3,014	0.65%	3.87%	3.09%	4.93%	7.52%
Company 3	2,552	3.05%	3.60%	1.82%	3.28%	4.33%
Company 4	1,789	2.21%	3.29%	2.16%	3.35%	4.08%
Company 5	1,041	--	3.90%	2.95%	4.88%	6.74%
Company 6	933	2.47%	3.33%	1.99%	3.26%	3.44%
Ranking (CaixaBank position)		**#1**	**#1**	**#1**	**#1**	**#1**

PC30 FINALIST AT THE 2021 INNOVATION AWARDS

The PC30 also received a prize as a finalist of the *Innovation Awards* at the *World Pension Summit*. One of its main milestones highlighted is the fact that it is the first fund in Spain to join the *Financial Stability Board* (FSB), which promotes the disclosure of risks associated with climate change (Task Force on Climate-Related Financial Disclosures). Also attention was drawn to the creation of a specific figure responsible for sustainability policies, the adoption of carbon footprint reduction targets, and the introduction of metrics associated with the responsible investment that affects the remuneration of its asset manager.

PROFESSIONAL DEVELOPMENT AND PAY IN NUMBERS

Employees by job classification

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
Directors	5,236	7,489	4,605	6,901	389	313
Middle management	6,803	7,986	5,666	6,771	606	643
Rest of employees	23,395	34,287	17,133	27,930	3,608	3,506
Total	**35,434**	**49,762**	**27,404**	**41,602**	**4,603**	**4,462**

Employees by contract type and job classification

Group CaixaBank	Full-time, fixed or indefinite-term contract		Part-time, fixed or indefinite-term contract		Temporary contract	
	2020	2021	2020	2021	2020	2021
Directors	5,224	7,479	11	10	1	
Middle management	6,796	7,979	2	3	5	4
Rest of employees	23,149	34,149	35	40	211	98
Total	**35,169**	**49,607**	**48**	**53**	**217**	**102**

Total number of hours of training by employee category

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
Directors	420,840	651,328	396,889	630,349	17,101	13,723
Middle management	471,116	550,759	415,270	500,112	39,860	31,012
Rest of employees	1,717,051	2,740,934	1,410,476	2,537,998	177,085	139,026
Total	**2,609,007**	**3,943,021**	**2,222,635**	**3,668,459**	**234,047**	**183,762**

No. of dismissals by occupational classification

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
Directors	8	13	5	11		
Middle management	12	5	6	3	1	1
Rest of employees	68	64	37	39	5	5
Total	**88**	**82**	**48**	**53**	**6**	**6**

Average remuneration by job classification

	CaixaBank Group		CaixaBank, S.A.		Banco BPI	
	2020	2021	2020	2021	2020	2021
Directors	98,509	90,691	97,530	89,253	91,160	91,816
Middle management	70,601	69,424	73,639	71,673	42,493	44,503
Rest of employees	48,100	48,047	52,554	50,949	27,528	27,813
Total	**59,864**	**57,919**	**64,471**	**60,711**	**34,876**	**34,708**

Employee **experience**

Work Environment

CaixaBank prioritises generating a positive working environment in which teams feel motivated and committed. To achieve this goal, we conduct active listening, pay close attention to the ideas and opinions of our employees, and develop an action plan through this listening to meet their requirements. For this reason, we believe that periodically assessing the social and work environment, the experience of our teams, and the quality of the service provided, helps to generate this positive environment.

The Company measures the commitment and satisfaction of its employees through the internal studies (Commitment Study and the Service Quality Study), as well as through external monitors such as the Employee Experience Measurement Index (IMEX) and MercoTalento, one of the world's benchmark reputational assessment monitors based on the multi-stakeholder methodology.

– In January 2021, the **2020 Commitment Study** was prepared in radar format aimed at a sample of 2,500 employees in CaixaBank, S.A., which enabled us to analyse the climate, commitment and culture, as well as their progress with regard to previous studies. A 56% of participation was achieved in the study (commitment studies in radar format have a lower participation, as there is no communication plan), and the TF (total in favour) was 74% (75% in the previous Commitment Study carried out in radar format in 2018). The eNPS [1] increased by 6 points, from 8 to 14, when compared to 2019 data, as a result of the increase of 8 points within the scope of the Branch network.

  The commitment study has also been carried out in the following Group companies: VidaCaixa and BPI Vida e Pensões.

– In May 2021, 2,500 employees were **strategically gauged** following the merger with Bankia, It was a qualitative and quantitative listening point to learn about how the integration process was experienced. A 55% participation was achieved and the TF (total in favour) was 74%. The manager's accompaniment, the welcoming and the buddy figure were the best rated and the uncertainty of their personal situation (in a scenario of a restructuring plan) was the worst.

– In October 2021, a **qualitative listening point was created to measure the accompaniment in departures during the restructuring process.** In general terms, employees who terminate their employment relationship with the company leave happy, are eager to start a new stage in their life and are committed to the company up to the last day. The manager's involvement in communicating with the team and the materials provided to generate conversations and ensure the process is carried out correctly are also highly rated.

– In November 2021, a **qualitative listening point was created to measure the integration process of the commercial teams.**

– Specific gauging is also occasionally conducted for customised listening according to specific issues, such as the adoption of Office 365, assessment of the training, the perception of remote working, etc.

More agile and transversal **work models**

CaixaBank is committed to an agile and collaborative structure and for this reason is developing **a project that aims to simplify the number of organisational levels in a single name for managerial positions, thus creating larger and more diverse teams and extending the leadership model** (project and initiative leaders and reference leaders for their knowledge and expertise). This project must enable an improved time-to-market, a reduction in reaction and decision times, while at the same time pursuing an improvement in employee commitment, the possibility of developing internal talent, and increasing productivity and delivery quality.

In 2021, progress in the digital services of Human Resources has been continued, resulting in a more positive user experience by relying on the best practices in the market and improving time-to-market. We have fully developed the new Employee and Manager portals, implemented the *SuccessFactors* mobile app (on Android corporate mobile phones) and conducted several performance and objective assessments, specifically the assessment of challenges to manage variable remuneration, assessment by competencies, assessment of new employees, assessment of career plans (Client advisers) and assessment aimed at consolidating positions.

The launch in 2021 of PeopleNow at a Company-wide level has enabled initiating communities that promote communication and collaboration between professionals, the generation of shared knowledge and the recognition of people.

[1] Net Promoter Score Employees.

The *People Analytics* project was launched in the last quarter of 2021. This is a transformational project that consists in implementing a *Data Driven* Culture in Human Resources, which will involve changing how work is carried out, by achieving a more independent way of extracting data with more value.

In 2021, the *HR Business Partner* project was completely implemented, providing service to all Corporate Services areas. Particularly noteworthy is the buddy pairs model (CaixaBank and Bankia) of *HR Business Partner*, established following the merger with Bankia to guarantee the continuity of the service through the knowledge of both teams.

At the Group level, the corporate model has been consolidated to improve control, governance and efficiencies through the creation of shared services. These began to be provided to Portuguese subsidiaries at the end of 2021.

Two training programmes have been carried out in Group companies for the *Business Partners* group (*Get Influence* Programme and *Mentoring* Programme for HRBPs), which have empowered the participants by reinforcing this group's role and has involved an exchange of experiences and the adoption of *best practices.*

The *Innovation Playground Programme* has been carried out in Payments&Consumer, a collaborative innovation process that generates concrete solutions for future key challenges (how to contribute to our country's economic recovery and sustainability).

The transition towards more agile work models is part of the **agile transformation** project that seeks to accelerate and adopt agile methodologies to increase flexibility and efficiency in providing solutions, focusing on the client and breaking silos through collaborative work.

Labour standards and staff rights

CaixaBank places fundamental importance on compliance with labour standards, the rights of employees and their representatives, and all matters related to consensual frameworks with union representatives. In addition, the Collective Agreement on Savings Banks and Financial Institutions applies to the entire workforce of CaixaBank, S.A. There are also additional agreements to develop and improve the conditions of the Collective Agreement. The workforce of the rest of CaixaBank Group companies in other countries is also covered by a collective agreement.

In general, most staff follow the working hours established in the Collective Bargaining Agreement on Savings Banks and Financial Institutions, and specific working agreements are made with the Workers' Labour Representation when exceptional cases arise. CaixaBank, S.A. forms part of the Joint Standing Committee on the Interpretation of the Agreement, which aims to develop labour standards that are applied to all employees in the sector.

CaixaBank, S.A. maintains and promotes total neutrality with the different union representations in the Company. The union representatives involved in the company committees are chosen every four years by means of an individual, free, direct, and confidential voting system. They are notified of any relevant changes that may arise within the Company.

On 30 September 2020, the Collective Bargaining Agreement of Savings Banks 2019-2023 (5 years) was signed and published in Spain's Official State Gazette on 3 December, taking effect from 4 December 2020, which makes it possible to level certain significant inertia of costs not linked to performance (such as wage reviews, triennia and the agreement bonus) and addressing a period of huge complexity in a better situation. The collective bargaining agreement also specifically regulates matters such as teleworking and digital disconnection.

Equality Plan

To ensure equal opportunity, CaixaBank, S.A. and other Group entities have different equality plans that they share with the aim of promoting, disseminating and contributing to gender equality, incorporating policies to facilitate the work-life balance for their staff.

It should be noted that the Equality Plan of CaixaBank, S.A. presents conditions that improve on those included in the Collective Bargaining Agreement and the Workers' Statute: paid leave for marriage, maternity and paternity, illness or death of a family member, moving house, etc., reduced working hours to look after children under the age of 12 years or children with disabilities, leaves of absence to care for dependents, gender-based violence and family relocations.

The Equality Plan of CaixaBank, S.A. signed in 2020 with all trade unions is being adapted to include any new external regulations. At the beginning of 2022, the salary register and salary audit will be adapted in accordance with the Ministerial Order.

The Equality Plan contains substantial improvements in terms of the following:

- Setting targets for the representation of women in management positions, by adopting measures aimed at increasing their presence.
- Work-life Balance: extension of leave on the death of a spouse or common-law partner with minor children and extension of paternity leave by 10 days progressively up to 2022, to encourage co-responsibility in the family. Flexibility is also extended to one hour, respecting organisational needs and reduced working hours are allowed on Thursday afternoons until the child reaches twelve years of age. Lastly, holidays can be taken until 31/01 for work-family balance reasons.
- Putting in place a protocol for preventing and eliminating harassment.
- Putting place an equality protocol for common-law couples.

615
LEAVES OF ABSENCE
769 IN 2020

3,059
EMPLOYEES RECEIVING PAID LEAVE
2,344 IN 2020

2,166
REDUCED WORKING DAYS
1,080 IN 2020

For years CaixaBank has invested in disconnection policies that promote work-life balance for employees. The internal employment agreements contain rationalisation measures of training and commercial activity for employees. The number of activities that can be conducted outside of normal working hours established in the Collective Agreement are limited. Priority is always given to the willingness and motivation of employees. Focusing on digital disconnection, CaixaBank has a protocol whose most important aspects are:

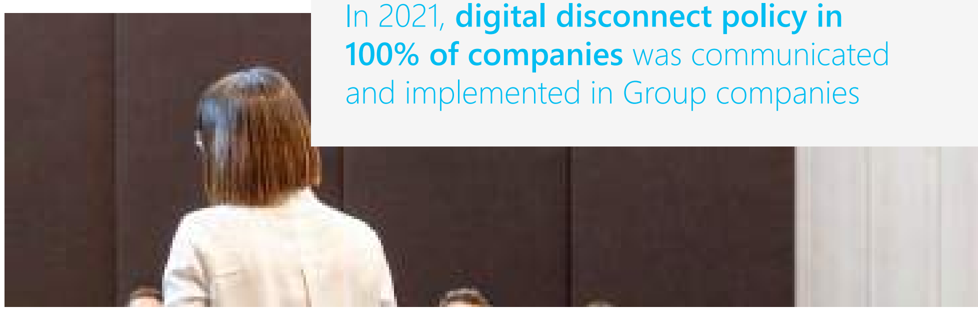
THE INCORPORATION OF GOOD PRACTICES TO MINIMISE MEETINGS AND TRIPS BY ENCOURAGING THE USE OF COLLABORATIVE TOOLS

NO COMMUNICATIONS FROM 7PM TO 8AM THE FOLLOWING DAY, NOR ON HOLIDAYS, DURING LEAVE OR ON WEEKENDS

NOT CALLING MEETINGS THAT END AFTER 6.30PM

THE RIGHT NOT TO REPLY TO COMMUNICATIONS AFTER THE WORKING DAY HAS ENDED

In 2021, **digital disconnect policy in 100% of companies** was communicated and implemented in Group companies



The main conditions that improve upon the conditions set out in the Agreement and the Workers' Statute with regard to maternity and paternity leave are as follows:

IN TERMS OF PAID LEAVE AND REDUCTIONS IN WORKING HOURS

LEGISLATION	CAIXABANK IMPROVEMENTS (IN THE CAIXABANK WORK-LIFE BALANCE PROTOCOL)
01. **Article 48 of the Workers' Statute** 16 weeks of leave for both the biological mother and the other parent.	**10 calendar days** of **additional paid leave,** and **14 calendar days** for **multiple childbirth** or the birth of a child with **disability.**
02. **Article 37 of the Workers' Statute** Access to a reduced working hours due to caring for a person under 12 years of age, provided that it entails at least 1/8 of the working day.	People who directly care for a child under 12 years of age may request **reduced working hours exclusively on Thursday afternoons** (involving a **reduction of less than 1/8 of the working day).** The collective with **children with a disability** is allowed to take **paid leave** on Thursdays until the child's third birthday, and if the child has a disability of 65% or more, the paid leave is **indefinite**.
03. **No legal requirement**	**Paid leave of 30 days** for the birth of a child with **disabilities equal to or greater than 65%,** which can be taken within 24 months of the birth.
04. **No legal requirement**	Two sensitive cases are considered when it comes to giving preference to choosing holidays, to facilitate the work-life balance: – If, due to divorce or separation, a holiday date has been assigned to take care of children under 12 years of age. – The case of a disabled child attending specialist school centres, and these centres are closed.

IN TERMS OF ECONOMIC CONDITIONS

LEGISLATION	CAIXABANK IMPROVEMENTS
01. **No legal requirement**	**Aid of 5% of salary for children** until the child reaches the age of 18 or 21.
02. **Collective Bargaining Agreement for Savings Banks and Financial Institutions** **€3,400/year** in aid for people with disabilities.	**Aid for training employees' children:** – Annual benefit of **€5,150/year** in the case of a disability >= 33% and <65%, and in the case of a disability >= 65% will be **€6,300/year**.
03. **No legal requirement**	**Aid for loans and advances:** – In the event of birth, adoption, and fostering, access to **advances up to 1 year.** – Reductions in working hours due to work-life balance **do not** imply a **decrease in credit capacity.**

Restructuring plan and Labour Agreement

In the context of the merger between CaixaBank and Bankia, the need arises for restructuring that will resolve the duplicities and overlaps that occur in central services, intermediate structures and in the branch network. To this end, **on 1 July, an agreement was reached with 92.8% of the union representation,** which was implemented on 7 July by means of the text of the final agreement and which states: a collective redundancy plan (article 51 of the Statute of Workers' Rights), the amendment to certain working conditions in force at CaixaBank (article 41 of the Statute of Workers'Rights) with matters related to cost reduction, improvement of efficiency, competitiveness, sustainability (including the complementary social provision), flexibility and development of the business model, and a labour integration agreement to standardise the working conditions of the workforce from Bankia.

With regard to the **main lines related to the collective redundancy plan** which establish a maximum number of 6,452 dismissals, it should be noted that the agreement has a number of tools to manage surplus staff:

- Voluntary adherence to the compensatory termination action.
- Direct and indirect relocations at CaixaBank Group subsidiaries.
- Functional Mobility, through:
  - The offer and publication of vacancies where there may be excess demand for adherence.
  - The offer and publication and/or compulsory assignment to InTouch vacancies (new quota of 2,900 persons).
  - Special branch timetables: mobility to *Store* and *BusinessBank* branches (new quota of 925 branches).
- Short-distance (40 km) and long-distance (75 km) geographical mobility, as a flexibility mechanism for the reorganisation of the Bank and to fill vacancies resulting from the voluntary accession to the compensatory termination action.

Three collectives of people have been established according to age at 31 December 2021: collective of >=54 years, collective of 52 and 53 years and collective of <52 years or older and <6 years worked (as of 7 July 2021) and each of these collectives has its own economic conditions, and where it should be noted that the conditions of the collective of >=54 years and <63 years encourage accompaniment up to 63 years (early retirement) with 57% of fixed remuneration up to the age of 63 plus voluntary premiums added to the payment of the Special Social Security Agreement up to the age of 63 and maintenance of 100% of the savings contributions and the collective health care policy.

The collective that decides to voluntarily adhere has a guaranteed relocation plan, unprecedented in Spain, seeking to accompany people through to their stable relocation, which goes beyond the requirements of the existing legislation to protect and encourage relocation or self-employment.

For the **lines defined in the amendment of work conditions**, they can be divided into two blocks:

i. Associated with the distribution model

- *Store/BusinessBank* and inTouch:
  - Extension of quotas: 925 *Store* and *BusinessBank* branches;(825 *Stores* and 110 *BusinessBank*); 2,900 employees in inTouch
  - Up to 31/12/2023:possibility of direct adherence to unique working hours, in case of vacant vacancies.
  - Elimination of maximum limits for *Store/BusinessBank* per province.
  - The function of deputy director may be covered by GC II - assistant manager.
- Customer Advisers:
  - Minimum quota: extension from 5,600 to 7,700, of which 4,600 will be GC II.
  - Creation of the Deputy GC to cover long-term leave.
  - Improvement in the career path of GC I.
- Classification system for rural branches and quotas, to ensure the financial inclusion of customers in these areas.
- Cover for leave and absence:
  - The obligation to cover workers on leave using temporary employment agencies is suspended until 30 June 2023, as the initial number of persons affected by the termination actions has been reduced and, therefore, the workforce has been oversized.

DETAILS OF THE DEPARTURES AS AT 1 NOVEMBER 2021 AS A RESULT OF THE COLLECTIVE REDUNDANCY PLAN (CAIXABANK, S.A.)

As at 1 January 2022, 3,922 employees have already departed as per the Restructuring Plan (1,201 as at 1 November 2021 and 2,721 as at 1 January 2022), which represents around 60% of the planned departures. Most of the rest of departures are expected to take place in the second quarter of 2022.

Of the 1,201 departures in 1 November 2021, 1,130 are active staff and 71 are staff on leave of absence and in other situations.

Departures by professional classification and gender

	Male	Female	Total
Directors	71	36	107
Middle management	72	25	97
Rest of employees	520	477	997
Total	**663**	**538**	**1,201**

Departures by age and gender

	Male	Female	Total
<30	1	2	3
30-39	14	31	45
40-49	58	100	158
50-59	553	389	942
>59	37	16	53
Total	**663**	**538**	**1,201**

ii. Associated with the supplementary social forecast model

- Review of benefits caused by passive personnel, from 01/01/2022 the review will be 0.35% fixed per annum for benefits in the form of annuities.
- Defined benefit risk system, it has been transformed from a model based on life annuities to a capital model, established as a number of annuities of contingency pensionable salary. This model also carries advantages for the employee (internal equity, free designation of beneficiaries, flexibility of the form and timing of collection, simplification of the model and transparency, as well as harmonisation of the system), and is among the competitive practice and very competitive practice of Ibex35. For the newly joined group, the annuities of pensionable salary are set at: 2-2-3-4 wage annuities for death cover, total permanent disability, absolute permanent disability and great disability, respectively, with a maximum of 100,000 euros of annuity of pensionable salary.
- Retirement contributions: where the collective originating from CaixaBank has an increase in contributions by 2% and where the collective originating from Bankia has an adaptation of the retirement contributions to the minimum of 7.5% of pensionable salary, within 60 months. For the new-entry group the contributions will be 6% from month 25, considering a grace period of 12 months and from month 85 the contributions will be 7.5%.

Other agreed commitments between the parties:

- The Company undertakes to implement within the Compensa+ Flexible Remuneration Programme the completion of training courses, and on the basis of the opportunity analysis and existing offers, in 2022 it will seek the incorporation of the vehicle renting.
- Taking effect from 1 September 2021, a permit is granted to accompany dependent minors for medical care up to a maximum of ten hours per year which can be recovered and an additional day of leave will be available, when the worker is required to take regulatory training exams on a Sunday or national holiday or Saturday.
- The parties undertake to begin negotiations in the last quarter of 2021 to agree on a Protocol of Transfers and swaps which must be closed within 6 months.

A **Joint Monitoring Commission** has been created, consisting of a representative of the Company's management and a representative of each of the signatory trade union organisations, to interpret the agreement and develop it in the appropriate aspects, as well as to resolve conflict situations that may occur, and evaluate possible alternative internal flexibility measures that can be applied to reach a total solution for the surplus not covered by the set of measures offered.

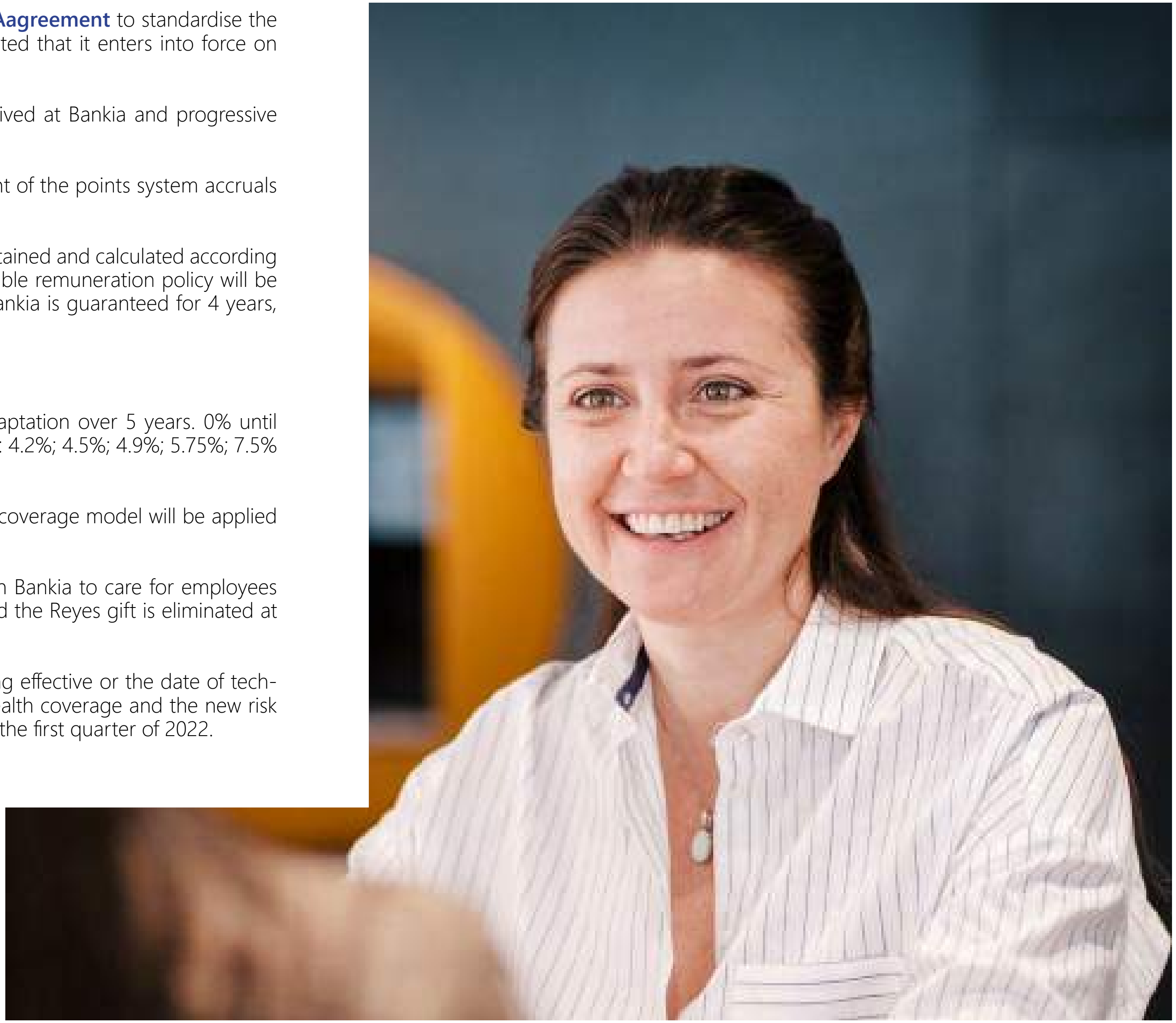
In the meetings held throughout 2021, the effective adhesions and departures due to resignations or for whichever reason have been monitored so as to have a snapshot of the situation at all times of the provinces or areas of Central Services with a deficit of adhesions.

With the aim of maximising the voluntary departures of personnel that has been incorporated, several aspects have been addressed and discussed during the these meetings, among others: the redistribution of inTouch vacancies, the processes of direct and indirect relocation to subsidiaries with a deficit of incorporations due to having permitted more departures (more than the 6,452 initially planned), the management of excess in Central Services (functional mobility within Central Services and moving to the Network) and voluntary transfers.

Following the resolution and implementation of all the aforementioned measures, an agreement was reached to open the voluntary adherence portal from 10 to 17 of December only in the 10 provinces where there is still a surplus, deeming as resolved in the rest of provinces. However, in the latter, adherences can continue to be considered in the event of cancellations, transfers and covering other vacancies in other provinces or any other additional measure that allows meeting additional applications in provinces with more applications than excess.

Lastly, with regard to the **main lines of the Labour Integration Aagreement** to standardise the working conditions of the workforce from Bankia, it should be noted that it enters into force on 1/09/2021 and contains:

- A guarantee of gross fixed remuneration that was being received at Bankia and progressive adjustment, over 5 years, to CaixaBank remuneration.
- Professional Development Promotion (PDP) system: settlement of the points system accruals in 2021.
- Variable Remuneration system: In 2021, Bankia targets are maintained and calculated according to CaixaBank criteria and starting from 2022, CaixaBank's variable remuneration policy will be applied and a regressive percentage of targets regulated at Bankia is guaranteed for 4 years, considering the incentives that may be received.
- Social Prevision system:
  - Retirement contributions: certification through gradual adaptation over 5 years. 0% until 01/04/22 and path from 1 April for each year initiating 2022: 4.2%; 4.5%; 4.9%; 5.75%; 7.5% pensionable salary.
  - Risk coverage: Starting from 1 January 2022, the new risks coverage model will be applied based on fixed annuities of contingency pensionable salary.
- Family Plan: CaixaBank joins the Family Plan (benefit in force in Bankia to care for employees with children with disabilities equal to or greater than 33%) and the Reyes gift is eliminated at CaixaBank and Bankia.
- Other social benefits: applicable as of the Agreement becoming effective or the date of technological integration for financial benefits, January 2022 for health coverage and the new risk model or the date of integration of pension plans, planned for the first quarter of 2022.



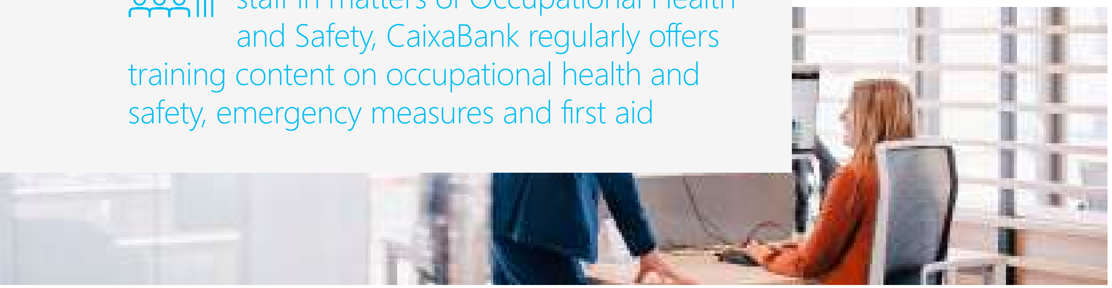
Promoting Well-being in a healthy and sustainable environment

The Management team is acutely aware of the importance of reinforcing initiatives and measures to facilitate proper working conditions. Management is committed to:

- Fostering a culture of prevention at all levels of the organisation.
- Ensuring compliance with applicable law and other voluntary commitments to which it subscribes.
- Considering preventive aspects at the source.
- Implementing continuous improvement measures.
- Raising awareness and training staff.
- Adapting and maintaining an Occupational Risk Prevention management system in accordance with current requirements.

With the publication of the new ISO 45001 international standard, successor to the OSHAS 18001, the Company will adapt its current Occupational Health and Safety management system in 2022, thereby reaffirming its commitment to improving its performance in this field, and not merely complying with the legal standard. This new context entails reviewing the current model, evolving towards the concept of a Healthy Organisation, not only so Company employees perceive the working conditions as positive, generating a safe and healthy working climate, but also so other stakeholders (users, customers, shareholders, suppliers and relatives) are able to share and enjoy these benefits. As a result, the organisation would achieve a new leadership strategy focused on well-being and sustainability.

In order to raise awareness and train staff in matters of Occupational Health and Safety, CaixaBank regularly offers training content on occupational health and safety, emergency measures and first aid



CaixaBank, S.A. has specific committees to guarantee the health and safety of its staff:

- **Single Occupational Health and Safety Committee.** This committee is responsible for establishing the aforementioned objectives and monitoring preventive actions, placing special emphasis not only on statutory audits, but also on other voluntary standards.
- **Occupational Risk Prevention Coordination Committee.** This committee establishes the policies related to occupational risk prevention, with the aim of improving the control, management, and monitoring of the health and safety requirements and to organise and conduct the pertinent training.

  CaixaBank's activities do not lead to the development in its workers of any of the occupational diseases classified as serious.

WORK ENVIRONMENT IN NUMBERS

	2020		2021	
Accidents at work				
	Not serious	Serious	Not serious	Serious
Total no. of accidents	280	5	415	3
of which Women	180	3	286	2
of which Men	100	2	129	1[1]
Accident frequency index	1.04		0.90	
of which Women	1.48		1.07	
of which Men	0.52		0.70	
Gravity rate	0.09		0.10	
of which Women	0.09		0.11	
of which Men	0.09		0.09	
Absenteeism				
Hours of absenteeism (manageable)	1,952,639		2,735,533	
Manageable absenteeism rate (illness and accidents)	3.4%		3.5%	

[1] Fatal work-related accident

HEALTHY COMPANY

The **healthy company project** reaffirms our commitment to the safety, health and well-being of staff, since:

- This has an effect on the productivity and competitiveness of the Company and thus on its sustainability.
- It leads to a healthier, more motivated and satisfied staff, with increased commitment and pride of belonging.
- It improves the corporate image and encourages the attraction and retention of talent.
- It improves the social and work climate and reduces absenteeism.

It is structured along three axes:

i. Safety. Safe and emotionally healthy work environments

The Company aims to achieve excellence in preventative culture and safe work environments. To this end, it has initiated an analysis of the requirements to obtaining the ISO 45001 certification (voluntary certification with requirements above those legally established). This new standard puts special emphasis on analysing and managing all risks and opportunities in terms of occupational health and safety and introduces a key concept for motivating and committing professionals: occupational well-being.

In the psychosocial area, an intervention programme has been carried out that assesses psychosocial factors and defines action plans for optimising influencing factors. Its review has been planned for 2022.

ii. Health. Promoting healthy lifestyles, and balancing work and health as a priority

The **We are Healthy Programme** shows the commitment towards promoting well-being in healthy and sustainable environments, the improvement of our professional's quality of life and the goal of maturing as a healthy and benchmark organisation in the sector. Through activities and campaigns conducted on its virtual platform, we raise awareness and offer benefits geared towards global health and the well-being of employees and their families.

The *We are Healthy* virtual platform was finally launched for the entire CaixaBank workforce in the first quarter of 2021.

SOMOS SALUDABLES
CaixaBank

The content and workshops have been adapted according to the needs and interests drawn from the gauging. In addition, a specific We are Healthy channel has been created in PeopleNow to share content and directly reach the Company's professionals, thus contributing to improving their experience.

The platform was designed around three basic pillars: **Move, Love, Care.**

The Physical Activity pillar (Move) offers access to exercises and routines to do at home at any time.

The Nutrition and Hydration section (Love) offers healthy and simple recipes.

The Personal Well-being Area (Care) provides meditation techniques and guidelines for better concentration and relaxation.

Subsequently, a new pillar, **Vuélcate**, has been added with activities related to sustainability, the environment and social action.

The following are highlights of the new developments in 2021:

- Virtual gym (group classes directed through *streaming*), with a specific calendar that is renewed monthly.
- Space to share (Q&A channel), aimed at answering the staff's queries and confidentially sharing questions on different topics, having the health experts answer through a video.
- Reinforcing communication by means of a specific channel in PeopleNow with publications of articles and videos featuring content by the different experts in each pillar (nutritionist, personal trainer and general psychologist).
- New physical spaces have been refurbished: breastfeeding room and physiotherapy consultation service.
- The medical advisory services located in Barcelona and Madrid have been promoted.

The We are Healthy programme is complemented by the "Adeslas Salud y Bienestar" platform.

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

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

With the expansion of measures to promote new environments and ways of working (remote working, collaborative spaces, agile, etc.) as well as studying formulas to improve the transition of the workforce towards active and healthy ageing (improving the older workforce's motivation, health tips, inverse mentoring, etc.), it will be possible to achieve a more emotionally healthy workforce. This should all help to achieve the Sustainable Development Goal 3 "Good Health and Well-being" of the United Nations 2030 Agenda.

3

COVID-19

The COVID-19 Insurance Protocol certification was renewed in 2021, following a verification process conducted by specialised external consultants, to ascertain the degree of implementation of the measures and its subsequent assessment. This process has been carried out by one of the most relevant technical inspection, certification and control entities.

This certification provides confidence with respect to the prevention of COVID-19 in the centres, contributes to the safe reincorporation in corporate buildings and return to activity, and highlights the control over risks and the ongoing review of the action protocols, in accordance with the best standards and security measures.

HEALTH AND SAFETY MEASURES

The changing situation of the health crisis is forcing us to adapt and means that it is constantly necessary to modify the measures adopted in response to the epidemiological scenario and the range of regulations introduced at regional and local level. It is up to companies to assess the extent to which their staff may be at risk in the tasks they carry out and to follow the guidelines and recommendations formulated by the health authorities to prevent infection, bearing in mind that CaixaBank's activity can be considered essential. Prior to the adoption of preventive measures, the Bank carried out a specific COVID-19 risk assessment, which concluded that there was a low probability of exposure. This assessment is constantly being reviewed. The protocol initially drawn up to identify and manage situations that might pose a risk of infection or where there is possible contact with positive cases, on a personal or professional level, has been regularly updated in line with health authority criteria and the preventive measures specified by CaixaBank's risk prevention service at any time. Furthermore, the protocol to resume face-to-face activity, which includes all the measures established in terms of prevention for staff and work centres against COVID-19, has been updated in 2021. This protocol is constantly reviewed and updated, depending on the epidemiological context, health authority recommendations and applicable legislation. Lastly, the Business Continuity Monitoring Committee defines the different policies for health and safety prevention, Business and Business Continuity, and where the rest of CaixaBank Group companies are also represented to ensure an alignment and unification of policies.

ORGANISATIONAL MEASURES

Introduced gradually to minimise the contact of staff with third parties, ensuring that the safety distance is respected at all times:

- Business activities are coordinated with regard to the prevention of COVID-19, both with suppliers and in the case of corporate buildings leased or shared with other companies.
- With regard to travel, the criteria is adjusted according to the pandemic's situation in each area, taking into account any restrictions established by the authorities.
- The celebrations at events have been adapted according to the pandemic's situation and the restrictions established by the authorities at any given time. In these cases, a management system that involves the Continuity Committee's approval has been established.
- Preference is given to the use of video conferencing and other collaborative tools to avoid travel and face-to-face meetings. If face-to-face meetings are necessary and they are held in closed spaces, such as a meeting room or *Team Room*, limits are established for the maximum number of attendees allowed at any time, involving the participant in appropriately applying the prevention measures.
- Remote work in Corporate and Regional Services with different percentages of on-site work, depending on the epidemiological situation and regulations in force in each autonomous community.
- In Corporate Buildings and InTouch centres, the entry/departure of staff is staggered and the building's entry/exit points are limited according to its size, occupation and input flows. In particular, in *Store* and *All in One* branches, measures have been established to organise and plan visits and tasks, so that rotations are not necessary and offices do not need to be shared.
- The limitation of customer capacity in branches has been adjusted according to the healthcare guidelines and those provided by the public authorities in terms of social distancing.
- Customers over 65 years of age should preferably make an appointment to visit branches.
- All tables in public service positions are fitted with protective screens.
- Interpersonal distance between work stations. If it is not possible to guarantee this distance, a protective screen will be installed.
- Implementation of a clean desk system: at the end of the day, the desk must be cleared. An employee who has occupied one position is not allowed to move to another.
- Tools and equipment should not be shared or taken from one branch to another.
- If the health authorities establish restrictions on catering or mobility, flexible arrival and departure times are authorised and in some cases remote work is approved.
- To ensure business continuity, and so the customer can continue receiving service at the branch, if a positive case has been detected, the protocol for managing specific cases it put in place, the appropriate disinfection is conducted and, when feasible, the branch's team is replaced temporarily.

HYGIENE MEASURES

These affect personal cleanliness and keeping premises and air clean:

- CaixaBank has placed a waste bin at the entrance to all buildings, and hand sanitiser is available at various points in each work centre.
- Surfaces which are frequently touched are cleaned more often, with cleaning products that follow the recommendations of the health authorities according to an action protocol that minimises any risk to staff carrying out the operation.
- In addition to the normal cleaning service in the centre, a surface disinfectant kit is available, for employees who wish to use it.
- When a case of COVID-19 is reported in one of the work centres, CaixaBank will disinfect and clean it, according to a specific protocol. The Joint Prevention Service assesses the suitability of the measures taken and draws up a report on the resumption of activity.
- With regard to the use of personal protective equipment, the Bank follows the recommendations of the relevant authorities in accordance with the results of the risk assessment (a low probability of exposure).

Following the recommendations of the health authorities, the following are used:

- Gloves: recommended when handling cash and replenishing ATMs. At other times the cleaning and disinfection of staff's hands must be a priority. In cases where customer operations require digital signatures, disposable plastic gloves are made available in branches, so that customers do not have physical contact with the pad or the optical pencil.
- Masks: In the branch network, surgical or hygienic masks must be used at all times. For customer assistance at ATMs, an FFP2 mask or similar must be used. In corporate buildings and InTouch centres, surgical or hygienic masks will be provided constantly for staff to use in all parts of the workplace.

Specific campaigns are organised, in response to the recommendations of the health authorities, with the aim of promoting good environmental conditions inside work centres. Whenever possible, the recirculation of air is minimised and it is replaced more often, while diffusers and filters in HVAC systems are cleaned and/or replaced more frequently. Regular checks are also carried out on the internal air quality of centres

INFORMATIVE MEASURES

Employees are informed about the risks to which they are exposed while carrying out their usual tasks in this exceptional situation, and about the preventive measures that must be applied:

- Information is available on the corporate intranet, including the management protocols, recommendations on keeping hands clean, a self-assessment questionnaire on the remote work environment, ergonomic recommendations for working healthily and avoiding psychosocial and emotional strain.
- A compulsory course for the entire workforce on the preventive measures to be taken against COVID-19 is provided via the Virtaula online learning platform.
- Customers receive information via signs at the branch entrance indicating the measures they must take, and reminding them that it is preferable to use the electronic channels available to prevent unnecessary travel to branches.
- A series of meetings have been held with the legal representatives of workers, for consultation and their participation in all approaches, protocols and measures related to this matter.

MEASURES TO CONTROL INFECTION

- Staff are recommended to check their temperature every day and, if it is higher than 37.5 degrees, not to go to work.
- If employees have any symptoms indicative of COVID, they must remain at home and contact the public health services, their manager and HR to check for possible contacts.
- Through Health Surveillance, tests are performed on employees who have any symptoms compatible with COVID-19, as well as their close contacts. In the case of larger centres, the scope of testing has been extended to all employees in the centre, even if they are not close contacts.
- In the event of an outbreak in a work centre (3 positive cases or more), a procedure is applied that involves analysing the causes, containing transmission (preventive isolation and programming tests) and reviewing the prevention measures in the centre.
- Screening test for employees who have been in contact with a person who has tested positive outside the workplace.
- Upon the reincorporation of staff following holidays or festivities, a test can be provided in Corporate Buildings and In-Touch centres or, failing this, they will complete a declaration confirming that they understand the preventive measures in place in accordance with established guidelines and that they do not have symptoms compatible with COVID-19 and have not had contact with people who have had the disease diagnosed, giving a commitment to report any changes to Human Resources. Tests are planned on a yearly basis for all other centres in the network (branches). At the same time, specific testing campaigns are carried out in areas with a high transmission rate in the community. The type of test used varies depending on the specific needs: it may be a PCR, antigen, serology test.

The "CaixaBank Health" application has been launched on the corporate smartphone for internal management of COVID-19. This application allows users to check for symptoms compatible with COVID-19, receive adapted notifications, and report the result of the tests taken and the vaccination status for purposes of monitoring and control by Health Surveillance.

FOLLOW-UP, ADVICE AND ASSISTANCE FOR EMPLOYEES

CaixaBank's staff includes employees with pre-existing conditions that make them particularly sensitive to COVID-19. The management of this group will be coordinated through the Health Surveillance Service, which, according to medical criteria, will comply with the decisions of the relevant authorities at any time. The Health Surveillance Service also monitors the following groups:

- People who have had close contact with confirmed cases.
- Confirmed cases of infection.

This monitoring makes it possible to monitor changes in employees' condition, advise them and make medical recommendations. Medical, psychological and emotional health care are provided for the entire workforce through a free, unlimited and anonymous medical and psychological telephone counselling service to support them and help resolve any doubts or concerns that may arise.

REMOTE WORK AND THE RESUMPTION OF ON-SITE WORK

CaixaBank encouraged remote work by staff in Corporate and Regional Services from the start of the state of alarm, especially during the lockdown period, with the aim of safeguarding the health of employees and guaranteeing the continuity of the business in the best possible conditions, except in the case of critical staff or teams who could not carry out their work in this way for technical reasons.

The gradual return to face-to-face activity in Corporate and Regional Services was carried out after the implementation of the preventive measures included in the specific protocol for this purpose, making the necessary adjustments at any given time, according to the development of the pandemic and the recommendations of the health authorities. Given that the financial sector was considered a Core Service from the outset of the pandemic, and that we therefore needed to keep the branch network open, a shift plan was established whereby part of the staff worked remotely. For organisational reasons some branches were closed and to mitigate the impact on the network, remote support hubs for branches were created. As the situation regarding the pandemic improved, the percentage of staff working on-site was increased in accordance with the physical safety distance and prevention measures.

Currently, management and prevention protocols are being constantly reviewed, the necessary adjustments being made according to the restrictions and recommendations of the relevant authorities.

WORK-LIFE BALANCE AND FLEXIBILITY

Important moments in life are highly valued by CaixaBank employees, and they emphasise the institution's willingness to adapt to personal situations and provide support when it is needed. This perception is due to the large number of measures that the bank makes available to the entire workforce, designed to facilitate work-life balance.

Since the beginning of the pandemic in 2020 and in response to the resulting situation and our consideration as an essential service for the population, additional measures to improve work-life balance have been implemented for those employees who had already made use of their full holiday allowance, subject to the organisational possibilities of the work centre to which staff are assigned.

- **Recoverable paid leave.** Recoverable paid leave may be requested, in writing and when justified. It is limited to 100 hours and must comprise full days.
- **Improvement in legal leave of absence for childcare.** Exceptionally, the age of minors for whom this leave can be taken has been raised to 14. When the child turns 14, if there is still a need for special leave, other measures that are in force at any given time must be used.
- **Unpaid leave.** For extraordinary needs linked to COVID-19, unpaid leave can be requested. It is subject to approval and can be granted for up to 3 months.
- **Holidays.** To help with employees' work-life balance, their holidays in the past two years do not have to be taken exclusively in the three periods established by internal regulations.

Communication channels to encourage participation and collaboration

CaixaBank's internal communication focuses mainly on:

- Promoting and tackling the Strategic Plan challenges and business priorities.
- Transmitting our corporate values as a differentiating factor.
- Recognising and reinforcing good professional practices.
- Promoting the corporate culture and the pride of belonging.

PeopleNow, the new internal social intranet, with a total deployment in the Company (Regional Management units and Central Services) is a new tool that represents leverage for the Digital and Cultural Transformation that boosts employee participation, improves their experience and evolves towards participatory, modern, visual and multi-platform communication (*mobile-first*).

PeopleNow groups business, corporate and social content into a smart and modern space in which each professional has a profile to develop their personal brand and participates in communities according to their area of influence, as well as subscribing to information channels according to their interests. Therefore, PeopleNow has the following advantages:

- It is a two-way channel that encourages participation.
- Professionals receive segmented information in a single space, according to their role in the Company and their interests.
- Possibility of commenting and sharing news, interacting in communities, recognising colleagues, etc.
- Streamlined production of news, promoting the creation of own content.
- The Senior Management's internal visibility is reinforced through its participation in profiles and communities.
- Independent communication spaces are generated for the teams within each of the areas, segments and Regional Management units.
- The communication of current Company's strategic challenges is facilitated and the Senior Management's internal position is improved.
- Recognition, good practices and positive behaviours are valued.

In 2021, attention was brought to the communication associated with Bankia's integration. This was initiated following the legal merger, and since then, it has been adapted to the internal audiences of both companies during the different stages of the process and in its different scopes: institutional, commercial, operational and human resources.

The Communication Plan for the integration with Bankia has the following objectives:

- To make it easier for people to understand the key aspects of the integration, value them positively and collaborate in their implementation.
- To keep all the business professionals fully engaged, managing the uncertainties and avoiding distractions.
- To reinforce the management team's visibility as a reference of cultural consolidation and management excellence.

The Coronavirus portal has been maintained to provide access to protocols and measures applicable at any given time.

In 2021, the PeopleNow platform was implemented in a total of 7 CaixaBank Group companies, and a centralised service for corporate communication was created in collaboration with CaixaBank's Internal Communications Area.

In 2021, 5,280 news articles were published in the corporate, territorial and PeopleNow segment channels, totalling 6,350,355 visits throughout the year

Attractive shareholder returns and solid financials

Performance of the results

Below is the performance of the results for the last three years is as follows. The 2021 result is impacted by the materialisation of the merger between CaixaBank and Bankia in the first quarter of 2021, which affects the performance of the different items and generates extraordinary impacts.

€ million	2021	M&A one offs[1]	2021 ex M&A	2020	Change %	2019	Change %
Net interest income	**5,975**		**5,975**	**4,900**	**21.9**	**4,951**	**(1.0)**
Dividend income	192		192	147	30.1	163	(9.4)
Share of profit/(loss) of entities accounted for using the equity method	425		425	307	38.5	425	(27.9)
Net fee and commission income	3,705		3,705	2,576	43.8	2,598	(0.9)
Trading income	220		220	238	(7.6)	298	(20.1)
Income and expense under insurance or reinsurance contracts	651		651	598	8.9	556	7.5
Other operating income and expense	(893)		(893)	(356)		(386)	(7.8)
Gross income	**10,274**		**10,274**	**8,409**	**22.2**	**8,605**	**(2.3)**
Recurring administrative expenses, depreciation and amortisation	(5,930)		(5,930)	(4,579)	29.5	(4,771)	(4.0)
Extraordinary expenses	(2,119)	(2,118)	(1)			(979)	
Pre-impairment income	**2,225**	**(2,118)**	**4,343**	**3,830**	**13.4**	**2,855**	**34.2**
Pre-impairment income stripping out extraordinary expenses	**4,344**		**4,344**	**3,830**	**13.4**	**3,834**	**(0.1)**
Allowances for insolvency risk	(838)		(838)	(1,915)	(56.3)	(376)	
Other charges to provisions	(478)	(93)	(384)	(247)	55.6	(235)	5.2
Gains/(losses) on disposal of assets and others	4,405	4,464	(59)	(67)	(12.1)	(167)	(59.8)
Profit/(loss) before tax	**5,315**	**2,252**	**3,062**	**1,601**	**91.3**	**2,077**	**(22.9)**
Income tax expense	(88)	614	(702)	(219)		(369)	(40.6)
Profit/(loss) after tax	**5,227**	**2,867**	**2,360**	**1,382**	**70.8**	**1,708**	**(19.1)**
Profit/(loss) attributable to minority interest and others	1		1			3	(93.6)
Profit/(loss) attributable to the Group	**5,226**	**2,867**	**2,359**	**1,381**	**70.8**	**1,705**	**(19.0)**
Core income	10,597		10,597	8,310	27.5	8,316	(0.1)
Cost-to-income ratio stripping out extraordinary expenses (%) (12 months)	57.7		57.7	54.5	3.3	55.4	(0.9)

[1] Breakdown of extraordinary impacts associated with the merger:

-Extraordinary expenses: estimated cost of the labour agreement (€-1,884 million) and other integration expenses (€-234 million).

Other charges to provisions: €-93 million to cover asset write-downs mainly from the plan to restructure the commercial network in 2022.

Gains/(losses) on disposal of assets and others: €+4,300 million due to negative consolidation difference; €+266 million from profits before tax related to the sale of certain lines of business directly pursued by Bankia; €-105 million due to asset write-downs and €+3 million others.

Below is the comparative proforma income statement for 2020 and 2021, which is presented with the aim of providing information on the performance of the merged entity's results. It has been drawn up by adding, in both years, the result generated by Bankia before the merger to the result obtained by CaixaBank, without considering the extraordinary aspects related thereto.

€ million	2020	2021	Change
Net interest income	**6,816**	**6,422**	**(5.8)**
Dividend income	149	192	28.7
Share of profit/(loss) of entities accounted for using the equity method	366	436	19.1
Net fee and commission income	3,736	3,987	6.7
Trading income	398	230	(42.2)
Income and expense under insurance or reinsurance contracts	598	651	8.9
Other operating income and expense	(752)	(934)	24.2
Gross income	**11,311**	**10,985**	**(2.9)**
Recurring administrative expenses, depreciation and amortisation	(6,311)	(6,374)	1.0
Extraordinary expenses		(1)	
Pre-impairment income	**5,000**	**4,610**	**(7.8)**
Pre-impairment income stripping out extraordinary expenses	**5,000**	**4,611**	**(7.8)**
Allowances for insolvency risk	(2,959)	(961)	(67.5)
Other charges to provisions	(213)	(407)	91.0
Gains/(losses) on disposal of assets and others	(1)	(82)	
Profit/(loss) before tax	**1,826**	**3,160**	**73.0**
Income tax expense	(215)	(734)	
Profit/(loss) after tax	**1,612**	**2,426**	**50.5**
Profit/(loss) attributable to minority interest and others		1	
Profit/(loss) attributable to the Group	**1,611**	**2,424**	**50.5**
Core income	11,456	11,339	(1.0)
Cost-to-income ratio stripping out extraordinary expenses (%) (12 months)	55.8	58.0	2.2

Takeover merger of Bankia, S.A

On 17 September 2020, the Board of Directors of CaixaBank and Bankia entered a Shared Merger Project involving the takeover merger of Bankia (absorbed company) by CaixaBank (absorbent company). This Shared Merger Project was approved by the General Shareholders' Meetings of CaixaBank and Bankia, which were held in the beginning of December 2020.

Effective control was set for 23 March 2021, once all conditions precedent were met.

The Group recognised a positive amount equivalent to the negative difference arising on consolidation of €4,300 million under Gains/(losses) on disposal of assets and others of the consolidated income statement (before and after tax).

For accounting purposes, the reference date taken for the merger is 31 March 2021, after which the results generated by Bankia are included in the various items in CaixaBank's income statement, affecting the comparability of its performance In addition, the result generated in 2021 includes extraordinary impacts related to the merger.

Breakdown by Business

Below, is the income statement for 2021 by business segment:

		Breakdown by Business		
€ million	2021	Banking and Insurance	Investments	BPI
Net interest income	**5,975**	**5,557**	**(35)**	**453**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	616	266	326	25
Net fee and commission income	3,705	3,417		288
Trading income	220	192	17	11
Income and expense under insurance or reinsurance contracts	651	651		
Other operating income and expense	(893)	(861)	(8)	(24)
Gross income	**10,274**	**9,221**	**300**	**753**
Recurring administrative expenses, depreciation and amortisation	(5,930)	(5,482)	(4)	(444)
Extraordinary expenses	(2,119)	(2,118)		(1)
Pre-impairment income	**2,225**	**1,621**	**296**	**308**
Pre-impairment income stripping out extraordinary expenses	**4,344**	**3,739**	**296**	**309**
Allowances for insolvency risk	(838)	(797)		(40)
Other charges to provisions	(478)	(441)		(37)
Gains/(losses) on disposal of assets and others	4,405	4,360	51	(6)
Profit/(loss) before tax	**5,315**	**4,742**	**347**	**225**
Income tax expense	(88)	(40)	7	(55)
Profit/(loss) after tax	**5,227**	**4,703**	**354**	**170**
Profit/(loss) attributable to minority interest and others	1	1		
Profit/(loss) attributable to the Group	**5,226**	**4,701**	**354**	**170**

For financial reporting purposes, the Group is split into the following business segments:

- **Banking and Insurance business:** shows earnings from the Group's banking, insurance and asset management activity mainly in Spain, as well as the real estate business and ALCO's activity in liquidity management and income from financing the other businesses.

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

  Likewise, as the banking and insurance business includes the Group-wide corporate centre, the extraordinary income related to the merger has been recognised in this activity, including the negative consolidation difference.

  The insurance, asset management and cards business acquired by CaixaBank from BPI during 2018 is also part of this business.

- **Equity investments:** this line of business shows earnings, net of funding expenses, from the stakes held in Erste Group Bank, Telefónica, BFA, BCI and Coral Homes. Similarly, it includes the significant impacts on income of other relevant stakes in various sectors integrated in past acquisitions.

  As of 31 March 2021, the stake held in Gramina Homes from Bankia is added, the results of which are included in the Group as of the second quarter, and the results of Erste Group Bank are no longer attributed since the fourth quarter due to the sale of the stake held in this investee.

- **BPI:** covers the income from the BPI's domestic banking business. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination and excludes the results and balance sheet figures associated with the assets of BPI assigned to the equity investments business (essentially BFA and BCI).

The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods.

Evolution 2021 vs. 2020

The 2021 result amounted to €5,226 million, impacted by the merger with Bankia, which affects the performance of the different items and generates extraordinary impacts. Without considering the impacts associated with the merger, the result amounted to €2,359 million, 70.8% up compared to 2020 (€1,381 million).

The **comparative proforma Profit/(loss)** of 2021 **stands at €2,424 million**. In the same period of 2020, it reached €1,611 million, impacted by the provisions made to anticipate future losses associated with Covid-19. Its performance is impacted by the following:

- **Core income**, €11,339 million, drops 1.0% with respect to the same period in the previous year. Its performance is impacted by the lower **Net interest income** (-5.8%) and **Income from Bancassurance equity investments** (-9.0%), the latter affected by one-off income in the previous year, which are partially compensated by the growth of **Fee and commission income** (+6.7%) and **Income and expenses under insurance or reinsurance contracts** (+8.9%).

- **Gross income** dropped 2.9% due to lower Core income (-1.0%), lower **Trading income** (-42.2%) and higher costs recognised in **Other operating income and expense** (+24.2%), which included €135 million in 2020 due to the recognition of income associated with the final earnout of SegurCaixa Adeslas. Good performance of **income from equity investments.**

- **Recurring administrative expenses, depreciation and amortisation** grew 1.0%.The core cost-to-income ratio (12 months) reached 56.2%.

The performance of **Allowances for insolvency risk** (-67.5%) is impacted, among others, by the increased provisions for credit risk established in 2020, aimed to anticipate future impacts associated with Covid-19 (€-1,742 million).

Other charges to provisions stands at €-407 million in 2021 (+91.0%), following a conservative risk coverage.

Gains/(losses) on disposal of assets and others includes, among other factors, the recognition in 2021 of the gain on the sale of the stake in Erste for €54 million.

Evolution 2020 vs. 2019

Attributable profit amounted to €1,381 million in 2020 (-19%), mainly due to the recognition of an extraordinary provision in anticipation of future impacts associated with Covid-19 (€1,252 million gross).

Gross income stood at €8,409 million (-2.3%). Core income remains stable at €8,310 million in 2020 (-0.1%), despite the challenges of the economic environment. The change in Gross income (-2.3%) is mainly due to the reduction in Trading income (-20.1%) and lower Income from equity investments (-22.8%).

Recurring administrative expenses, depreciation and amortisation show the savings associated with the labour agreement of 2019 and the early retirements of 2020, the active management of the cost base and lower expenses incurred in the context of Covid-19. The reduction in spending (-4.0%) is greater than the drop of core income (-0.1%).

The performance of **Allowances for insolvency risk** is impacted by the increased provisions for credit risk, which include an extraordinary provision to anticipate future impacts associated with Covid-19 for €1,252 million.

Other charges to provisions includes a total of €109 million in connection with early retirements.

Similarly, the year-on-year changes to **Gains/(losses) on disposal of assets and others** were affected by the recognition in 2020 of the gain on the partial sale of Comercia (€420 million) and the provision associated with the stake in Erste Group Bank (€-311 million), among other factors.

Net interest income

Evolution 2021 vs. 2020

The Group's **Net interest income** stands at €5,975 million in 2021, versus €4,900 million euros in 2020, impacted by the merger with Bankia.

In **comparative proforma terms**, the Net interest income totalled €6,422 million in 2021 (down 5.8% with respect to the same period in 2020). In an environment of negative interest rates, this decrease is due to:

- Lower income from loans due to the interest rate decline, impacted by the drop of the rate curve, change of structure of the lending portfolio resulting from the increase of ICO loans and loans to the public sector, and the lower income from consumer lending. This rate reduction has been partially compensated by a lower average volume.
- Lower contribution of the fixed-income portfolio due to lower volumes and the reduction of the average rate, mainly as a result of the remeasurement of assets at market value within the framework of the CaixaBank and Bankia integration.

These effects have been partially compensated by:

- Reduction of costs for financial institutions, aided by the increase of financing taken from the ECB at better conditions.
- Savings in the costs of institutional financing due to a lower price, mainly as a result of the revaluation of liabilities at market value within the framework of the CaixaBank and Bankia integration and a drop in the curve. The net interest income is also positively impacted by a lower average volume.
- Lower retail funding costs due to the drop in the rate, which compensate the higher volumes (increase in demand deposits and decrease of time deposits).

Evolution 2020 vs. 2019

Net interest income in 2020 amounted to €4,900 million (-1% compared to 2019) due to:

- Lower income from loans due to the interest rate decline, impacted by the change of structure of the lending portfolio resulting from the increase of ICO loans, the lower income from consumer lending and the drop of the rate curve.
- Lower contribution of the fixed-income portfolio due to the reduction of the average yield as a result of maturities at high interest rates at the end of the fourth quarter of 2019.
- Reduction of costs for financial institutions, aided by the increase of financing taken from the ECB at better conditions and the measures taken by the ECB in October 2019 (increasing the excess over the minimum reserve requirement not penalised with negative rates).
- Savings in institutional financing costs due to lower prices due to the lowering of the curve. Slightly lower retail funding costs due to the drop in the rate. Greater contribution of the insurance business (savings products).


ACCOUNTING		2021			2020			2019			Change Income or expense 2020-2019		
€ million		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Total	By rate	By volume
Financial Institutions		97,065	905	0.93	42,313	402	0.95	25,286	163	0.65	239	77	162
Loans and advances	(a)	309,767	5,189	1.68	223,864	4,448	1.99	213,298	4,788	2.24	(340)	(577)	237
Debt securities		70,938	209	0.29	42,616	262	0.61	36,184	333	0.92	(71)	(0.110)	39
Other assets with returns		64,274	1,572	2.45	64,954	1,639	2.52	61,643	1,752	2.84	(113)	(197)	84
Other assets		86,663	18	-	58,959	13	-	67,431	20	-	(7)	0.0	(7)
Total average assets	**(b)**	**628,707**	**7,893**	**1.26**	**432,706**	**6,764**	**1.56**	**403,842**	**7,056**	**1.75**	**(292)**	**(807)**	**515**
Financial Institutions		101,809	(428)	0.42	52,390	(203)	0.39	36,076	(242)	0.67	39	102	(63)
Retail customer funds	(c)	337,183	(4)	-	230,533	(33)	0.01	214,136	(55)	0.02	22	24	(2)
Wholesale marketable debt securities & other		43,297	(151)	0.35	30,341	(220)	0.73	28,343	(248)	0.87	28	42	(14)
Subordinated liabilities		9,055	(40)	0.44	5,547	(72)	1.30	5,400	(73)	1.36	1	3	(2)
Other funds with cost		79,388	(1,245)	1.57	73,652	(1,286)	1.75	70,437	(1,434)	2.04	148	204	(56)
Other funds		57,975	(50)	-	40,243	(50)	-	49,450	(53)	-	3	0	3
Total average funds	**(d)**	**628,707**	**(1,918)**	**0.30**	**432,706**	**(1,864)**	**0.43**	**403,842**	**(2,105)**	**0.52**	**241**	**375**	**(134)**
Net interest income			**5,975**			**4,900**			**4,951**		**(51)**	**(432)**	**381**
Customer spread (%)	**(a-c)**		**1.68**			**1.98**			**2.22**				
Balance sheet spread (%)	**(b-d)**		**0.96**			**1.13**			**1.23**				

PROFORMA		2021			2020			Chg. in yield/cost		
€ million		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Total	By rate	By volume
Financial Institutions		101,029	968	0.96	59,350	611	1.03	357	(42)	399
Loans and advances	(a)	338,352	5,607	1.66	339,719	6,282	1.85	(675)	(650)	(25)
Debt securities		82,175	254	0.31	89,076	478	0.54	(224)	(202)	(22)
Other assets with returns		64,431	1,573	2.44	65,843	1,641	2.49	(68)	(34)	(34)
Other assets		93,570	19	-	88,515	20	-	(1)		(1)
Total average assets	**(b)**	**679,557**	**8,421**	**1.24**	**642,503**	**9,032**	**1.41**	**(611)**	**(929)**	**318**
Financial Institutions		111,407	(442)	0.40	95,206	(273)	0.29	(169)	(105)	(64)
Retail customer funds	(c)	366,291	(7)	-	346,928	(47)	0.01	40	43	(3)
Wholesale marketable debt securities & other		47,764	(194)	0.41	49,489	(412)	0.83	218	211	7
Subordinated liabilities		9,785	(55)	0.57	8,502	(135)	1.58	80	86	(6)
Other funds with cost		79,545	(1,245)	1.57	74,521	(1,290)	1.73	45	124	(79)
Other funds		64,765	(56)	-	67,857	(59)	-	3		3
Total average funds	**(d)**	**679,557**	**(1,999)**	**0.29**	**642,503**	**(2,216)**	**0.34**	**217**	**359**	**(142)**
Net interest income			**6,422**			**6,816**				
Customer spread (%)	**(a-c)**		**1.66**			**1.84**				
Balance sheet spread (%)	**(b-d)**		**0.95**			**1.07**				

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

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

Fees

Evolution 2021 vs. 2020

The Group's **Fee and commission income** stands at €3,705 million, versus €2,576 million in 2020, impacted in 2021 by the merger with Bankia.

In **comparative proforma terms**, Fee and commission income **grew to €3,987 million,** up 6.7% on the same period of 2020.

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

  Recurring fees and commissions grew 1.4% with respect to the same period of the previous year.

  Fees and commissions from wholesale banking drop 13.1% when compared to the same period of the previous year, after a year 2020 year marked by high activity in investment banking.

  Fees and commissions from the sale of insurance products grew when compared to the same period in 2020 (+12.9%), mainly due to the higher commercial activity.

- **Fees and commissions from managing long-term savings products** (investment funds, pension plans and Unit Link) stand at €1,391 million, due to managing higher asset volumes following the good performance of both markets and sales in 2021. Growth of 17.9% with respect to 2020:

  - **Commissions from mutual funds, managed accounts and SICAVs** came to €860 million, with a year-on-year increase of 18.5%.

  - **Commissions from managing pension plans** stand at €325 million, showing a positive performance of 6.5% year-on-year.

  - **Unit Link fees and commissions** reached €206 million, +38.5% on the same period of 2020.

Evolution 2020 vs. 2019

Fee and commission income stand at €2,576 million, down 0.9% with respect to 2019.

- **Banking fees, securities and other fees** include the same items as the previous year. In the yearly change (-3.8%) stands out the lower e-payment fees and commissions and the solid growth of fees and commissions from wholesale banking.

- **Fees and commissions from the sale of insurance products** dropped when compared to 2019 (-4.7%), mainly due to the lower commercial activity in the second and third quarter.

- **Commissions from mutual funds, managed accounts and SICAVs** came to €546 million (+1.4%).

- **Commissions from managing pension plans** stand at €235 million (+5.9%).

- ***Unit Link* fees and commissions and others** stood at €149 million (+19.3%).This is mainly due to the higher volume managed.

	ACCOUNTING			PROFORMA	
€ million	2021	2020	2019	2021	2020
Banking services, securities and other fees	2,036	1,443	1,500	2,217	2,220
Recurring	1,836	1,262	1,343	2,010	1,982
Wholesale banking	200	181	157	207	238
Sale of insurance products	337	203	213	379	336
Long-term savings products	1,332	930	885	1,391	1,180
Mutual funds, managed accounts and SICAVs	817	546	538	860	726
Pension plans	309	235	222	325	305
Unit Link and other1	206	149	125	206	149
Net fee and commission income	**3,705**	**2,576**	**2,598**	**3,987**	**3,736**

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

Income from **equity investments**

Evolution 2021 vs. 2020

- The **Dividend income** (€192 million in 2021) mainly grew due to a higher dividend from BFA1 for €98 million in 2021, which includes an extraordinary dividend for €54.5 million, versus €40 million in 2020. It also includes the dividend from Telefónica in both years (€90 million in 2021 versus €100 million in 2020).
- **Attributable profit of entities accounted for using the equity method** (€436 million) recovered as a result of an improvement of the economic situation, up 19.1% with respect to the same period of the previous year.

Evolution 2020 vs. 2019

- The **Dividend income** in 2020 mainly includes the dividend from Telefónica for €100 million and BFA for €40 million.
- **Profit of entities accounted for using the equity method** decreased by €118 million (-27.8%) compared to the previous year, due to lower Profit/(loss) of affiliates in the current economic context, except for SegurCaixa Adeslas, which significantly improved its annual profit due to lower accident rates and one-off aspects in the context of Covid-19.

	ACCOUNTING			PROFORMA	
€ million	2021	2020	2019	2021	2020
Dividend income	192	147	163	192	149
Share of profit/(loss) of entities accounted for using the equity method	425	307	425	436	366
Income from equity investments	**616**	**454**	**588**	**628**	**515**

Trading income

Evolution 2021 vs. 2020

- **Trading income** stands at €220 million in 2021 versus €238 million in 2020.
- In **comparative proforma terms**, Trading income stands at €230 million at 2021 year-end. Its year-on-year change (-42.2%) includes the materialisation of unrealised gains from fixed-income assets.

Evolution 2020 vs. 2019

- **Trading income** stands at €238 million (down 20.1%) in 2020. Its change is partially due to the materialisation of higher unrealised gains from fixed-income assets in 2019.

Income and expenses under **insurance and reinsurance contracts**

Evolution 2021 vs. 2020

- The **income and expense under insurance or reinsurance contracts** stands at €651 million versus €598 million in 2020, showing a solid year-on-year growth of 8.9%.

Evolution 2020 vs. 2019

- **Revenues from the life-risk insurance business** amounted to €598 million, up a solid 7.6% compared to 2019.

Other operating income and expense

Evolution 2021 vs. 2020

- **Other operating income and expense** amounted to €-893 million versus €-356 in 2020, and it includes, among other items, income and expenses at non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes. The increase is due to a further contribution made by the company arising from the merger. In 2020 it also includes the income associated with the final earnout of SegurCaixa Adeslas.

- In **comparative proforma terms**, this item stands at €-934 million, including:

  - Contribution of the Portuguese banking sector for €18.8 million (€15.5 million in 2020).

  - Contribution to the SRF[1] of €181 million, higher than the contribution recognised in the previous year (€171 m).

  - Recording of the Deposit Guarantee Fund (DGF) of €396 million (€417 million in 2020).

  Other real estate operating income and expense included an estimation of Spanish property tax for €19 million (€20 million in 2020).

  The line Other includes €135 million in 2020 due to the recognition of income associated with the final earnout SegurCaixa Adeslas.

Evolution 2020 vs. 2019

- **Other operating income and expense** (-7.8%) mainly reflects an increase in income associated with the final earnout of SegurCaixa Adeslas.

  - This item includes, among other items, income and expenses at non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes.

  - Contribution to the Deposit Guarantee Fund (DGF) of €243 million (€242 million in 2019).

  - It includes the contribution to the Single Resolution Fund (SRF) of €111 million (€103 million in 2019).

  - Recognition of the Spanish property tax for €16 million in 2020 and 2019.

	ACCOUNTING			PROFORMA	
€ million	2021	2020	2019	2021	2020
Contributions and levies	(596)	(370)	(360)	(596)	(605)
Other real estate income and expenses	(56)	(22)	1	(64)	(64)
Other	(242)	37	(27)	(274)	(83)
Other operating income and expense	**(893)**	**(356)**	**(386)**	**(934)**	**(752)**

[1] Including the contribution of BPI's National Resolution Fund.

Administration expenses, depreciation and amortisation

Evolution 2021 vs. 2020

- **Recurring administrative expenses, depreciation and amortisation** grew 29.5% year-on-year to €-5,930 million in 2021, versus €-4,579 million in 2020.

- On 1 July 2021, CaixaBank reached an agreement with union representatives representing a broad majority of employees to execute a restructuring process affecting 6,452 employees. The income statement includes the recognition of €1,884 million (€1,319 million, net) associated with the estimate of this agreement's cost.

- In **comparative proforma terms**, it grew 1.0%.

  Increase of personnel expenses (+1.7%) and depreciation and amortisation (+4.6%). General expenses dropped by 2.1%.

  The core cost-to-income ratio (12 months) reached 56.2%.

Evolution 2020 vs. 2019

- **Recurring administrative expenses, depreciation and amortisation** stand at €-4,579 million (-4.0%). The year-on-year performance was impacted by:

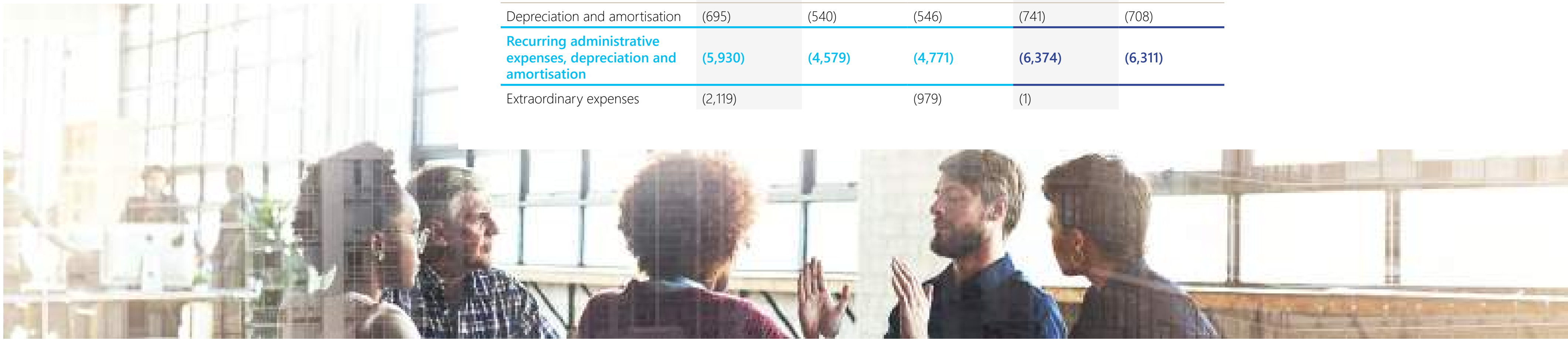
  - Personnel expenses fell by 4.6%, materialising among others the savings associated with the labour agreement of 2019 and the early retirements of 2020 (effective on 1 April 2020), which compensate the organic increase.

  - General expenses dropped by 3.9% in the year.

  - Depreciation and amortisation fall 1.0% in the year.

- In 2019, recognition of extraordinary expenses associate with the agreement reached with the employees' union representatives in the second quarter of regarding a plan of compensated terminations for €978 million, gross. Most of the agreed departures took place on 1 August 2019.

	ACCOUNTING			PROFORMA	
€ million	2021	2020	2019	2021	2020
Gross income	**10,274**	**8,409**	**8,605**	**10,985**	**11,311**
Personnel expenses	(3,697)	(2,841)	(2,978)	(3,972)	(3,907)
General expenses	(1,538)	(1,198)	(1,247)	(1,661)	(1,696)
Depreciation and amortisation	(695)	(540)	(546)	(741)	(708)
Recurring administrative expenses, depreciation and amortisation	**(5,930)**	**(4,579)**	**(4,771)**	**(6,374)**	**(6,311)**
Extraordinary expenses	(2,119)		(979)	(1)	



Allowances for insolvency risk and other charges to provisions

Evolution 2021 vs. 2020

- **Allowances for insolvency risk** stand at €-838 million versus €-1,915 million in 2020, the latter impacted by the recognition made to anticipate future impacts associated with Covid-19 for €1,252 million.

- In **comparative proforma terms**, Allowances for insolvency risk amounted to €-961 million, versus €-2,959 million in the same period of 2020.

  Throughout 2020, within the framework of the pandemic, provisions were established to anticipate future losses associated with Covid-19 under the forward-looking approach required by IFRS 9. In this context, a provision was recognised for €-1,742 million in 2020, which explains the year-on-year performance of this item on the income statement.

  The **cost of risk (last 12 months)** came to 0.25%.

- **Other charges to provisions** shows mainly the coverage of future contingencies and impairment of other assets.

Evolution 2020 vs. 2019

Loan-loss provisions amounted to -€1,915 million (-€376 million in 2019). Its change is marked by modification of the macroeconomic scenarios and the weighting established for each scenario employed in the estimate of expected loss due to credit risk. For this purpose, internal economic projection scenarios based on the impact of the Covid-19 health crisis on the economy and different levels of severity have been used. As a result, a provision for credit risk of €1,252 million was recognised in 2020, anticipating future impacts associated with Covid-19.

2019 reflected various one-off factors, including the reversal of provisions associated with the €275 million restatement of the recoverable amount of the exposure to a large borrower, the negative impact of the recalibration of models in an environment of macroeconomic slowdown, and the release of provisions following the revision of the expected loss associated with the credit risk adjustments in the context of the acquisition of BPI for €179 million.

Other provisions mainly reflects the coverage of future contingencies and impairment of other assets. The year-on-year performance is mainly affected by the recognition of €109 million associated with the early retirements in 2020.

Allowances were recognised for legal contingencies in the last quarter of 2019, employing conservative criteria.

	ACCOUNTING			PROFORMA	
€ million	2021	2020	2019	2021	2020
Allowances for insolvency risk	(838)	(1,915)	(376)	(961)	(2,959)
Other charges to provisions	(478)	(247)	(235)	(407)	(213)
Allowances for insolvency risk and other charges to provisions	**(1,315)**	**(2,162)**	**(611)**	**(1,368)**	**(3,173)**

Gains/(losses) on disposal of assets and others

Evolution 2021 vs. 2020

- **Gains/(losses) on disposal of assets and others** includes, essentially, the results of completed one-off transactions and proceeds on asset sales and write-downs.
  The real estate results in 2020 is impacted by, among others, higher provisions for real estate assets.

  The item Other includes in the fourth quarter of 2021 the gains on the sale of the stake held in Erste (€+54million) and the recognition of other income and asset write-downs.

  In 2020:

  - Gains on the partial sale of Comercia (€+420 million).
  - Gains on the sale of the deposit business of Bankia to Cecabank (€+155 million).
  - A provision, with conservative criteria, associated with the Erste Group Bank as a result of the impact of Covid-19 on the economic context and the extended scenario of low interest rates (€-311 million).

Evolution 2020 vs. 2019

- **Gains/(losses) on disposal of assets and others** includes, essentially, the results of completed one-off transactions and proceeds on asset sales and write-downs. The year-on-year change (-59.8%) was mainly impacted by the aforementioned extraordinary events of 2020.

	ACCOUNTING			PROFORMA	
€ million	2021	2020	2019	2021	2020
Extraordinary expenses Bankia integration	4,464				
Real estate results	23	(134)	(84)	13	(190)
Other	(82)	67	(83)	(95)	189
Gains/(losses) on disposal of assets and others	**4,405**	**(67)**	**(167)**	**(82)**	**(1)**

Business performance

Balance sheet

The **Group's total assets** reached €680,036 million on 31 December 2021, up 50.6% following the merger. Excluding the balances transferred from Bankia as a result of the business combination, the organic change was +5.5%.

Total assets reached €451,520 million at 31 December 2020, up 15.4% in the year.

	Group			Breakdown by Business		
€ million	31.12.19	31.12.20	31.12.21	Banking and Insurance	Investments	BPI
Total assets	391,414	451,520	680,036	636,825	2,078	41,133
Total liabilities	366,263	426,242	644,611	605,434	1,411	37,767
Equity	25,151	25,278	35,425	31,391	667	3,367
Total equity assigned	100%	100%	100%	88%	2%	10%

The allocation of capital to BPI is at sub-consolidated level, i.e. taking into account the subsidiary's own funds. The capital consumed in BPI by the investees allocated to the investment business is allocated consistently to the business.

The difference between the Group's total shareholders' equity and the capital assigned to the other businesses is attributed to the banking and insurance business, which includes the Group's corporate centre.

Loans and advances to customers

– **Loans and advances to customers, gross** stands at €352,951 million, up 44.7% in the year following the merger with Bankia (-4.9% organic change, that is, excluding the balances transferred from Bankia in the merger).

Changes by segment include:

– **Loans for home purchases** (-6.7% organic change in the year) continues to be marked by the portfolio's repayments.

– **Loans to individuals - Other** has dropped -6.1% in the year, organic.

The organic change in the year (-3.1%) is also impacted by a €140 million loan write-off, due to the unification of criteria for the portfolio transferred from Bankia.

– **Financing for Corporates and SMEs** drops 1.9% in the year, organic, following the growth registered in the previous year, in a context where companies were managing their expected liquidity requirements.

– Loans to the **public sector** dropped 12.2% in the year, organic, marked by one-off transactions.

	Group			Breakdown by Business	
€ million	31.12.19	31.12.20	31.12.21	Banking and Insurance	BPI
Loans to individuals	**124,334**	**120,648**	**184,752**	**169,873**	**14,879**
Home purchases	88,475	85,575	139,792	126,709	13,083
Other	35,859	35,074	44,959	43,164	1,796
Loans to business	**91,308**	**106,425**	**147,419**	**136,882**	**10,537**
Corporates and SMEs	85,245	100,705	141,619	131,173	10,446
Real estate developers	6,063	5,720	5,800	5,709	91
Public sector	**11,764**	**16,850**	**20,780**	**18,689**	**2,091**
Loans and advances to customers, gross	**227,406**	**243,924**	**352,951**	**325,444**	**27,507**
Provisions for insolvency risk	(4,704)	(5,620)	(8,265)	(7,689)	(576)
Loans and advances to customers, net	**222,702**	**238,303**	**344,686**	**317,755**	**26,931**
Contingent liabilities	16,856	16,871	27,209	25,382	1,828

Customer **funds**

Customer funds reached €619,971 million on 31 December 2021, up 49.2% after the integration of Bankia (+10.5% organic change, excluding the balances transferred from Bankia in the merger).

100% of Bankia Vida was acquired at the end of December, which was integrated by global consolidation at year-end. As a result, Liabilities under insurance contracts (on-balance sheet) increased by €4,091 million.

On-balance sheet funds stood at €454,968 million (+8.6% in the year, organic).

- **Demand deposits** amounted to €350,449 million (+13.1% in the year, organic).
- **Time deposits** totalled €33,821 million (-35.4% in the year, organic). Their performance continues to be marked by the reduction of deposits on the renewal of maturities against a backdrop of historically low interest rates.
- The increase of **liabilities under insurance contracts**, up 6.6% in the year, organic, includes the positive net subscriptions and the impact of the favourable market effect on Unit Links.

– **Assets under management** stand at €158,020 million. Its performance (+16.5% in the year, organic) is due to increased sales and the favourable market effect.

- The assets managed in **mutual funds, managed accounts and SICAVs** stood at €110,089 million, up 19.2% in the year, organic.
- **Pension plans** reached €47,930 million, up 11.0% in the year, organic.

– The change in **Other accounts** is impacted, among others, due to the change in temporary funds associated with transfers and collections.

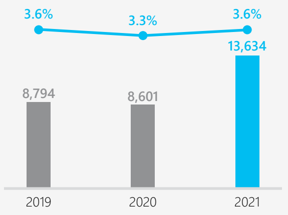
	Group			Breakdown by Business	
€ million	31.12.19	31.12.20	31.12.21	Banking and Insurance	BPI
Customer funds	218,532	242,234	384,270	355,628	28,641
Demand deposits	189,552	220,325	350,449	330,323	20,126
Time deposits[1]	28,980	21,909	33,821	25,306	8,515
Insurance contract liabilities[2]	57,446	59,360	67,376	67,376	
of which: *Unit Link* and other[3]	12,249	14,607	19,366	19,366	
Reverse repurchase agreement and other	1,294	2,057	3,322	3,315	7
On-balance sheet funds	**277,272**	**303,650**	**454,968**	**426,320**	**28,648**
Mutual funds, managed accounts and SICAVs	68,584	71,315	110,089	103,632	6,457
Pension plans	33,732	35,328	47,930	47,930	
Assets under management	**102,316**	**106,643**	**158,020**	**151,563**	**6,457**
Other accounts	**4,698**	**5,115**	**6,983**	**6,411**	**572**
Total customer funds	**384,286**	**415,408**	**619,971**	**584,294**	**35,677**

[1] Includes retail debt securities amounting to €1,384 million at 31 December 2021.
[2] Excluding the impact of the change in value of the associated financial assets, with the exception of Unit Linked and Flexible Investment Life Annuity assets (the part managed).
[3] Includes technical provisions corresponding to Unit Link and Flexible Investment Life Annuity products (the part managed).

Credit risk **quality**

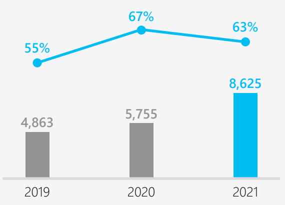
NON-PERFORMING LOANS AND NON-PERFORMING LOAN RATIO[1]

€ million



PROVISIONS AND COVERAGE RATIO[1]

€ million



[1] Calculations include loans and contingent liabilities.

Non-performing loans amounted to €13,634 million in 2021 versus €8,601 million at the end of 2020, impacted by Bankia's contribution in the merger of €5,427 million. €394 million drop in the year, excluding Bankia's contribution in the merger.

The **NPL ratio** stood at **3.6%** at the end of 2021 versus 3.3% in December 2020, mainly due to the +28 basis points from the integration of Bankia.

Provisions for insolvency risk on 31 December stood at €8,625 million compared to €5,755 at the end of 2020.

The **coverage ratio** at the end of 2021 stood at 63% versus 67% at December 2020.

PROVISIONS FOR INSOLVENCY RISK COVID-19

The Covid-19 fund stands at €1,395 million on 31 December 2021 (€1,252million on 31 December 2020, which increased to €1,803 million on 31 March 2021 after the integration of Bankia).

In 2021 the recurrent recalibration of specific provision models was resumed. These parameters had remained unchanged in the Group since the second quarter of 2020, albeit they had been amended by a collective accounting adjustment (Post Model Adjustment).

In the second quarter of 2021, following the recurrent recalibration of the provision models, a certain amount of the Covid-19 fund was specifically allocated. The fund remained untouched in the third and fourth quarter of the year, and it will be reviewed as new information becomes available.

NPL RATIO **BY SEGMENT**

	Group			Breakdown by Business	
€ million	31.12.19	31.12.20	31.12.21	Banking and Insurance	BPI
Loans to individuals	**4.4%**	**4.5%**	**4.2%**	**4.4%**	**2.2%**
Home purchases	3.4%	3.5%	3.6%	3.7%	1.8%
Other	6.7%	6.9%	6.4%	6.4%	5.0%
Loans to business	**3.2%**	**2.7%**	**3.5%**	**3.5%**	**2.8%**
Corporates and SMEs	2.9%	2.4%	3.3%	3.4%	2.9%
Real estate developers	8.0%	6.7%	6.3%	6.4%	0.0%
Public sector	**0.3%**	**0.1%**	**0.3%**	**0.3%**	**0.0%**
NPL Ratio (loans and contingent liabilities)	3.6%	3.3%	3.6%	3.7%	2.3%
NPL coverage ratio	55%	67%	63%	62%	87%

Liquidity and financing structure

- The Bank manages liquidity risk in order to maintain sufficient liquidity levels so that it can comfortably meet all its payment obligations and to prevent its investment activities from being affected by a lack of lendable funds, operating at all times within the risk appetite framework.
- **Total liquid assets** amounted to €168,349 million at 31 December 2021, up €53,898 million in the year, mainly due to the integration of Bankia.
- The Group's ***Liquidity Coverage Ratio*** (LCR) at 31 December 2021 was 336%, showing an ample liquidity position (320% LCR average last 12 months) well clear of the minimum requirement of 100%.
- The ***Net Stable Funding Ratio*** (NSFR) stood at 154% at 31 December 2021, above the 100% regulatory minimum required as of June 2021.
- Solid retail financing structure with a ***loan-to-deposit ratio*** **of 89%.**
- The **balance drawn** under the ECB facility at 31 December 2021 amounted to €80,752 million, corresponding to TLTRO III. The total balance drawn increased by €31,027 million in the year, mainly due to the incorporation of Bankia drawdowns and the additional use of TLTRO III.
- **Wholesale funding** amounted to €54,100 million, diversified by investments, instruments and maturities.

	31.12.19	31.12.20	31.12.21
Total liquid assets (a + b)	89,427	114,451	168,349
Available balance under the ECB facility (non-HQLAs)	34,410	19,084	1,059
HQLA	55,017	95,367	167,290
Wholesale Funding	32,716	35,010	54,100
Loan to Deposits	100%	97%	89%
Liquidity coverage ratio	179%	276%	336%
Liquidity Coverage Ratio (last 12 months)	186%	248%	320%
Net Stable Funding Ratio	129%	145%	154%

INFORMATION ON ISSUANCES IN 2021

€ million

Issue	Amount	Issue date	Maturity	Cost[1]	Demand
Senior non-preferred debt[2]	1,000	09/02/2021	8 years	0.571% (*mid-swap* +0.90%)	3,700
Senior non-preferred debt[3]	1,000	26/05/2021	7 years	0.867% (*mid-swap* +1.00%)	2,100
Senior non-preferred debt GBP [2,4]	£500	03/06/2021	5 years and 6 months	1.523% (UKT +1.32%)	£1,800
Senior non-preferred debt CHF [5]	CHF200	01/07/2021	6 years	0.477% (CHF mid-swap +0.87%)	CHF235
Tier 2 subordinated debt[2]	1,000	18/03/2021	10 years and 3 months	1.335% (*mid-swap* +1.63%)	2,200
Additional Tier 1	750	14/09/2021	Perpetual	3.675% (*mid-swap* +3.857%)	3,500

[1] Meaning the yield on the issuance.
[2] Green bond.
[3] Social bond.
[4] Equivalent amount in euros: €579 million.
[5] Equivalent amount in euros: €182 million.

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

Following the end of December, CaixaBank completed a Social senior preferred issuance of €1,000 million maturing in six years and paying a coupon of 0.673% (equivalent to mid-swap +62 basis points).

Capital **management**

- The ***Common Equity Tier 1*** **(CET1) ratio stands at 13.1%.**

  The year include one-off impacts of Bankia's integration (+77 basis points corresponding to the integration; -89 basis points from the effect of the PPA and -97 basis points for the restructuring costs, the sale of the Bankia cards business, and the acquisition of Bankia Vida).

  The organic change in the year was +106 basis points and -22 basis points caused by the performance of the markets and other factors (includes the regulatory impacts recognised in the second quarter and the sale of the stake held in Erste in the fourth quarter). The impact of IFRS 9 phase in was of -20 basis points.

- The CET1 ratio without applying the IFRS 9 transitional period reaches **12.8%.**

- The internal CET1 target ratio approved by the Board of Directors is set between 11% and 11.5% (excluding IFRS 9) and a margin of between 250 and 300 basis points in relation to the SREP requirements.

- The ***Tier 1*** ratio reaches **15.5%** following the issue of €750 million in additional Tier 1 instruments carried out in September.

- The **Total Capital** ratio stood at 17.9%. An issue of €510 million of Tier 2 instruments was no longer eligible; it will be amortised in February 2022.

- The leverage ratio stands at 5.3%.

- As for the MREL requirement, considering the issuance of €1,000 million in Senior preferred debt in 2022, CaixaBank had a proforma ratio of 26.2% on RWA and 9.0% on LRE, meeting the level required for 2024 (22.95% of RWAs and 6.09% of LRE) At a subordinated level, excluding the Senior preferred debt and other pari-passu liabilities, the MREL ratio reached 22.8% of RWAs and 7.8% of LRE, comfortably above the regulatory requirements of 16.26% of RWAs and 6.09% of LRE.

- Similarly, **CaixaBank is subject to minimum capital requirements** on a non-consolidated basis. CET1 ratio under this perimeter reached 13.9%.

- **BPI** is also compliant with its minimum capital requirements. The company's capital ratios at a sub-consolidated level areas follows: CET1 of 14.2%, Tier1 of 15.7% and Total Capital of 17.4%.

- In terms of capital requirements following the integration of Bankia, the European Central Bank communicated a new P2R requirement of 1.65%. As a result, the Group must maintain capital requirements of 8.19% for CET1, 9.99% for Tier 1 and 12.41% for Total Capital. At 31 December, CaixaBank has a margin of 496 basis points, equating to €10,968 million, until the Group's MDA trigger.

- In addition, the Group's domestic systemic risk buffer after the integration of Bankia remains at 0.25% for 2021, rising to 0.375% in 2022 and 0.50% in 2023. As a result, the capital requirements for 2022 is 8.31% for CET1, 10.12% for Tier 1 and 12.53% for Total Capital On the other hand, the estimated new MREL requirements, according to current regulations, is 23.78% for Total MREL and 18.03% for Subordinated MREL, which will be applicable as of January 2024.

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

€ million and %	31.12.19	31.12.20	31.12.21
Common Equity Tier 1 (CET1)	12.0%	13.6%	13.1%
Tier 1	13.5%	15.7%	15.5%
Total Capital	15.7%	18.1%	17.9%
MREL	21.8%	26.3%	26.2%
Risk-weighted assets (RWA)	147,880	144,073	215,500
Leverage ratio	5.9%	5.6%	5.3%

Key figures of the CaixaBank Group

€ million and %	January-December 2021	2020	2019	Variation 2021-2020	Variation 2020-2019
PROFIT/(LOSS)					
Net interest income	5,975	4,900	4,951	21.9%	(1.0%)
Net fee and commission income	3,705	2,576	2,598	43.8%	(0.9%)
Core income	10,597	8,310	8,316	27.5%	(0.1%)
Gross income	10,274	8,409	8,605	22.2%	(2.3%)
Recurring administrative expenses, depreciation and amortisation	(5,930)	(4,579)	(4,771)	29.5%	(4.0%)
Pre-impairment income	2,225	3,830	2,855	(41.9%)	34.2%
Pre-impairment income stripping out extraordinary expenses	4,344	3,830	3,834	13.4%	(0.1%)
Profit/(loss) attributable to the Group	5,226	1,381	1,705	-	(19.0%)
Profit/(loss) attributable to the Group ex M&A impacts	2,359	1,381	-	70.8%	
MAIN RATIOS (last 12 months)					
Cost-to-income ratio	78.3%	54.5%	66.8%	23.9	(12.3)
Cost-to-income ratio excluding extraordinary expenses	57.7%	54.5%	55.4%	3.3	(0.9)
Cost of risk[1] (last 12 months)	0.23%	0.75%	0.15%	(0.52)	0.60
ROE[1]	6.4%	5.0%	6.4%	1.4	(1.4)
ROTE[1]	7.6%	6.1%	7.7%	1.5	(1.6)
ROA[1]	0.3%	0.3%	0.4%	0.1	(0.1)
RORWA[1]	1.1%	0.8%	1.1%	0.2	(0.3)

[1] These ratios do not include in the numerator the results generated by Bankia before 31 March 2021, which is the recognition date of the merger for accounting purposes or, for consistency, the contribution of the incorporated RWAs or balance items in the denominator. They neither consider the extraordinary impacts associated with the merger.

€ million and %	December 2021	December 2020	December 2019	Variation 2021-2020	Variation 2020-2019
BALANCE SHEET					
Total assets	680,036	451,520	391,414	50.6%	15.4%
Equity	35,425	25,278	25,151	40.1%	0.5%
BUSINESS ACTIVITY					
Customer funds	619,971	415,408	384,286	49.2%	8.1%
Customer funds, excluding the Bankia integration	458,980	415,408	-	10.5%	-
Loans and advances to customers, gross	352,951	243,924	227,406	44.7%	7.3%
Loans and advances to customers, gross, excluding the Bankia integration	231,935	243,924	-	(4.9%)	-
RISK MANAGEMENT					
Non-performing loans (NPL)	13,634	8,601	8,794	5,032	(193)
Non-performing loans (NPL), excluding the Bankia integration	8,207	8,601	-	(394)	-
Non-performing loan ratio	3.6%	3.3%	3.6%	0.3	(0.3)
Provisions for insolvency risk	8,625	5,755	4,863	2,870	892
Provisions for insolvency risk, excluding the Bankia integration	5,006	5,755	-	(748)	-
NPL coverage ratio	63%	67%	55%	(4)	12
Net foreclosed available for sale real estate assets	2,279	930	958	1,349	(28)
Foreclosed available for sale real estate assets, ex. Bankia integration	1,096	930	-	166	the organisation
LIQUIDITY					
Total liquid assets	168,349	114,451	89,427	53,898	25,024
Liquidity Coverage Ratio (last 12 months)	320%	248%	186%	72	62
Net Stable Funding Ratio (NSFR)	154%	145%	129%	9	16
Loan to deposits	89%	97%	100%	(8)	(3)
CAPITAL SOLVENCY					
Common Equity Tier 1 (CET1)	13.1%	13.6%	12.0%	(0.5)	1.6
Tier 1	15.5%	15.7%	13.5%	(0.2)	2.2
Total capital	17.9%	18.1%	15.7%	(0.2)	2.4
MREL	26.2%	26.3%	21.8%	(0.1)	4.5
Risk weighted assets (RWAs)[1]	215,500	144,073	147,880	71,356	(3,821)
Leverage ratio	5.3%	5.6%	5.9%	(0.3)	0.3

[1] At 31 March 2021, €66,165 million have been integrated from Bankia.

Ratings

Agency	Issuer Rating: Long Term	Issuer Rating: Short Term	Issuer Rating: Outlook	Senior Preferred Debt	Last review date	Mortgage covered bonds	Last review date mortgage covered bonds
S&P Global Ratings	A-	A-1	Stable	A-	16.12.2021	AA+	21.12.2021
FitchRatings	BBB+	F2	Stable	A-	02.09.2021	-	-
Moody's	Baa1	P-2	Stable	Baa1	22.09.2020	Aa1	24.08.2021
DBRS	A	R-1 (low)	Stable	A	29.03.2021	AAA	14.01.2022

Shareholder **returns**

- On 24 May 2021, 0.0268 euros were paid per share, corresponding to the dividend charged to 2020 profits. As a result, the shareholder remuneration for the 2020 Fiscal Year is equivalent to 15% of the proforma adjusted consolidated net profit of Bankia and CaixaBank[1], in line with the recommendation issued by the European Central Bank.
- Following the European Central Bank's announcement on 23 July 2021 of not extending its recommendation on dividend distributions beyond September 2021, the Board of Directors approved on 29 July 2021 the Dividend Policy for 2021, establishing the distribution of a cash dividend of 50% of the consolidated net profit adjusted by the extraordinary impacts from the merger with Bankia in a single payout in 2022.
- On 27 January 2022, the Board of Directors has agreed to submit the distribution of a €0.1463 gross cash dividend per share against the 2021 Fiscal Year profits for approval at the next Annual General Meeting, which is expected to be paid during the second quarter of 2022 The payment of this dividend will entail that shareholder remuneration for the 2021 Fiscal Year is €1,179 million, which is equivalent to 50% of the consolidated net profit adjusted by the extraordinary impacts from the merger with Bankia.

  Furthermore, the Board of Directors approved the Dividend Policy for the 2022 Fiscal Year, consisting of a cash distribution of 50-60% of consolidated net profit, to be paid in a single payment in April 2023, and subject to final approval from the Annual General Meeting.

  It also stated the intention of CaixaBank, subject to the appropriate regulatory approval, to implement an open-market share buy-back programme during the 2022 Fiscal Year, in order to bring down the CET1 ratio closer to our target level.

[1] Maximum distributable amount 15%of the profit of the CaixaBank Group and Bankia, adjusted by the payment of coupons of both companies, the reclassifications of OCIs against P&L and the amortisation of intangible assets with a neutral impact on capital adequacy.

Setting the benchmark **for responsible management and social commitment**

One of CaixaBank's strategic priorities is to be an industry leader in socially responsible banking, by reinforcing responsible business management, advancing in the activity's integration of social and environmental criteria and ensuring best practices in internal control and corporate governance.

Sustainability Governance

MISSION AND VALUES >> 2019-2021 STRATEGIC PLAN

BOARD OF DIRECTORS: APPROVES THE SUSTAINABILITY/CSR STRATEGY AND POLICY AND OVERSEES ITS IMPLEMENTATION

STRUCTURE OF GOVERNING BODIES

Appointments and Sustainability Committee
Oversee the compliance with the Company's rules and policies in environmental and social matters, with the aim of confirming that it is fulfilling its mission to promote the corporate interest and catering to the legitimate interests of remaining stakeholders

Risk Committee
Proposes the Group's risks policy to the Board, including ESG matters

Management Committee
Approves the main lines of action in the area of Sustainability and CSR

Sustainability Committee
Implementation of the Sustainability strategy and promoting it in the organisation

FRAMEWORK OF POLICIES, CODES
These policies are complemented and developed together with other specific policies, particularly in the field of conduct.

- Sustainability/Corporate Social Responsibility Policy (Updated 2020)
- Corporate Policy regarding the Defence Sector (2019)
- Environmental Risk Management Policy (2019)
- Declaration on Climate Change (Update January 2022)
- CaixaBank Human Rights Principles (Update January 2022)

See Responsible and ethical behaviour

During 2021, CaixaBank strengthened its sustainability governance framework to provide this area with further relevance. To that end, the Governing Bodies' structure has been adapted by renaming the Appointments Committee as the Appointments and Sustainability Committee. A senior committee, the Sustainability Committee, has also been created, which is under the Management Committee and reports to the Global Risk Committee in matters related to the sustainability risk policies.

Furthermore, within the framework of the organisational restructuring resulting from the merger with Bankia, a new directorate has been created in the Bank's Management Committee, the Sustainability Directorate, with four directorates reporting to it.

This Directorate's functions include coordinating the definition, updating and monitoring of the Group's sustainability strategy. In addition, it is responsible for updating CaixaBank's **Sustainability/Corporate Social Responsibility Policy**.

This Policy establishes the foundations for responsible activity and economic efficiency with a commitment to the socio-economic development of people and the country.

Through the Policy, CaixaBank assumes the following guidelines for the management and conduct of its activity: comprehensive, responsible and sustainable action; high quality service; economic efficiency; the adoption of a long-term view in decision-making; and constant innovation, which contributes as much as possible to the sustainable development of communities.

This commitment provides added value to the Company and to its stakeholders and affects the entire value chain of the organisation: economic and financial factors of the business, environmental responsibility, customer satisfaction, creation of value by shareholders and investors, the needs and aspirations of employees, the relationship with suppliers and contributors, and its impact on the communities and environments in which it operates.

The Policy is a corporate-wide document, the monitoring of which corresponds to CaixaBank's senior committees with the involvement of Senior Management. As such, it is a document that serves as a reference for all Group companies.

This Policy is under review, and it is expected to be updated in the first half of 2022.

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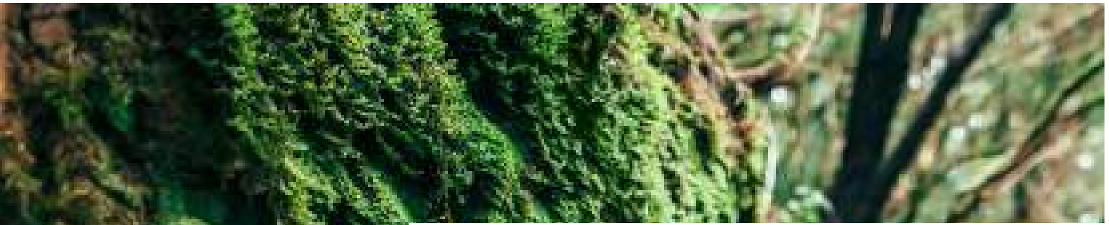

In this framework, **CaixaBank's Corporate Social Responsibility Policy** (approved by the Board of Directors in 2017), based on ESG criteria (Environmental, Social and Corporate Governance), has established five key strategic areas as a guide, contributing to putting the focus on strategic priorities in the field of responsible management.

Dissemination plan

Dialogue plan

Action plan

In December 2021, the Board of Directors approved a new Sustainability Master Plan for the 2022-2024 period, which will be published during the first half of 2022

PRIORITIES 2019-2021

INTEGRITY, TRANSPARENCY AND DIVERSITY	Boost of **transparency initiatives with customers**	Strengthen **an upstanding attitude**	Maintain **support for the dissemination** of diversity issues and **consolidate the Wengage programme**
GOVERNANCE	Consolidate the **governance of corporate responsibility from the Group perspective**	**Measure production** with a social or **positive environmental** impact and incorporate ESG criteria in the business	Consolidate the management, measurement and monitoring of **reputational risk**
ENVIRONMENT	Promote **green production** and issue **sustainable bonds**	Advance in the **measurement and management of environmental and climate risk**	Implement the **environmental and energy management plan**, minimise the operational carbon footprint and renew certifications
FINANCIAL INCLUSION	Promote microloans and finances and investment with a **positive social impact**	Strengthen and implement the **Financial Culture Plan**	Reinforce the **accessibility** to the Company's products and services
SOCIAL ACTION AND VOLUNTEER WORK	Maintain the promotion of Social Action with "la Caixa" Foundation, with a **focus on capillarity**	Consolidate the **Corporate Volunteering Plan**	Promote **cooperation with "la Caixa" Foundation programmes**

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Alliances and affiliations

For CaixaBank, it is essential to drive and actively participate in the current main alliances and initiatives at a global, national and local level. The Company collaborates in developing and disseminating best practices, principles and values; promotes joint progress in sustainability; and integrates in its strategy and actions the highest management standards related thereto.

SDG 17

A successful sustainable development programme requires partnerships between governments, the private sector and civil society. These inclusive alliances built on principles and values, a shared vision and shared goals, which place people and the planet at the forefront, are necessary at a global, regional, national and local level.

CROSS-DISCIPLINARY ESG

Body responsible for promoting the Principles of the United Nations (2012).

Principles for Responsible Banking. Promoting sustainable finance and the integration of environmental and social aspects in business (2018).

The pension plan management company, VidaCaixa (2009), the Group's asset management company, CaixaBank Asset Management (2016), and BPI Gestão de Activos (2019), are signatories.

VidaCaixa is a signatory to the PSI to develop and expand innovative risk and insurance management solutions that contribute to environmental, social and economic sustainability (2020).

Promoting responsible and sustainable investment in Spain (2011)[1]

Entity that represents savings and retail banking institutions in Europe. There are different committees with the participation of CaixaBank teams.

Strives to fulfil SDGs by promoting high-impact investments. CaixaBank Asset Management holds the chairmanship of SpainNAB, the Advisory Board for Impact Investment (2019).

Defending CSR and the fight against corruption in Spanish companies (2019).

Commitment to promoting, fostering and disseminating new knowledge about sustainability and social impact (2005).

Entity that represents savings banks in Spain. There are different committees with the participation of CaixaBank teams.

They strive to ensure enough private capital is allocated to sustainable investments. Members of the network of UN European sustainability centres (2019).

Promotes the integration of social, environmental and governance aspects in the management of companies (2010).

Promotes the commitment of companies to improving society through responsible action. CaixaBank is on the Board of Trustees and the Advisory Board (2011).

Monitors compliance with the SDGs by Spanish companies. Created by "la Caixa" in collaboration with the Leadership and Democratic Governance Chair of ESADE (2017).

Promoting the development and integrity of green loans and social loans (2018, 2021)

United Nations body responsible for promoting responsible and universally accessible tourism (2019).

Spanish Association of CSR Professionals. CaixaBank is a member of the Board (2015).

[1] Bankia membership, integrated into CaixaBank.

ENVIRONMENTAL

Net Zero Banking Alliance

Commitment to achieve neutral greenhouse gas emissions in credit and investment portfolios by the deadline of 2050 (2021).

Collective Commitment to Climate Action. Commitment to align the business strategy with the temperature goals of the Paris Agreement (2019)

Financial Stability Board initiative to encourage the disclosure of climate-related risks in companies (2018).

Partnership of financial institutions to develop and implement a methodology for measuring and reporting greenhouse gas emissions associated with loans and investments (2021).

Commitment to ESG risk assessment* in the financing of projects of more than 7 million euros (2007).

Initiative to foster dialogue with companies around the globe with high greenhouse emission levels (2018).

Global and corporate initiative for companies committed to using 100% renewable electricity (2016).

Promotes economic growth linked to a low-carbon economy through collaboration between the public and private sectors (2016).

Chair to promote innovation and sustainability in the agribusiness industry (2016).

Promotes and develops renewable green hydrogen production as a driver of decarbonisation with the aim of achieving the European Union's climate targets (2021).

GOVERNANCE

Promoted by the United Nations Global Compact with the aim of increasing the representation of women on boards of directors and in executive management positions (2020).

Public commitment to aligning policies to advance gender equality (2013).

International partnership to unify the global response against cybercrime, of which CaixaBank is a co-founder (2013).

SOCIAL

Partnership with the "la Caixa", the first Social Action Project in Spain and one of the largest in the world.

Collective Commitment to Financial Health and Inclusion.

Initiative to promote better health and financial inclusion of customers and society in general (2021).

Long-term financing institution of the European Union, whose shareholders are its Member States (2013).

Its main mission is to support European microbusinesses and small and medium-sized enterprises (SMEs), by helping them to access financing (2018).

Its mission is to promote cohesion and strengthen social integration in Europe by financing projects with a strong social component (2008).

Promotes microfinance as a tool to combat social and financial exclusion in Europe through self-employment and the creation of micro-enterprises.

The Funcas-Educa Financial Education Stimulus Programme, promoted by CECA and the Funcas Fundation, aims to improve the level and quality of financial culture in Spanish society (2018).

More information on the CaixaBank website

Indices and ratings

Widespread recognition by the main sustainability rating indices and agencies.

	CaixaBank	Worse « Scale » Better	Featured
Member of Dow Jones Sustainability Indices	86	Sustainability score: 0 – **86** – 100	– DJSI World, DJSI Europe – Included consistently since 2012. Latest update November 2021 – 9th of 24 banks included in the DJSI World – 2nd of 9 banks included in the DJSI Europe Analyst S&P Global
MSCI	AA (Leader)	ESG rating: CAC, B (Behind); BB, BBB, A (Average); **AA**, AAA (Leader)	– CaixaBank has been part of the MSCI ESG Leader Index since 2015 – First inclusion in 2015. Last updated 2021 – Leader in the categories of Human Capital Development and Financing with an Environmental Impact – Analyst MSCI ESG
FTSE4Good	4	ESG rating: 0 – 1 – 2 – 3 – **4** – 5	– FTSE4Good Global; FTSE4Good Europe; FTSE4Good IBEX – First inclusion in 2011. Last updated in June 2021 – Global rating (4) above the sector (2.7) and also for all dimensions: environmental (3 vs. 1.6 sector), social (3.7 vs. 2.4 sector) and governance (4.7 vs. 3.4 sector) – Analyst FTSE Russell
STOXX / Sustainalytics	Low risk (19)	ESG risk rating: Severe (40+), High (30-40), Moderate (20-30), **Low (10-20)**, Negligible (0-10)	– STOXX Global ESG – First inclusion in 2013. Last updated October 2021 – "*LOW RISK*" ESG risk exposure below the sector average and those comparable in Spain. Strong Management of risks – Analista Sustainalytics
CDP	A (Leadership)	Climate change rating: D-, D (Reporting); C-, C (Awareness-raising); B-, B (Management); A-, **A** (Leadership)	– First inclusion in 2012. Last updated December 2021 – Included in the *A List*. Only Spanish bank to receive the highest rating "A" – Leadership category in management and transparency of climate change issues – CDP Analyst

CaixaBank	Worse « Scale » Better	Featured
C Category: Prime Transparency: Very high Decile rank:#1	ESH corporate rating D- D D+ C- **C** C+ B- B B+ A- A A+ Level of transparency Very low Low Moderate High **Very high**	– First inclusion in 2013. Latest update in October 2021 – CaixaBank is in the top 10% of the sector (*Public & Regional Banks*, which includes 272 companies), PRIME category with a decile: 1 – Analyst ISS ESG
1	ESG rating 10 9 8 7 6 5 4 3 2 **1**	– Updated monthly, latest updated January 2022 – Score "1" in environmental, social and governance – Highest score (1) in the 3 ISS ESG dimensions *Quality Score:* Environmental, Social and Governance – Analyst ISS
60 (Advanced)	Sustainability index 0 <30 30-49 50-59 **60** 100 Weak Limited Robust **Advanced**	– Solactive Europe Corporate Social Responsibility Index PR – First inclusion in 2013. Last update in December 2021 – Advanced category and above the Diversified banks sector average; "Advanced" category in 10 topics, including Environmental strategy, 3 areas in Human resources, Green products and SRI, Responsible relationship with customers, Non-discrimination and Financial inclusion – Analyst VigeoEiris

OTHER RECOGNITIONS

Sustainability Award
Silver Class 2022
S&P Global

Included in the *S&P Global Sustainability Yearbook 2022* for the tenth consecutive year and acknowledged in the Silver Class for the second consecutive year for its excellent performance in sustainability

CaixaBank, included in the *2021 CDP Supplier Engagement Leaderboard* in recognition of its efforts to reduce climate risk within its supply chain

CaixaBank received the Good Corporate Governance Index certificate issued by Aenor, which measures the degree of compliance in this regard based on nine variables, 41 indicators and 165 assessment criteria. These nine variables approach aspects such as the Board of Directors from different angles; participation in the General Shareholders' Meeting; transparency; sustainability and ESG governance. As a result of the analysis, CaixaBank has obtained the maximum G++ rating.

CaixaBank leader of the Bloomberg Gender-Equality Index, which distinguishes companies committed to advancing equality between men and women

DOW JONES SUSTAINABILITY INDEX

The Dow Jones Sustainability Index (DJSI) is a project for the continuous improvement of organisations. For CaixaBank, inclusion in the DJSI is a level one metric of the Strategic Plan.

In 2021, CaixaBank was among the top 10 banks in the index worldwide. It has experienced significant improvement in the areas of Social and Environmental aspects. In the following areas, CaixaBank scores well above average: Sustainable finance, Financial inclusion, Climate strategy, Human capital development, Information security, Cybersecurity, Corporate code of conduct and Human Rights. And, a maximum score of 100 points in the categories of Risk management and Social and environmental reporting.

+15 p

HUGE RISE IN SUSTAINABLE FINANCE

CAIXABANK INCLUDED IN DJSI 2021[1]

9th BANK (OF 24) IN DJSI WORLD

2nd BANK (OF 9) IN DJSI EUROPA

CaixaBank in 2021[2]

	Score	Improvement vs 2020	Average for banks DJSI World	Best score in banks DJSI World
Overall rating	86	1p	85	89
Economic dimension	82	0p	81	87
Environmental dimension	94	+4p	93	99
Social dimension	90	+1p	88	93

[1] DJSI World: 1,843 eligible companies (322 selected). 168 eligible banks (24 selected).
DJSI Europe: 478 eligible companies (147 selected). 34 eligible banks (9 selected).

[2] Reviewed by S&P in January 2022.

Reputation

CaixaBank Group's commitment to a corporate communication model that is transparent and of top quality and maximum reach in relation to its stakeholders and that allows maintaining the Group's reputation at optimal levels is explicitly materialised in its new Corporate Communication Policy, approved in December 2020.

This policy defines the corporate communication strategy, which includes the following main areas of action:

– Professional, centralised management, in line with the specific communication procedures and protocols.

– Ongoing relationship with the media and the use of digital channels.

– Monitoring, measuring and oversight of the communication channels.

This includes any disclosure of information from the Bank, whether economic-financial, non-financial or corporate, to specialised audiences (retail shareholders, institutional investors, proxy advisers, supervisory/regulatory entity) and the general public (customers, society and the media).

Furthermore, the Company has a new reputational risk policy in place, which includes the following main areas of action:

– Boosting reputation.

– Preventive management of reputational risk.

– Establishment of reputational objectives, for which it has specific measurement, monitoring and control indicators.

Specifically, CaixaBank's Global Reputation Index (GRI) is a metric of the Company's Risk Appetite Framework and the Strategic Plan, which includes the perceptions of stakeholders regarding CaixaBank and is considered to be a best practice in the sector due to its multi-stakeholder approach.

The GRI, together with the Materiality Study, allows us to capture the sensitivity of stakeholders to different aspects that may be critical for CaixaBank and that might impose stress on its future profitability and sustainability. Furthermore, the Bank has set ambitious targets for its compliance and performance over the next few years.

>> ASSESSING REPUTATION - **GLOBAL REPUTATION INDEX (GRI)**

01. ALLOWS US TO ANSWER:

How are we seen?

Which aspects might become a risk for CaixaBank due to negative perception?

02. BASED ON:

400+ Indicators

Measurement of perception or opinions

GRI as a synthesis metric

External Audit

SHAREHOLDERS, ANALYSTS, REGULATOR, SOCIAL INSTITUTIONS, NON-CUSTOMERS, SOCIETY, MEDIA, EMPLOYEES, CUSTOMERS

03. LEADS US TO:

Diagnose reputation problems

Set objectives in this field

Measure the evolution of the Institution

Set **comparisons**

90% >> WEIGHTING
GRI CaixaBank - ESP

+

10% >> WEIGHTING
GRI BPI - PT

=

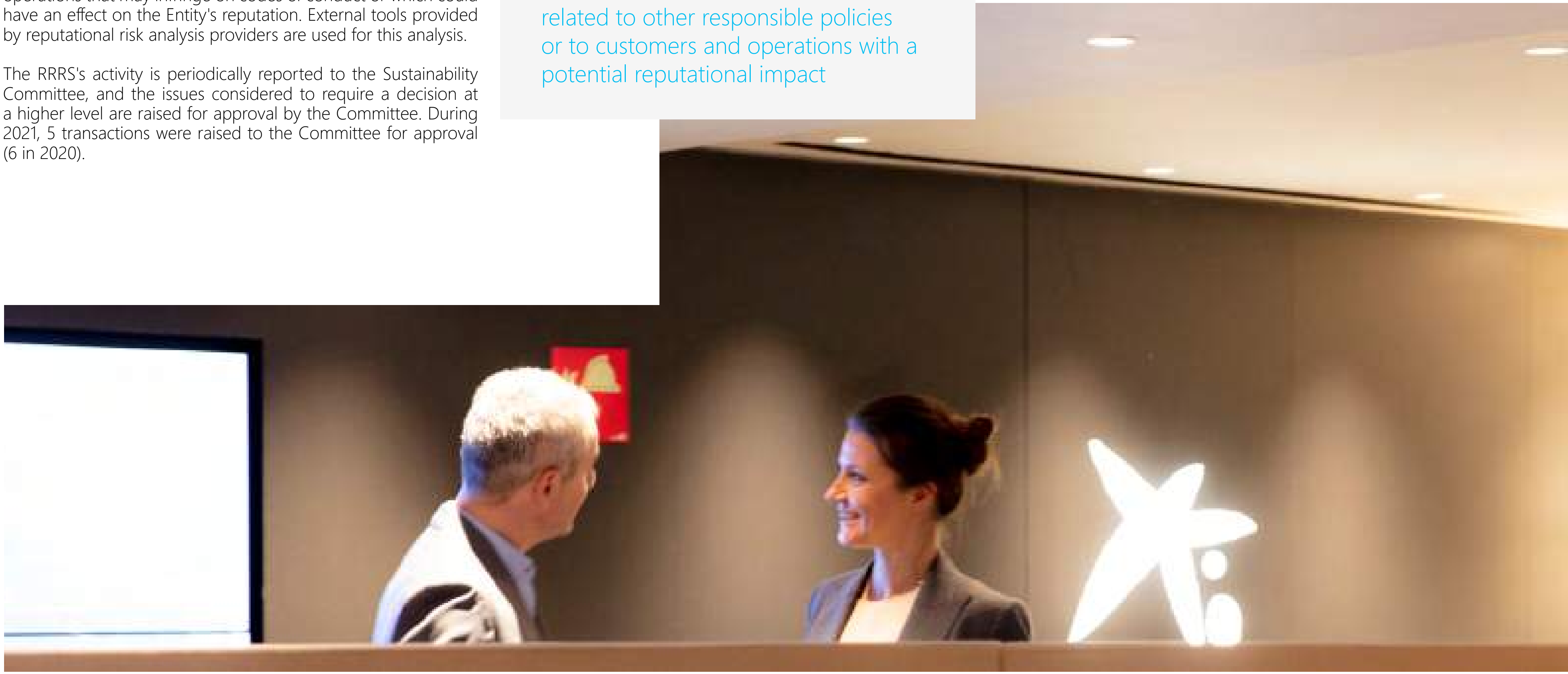
Group GRI metric

Reputational Risk Response Service (RRRS)

The Reputational Risk Response Service (RRRS) contributes to the fulfilment of responsible policies (Human Rights, Sustainability and Corporate Social Responsibility and Defence, among others) and reputational risk management, providing support to the commercial network, and other corporate departments (Risks and Compliance). The SARR analyses queries about potential operations that may infringe on codes of conduct or which could have an effect on the Entity's reputation. External tools provided by reputational risk analysis providers are used for this analysis.

The RRRS's activity is periodically reported to the Sustainability Committee, and the issues considered to require a decision at a higher level are raised for approval by the Committee. During 2021, 5 transactions were raised to the Committee for approval (6 in 2020).

In 2021, 293 enquiries were resolved (279 in 2020), 44% of which were related to the Defence sector and the rest were related to other responsible policies or to customers and operations with a potential reputational impact



Dialogue with stakeholders

CaixaBank Group has various **channels of communication, participation and dialogue** at the disposal of its stakeholders and will commit to making them as widely available as possible.

These channels may include, among others: Free telephone numbers and digital service inboxes for customers, shareholders and investors and suppliers; customer and shareholder service offices; online participation platforms for customers and employees; meetings and conferences; periodical opinion surveys; press releases and other channels for active dialogue with the media.

Customers

The aim is to foster active dialogue with customers and provide them with the necessary channels so that they can send their queries and complaints, and offer them an agile, customised and quality response.

The customer's voice is mainly reflected through the **Customer experience measurement model,** which gives rise to indices that allow us to measure their experience and the quality of the service. The **Global Reputation Index** and the **Materiality Study** are two tools for dialogue, through which the customer's voice on specific issues, their perception of reputation and their vision of CaixaBank's priorities in terms of future impact and sustainability, respectively, is also reflected. Finally, the ***Customer Contact Center*** and **Customer Services** are the main channels that the Entity offers customers to attend to their queries and claims.

See Customer experience measurement model section

See Materiality section

Contact Centers Clientes (CCC)

The *Contact Center* service manages queries, requests, suggestions and incidents from customers and users, reaching it through the channels provided by the Company: telephone, WhatsApp, web form, email, postal mail, chat, Twitter and Apps comments.

During 2021, actions have been carried out to enhance customer experience, providing a comprehensive service aimed at avoiding, as far as possible, the referral of operations to branches by offering support alternatives through the digital channels. In addition, following the merger, the Bank has assumed all interactions with Bankia customers.

Work has been carried out towards creating new transactional dialogues so our customers and users, through the virtual assistant NOA, are able to automatically resolve any requests relating to the blocking or loss or theft of cards and arranging appointments with their adviser. Furthermore, guided flows have been created to help customers restore their access and registration to the CaixaBankNow digital banking service and configure the CaixaBank Sign app.

The quality of the *Contact Center* service is constantly assessed through audits, both internal and specialised external auditors, to ensure satisfactory attention in the service and compliance with the CaixaBank brand's standards of quality and excellence.

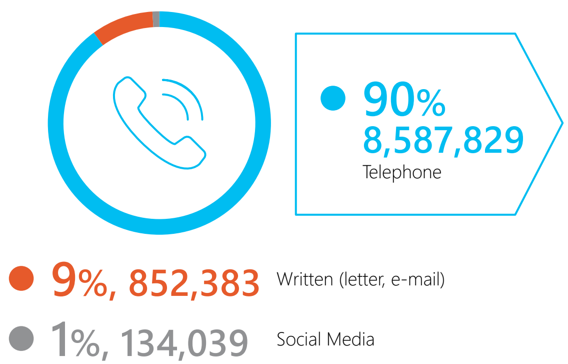
In the specific *Contact Center* services for Banco BPI and *Consumer Finance*, in 2021 they dealt with 1,025,369 and 1,352,794 interactions, respectively.

>9.5 m
INTERACTIONS IN CCC IN 2021

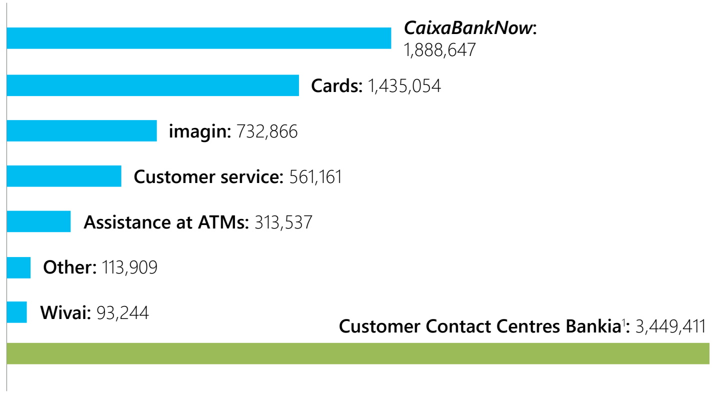
+2.4%
INTERACTIONS WITH RESPECT TO 2020[1]

[1] Considering in 2020 the joint activity of CaixaBank's and Bankia's CCC.

BREAKDOWN OF CONTACTS IN 2021



REASON FOR THE INTERACTION TELEPHONE



[1] Bankia's Contact Centers operated until the merger took place in November 2021.

Customer Service Office (SAC)

The Customer Service Office is responsible for handling and resolving customer complaints and claims. This office has no connection with our commercial services. It performs its duties based on its independent judgement, with reference to customer protection regulations, regulatory requirements and best banking practices.

Claims received[1]	2021	2020		
			Of which:	
	Total	Total	CaixaBank	Bankia
Customer Services	239,347	209,048	119,361	89,687
Submitted to Supervisor's complaints services	3,720	2,639	1,598	1,041
Bank of Spain	3,363	2,288	1,350	938
Comisión Nacional del Mercado de Valores (Spanish securities market regulator)	183	172	82	90
Directorate-General of Insurance and Pension Plans	174	179	166	13

In 2021, there was a 14.6% increase in claims received in the CSO. To a large extent, this increase is due to short-term factors such as new judicial rulings by the Supreme Court (Sentences on usury or mortgage expenses), the prescription of civil actions by application of the 2015 Civil Code reform or, to a lesser extent, COVID-19 (legal and sectorial moratoria, financing with public backing), which have led to an increase in claims, especially related to mortgages.

In 2020, BPI implemented a new Claims and Complaints Processing Policy (this channel does not include dissatisfaction). In all, there were 6,806 claims (5,181 in 2020), 15% of which were closed in favour of the customer (22% in 2020).

[1] With the aim of helping better interpret the information, Bankia's 2020 data.

More information in Note 42.2. "Customer services" of the attached consolidated annual financial statements. The claims detailed here do not include those received by Credifimo (416 received in 2021 and 266 in 2020), with a 32% resolution in favour of the customer.

BREAKDOWN AND MANAGEMENT OF COMPLAINTS RECEIVED BY THE CSO

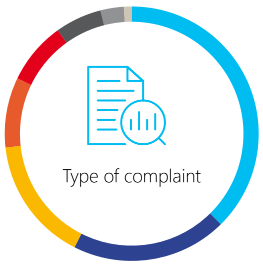
2021

- 32% Asset transactions
- 20% Cards and POS
- 26% Liability transactions
- 9% Other services
- 4% Insurance and pension funds
- 5% Payment and collection services
- 3% Channel
- 1% Investment services

- 35% Less than 10 days
- 45% 10–30 days
- 20% More than 30 days

- 47% Resolved in favour of claimant
- 38% Resolved in favour of the Entity
- 15% Other (rejected/no decision)

2020[1]



- 38% Asset transactions
- 20% Cards and POS
- 16% Liability transactions
- 9% Other services
- 8% Insurance and pension funds
- 6% Payment and collection services
- 3% Channel
- 1% Investment services

- 25% Less than 10 days
- 58% 10–30 days
- 17% More than 30 days

- 49% Resolved in favour of claimant
- 33% Resolved in favour of the Entity
- 18% Other (rejected/no decision)

[1] The details do not include Bankia information.

Shareholders and Investors

CaixaBank works to live up to the trust that shareholders and investors have placed in it and, to the extent possible, meet their needs and expectations. To do this, it seeks to offer tools and channels to facilitate their involvement and communication with the Group, as well as their ability to exercise their rights.

It is essential to provide clear, complete and truthful information to markets and shareholders, including financial and non-financial aspects of the business, and to promote **informed participation in the General Shareholders' Meetings.**

Customised support is provided through the **Shareholder Service and the Institutional and Analyst Investor Services**, in accordance with the Policy on Information, Communication and Contact with Shareholders, Institutional Investors and Voting Advisers.

CaixaBank, **best shareholder service for a listed company** 2020 in the VI Rankia Awards

CaixaBank develops different **training and information initiatives for shareholders** and its voice is also reflected through **annual opinion surveys** (Global Reputation and Materiality Study Index, among others). Shareholder information is structured through the monthly newsletter and corporate event emails (with a scope of more than 230,000 shareholders), SMS alerts or other subscription materials available on the corporate website.

Shareholders

2021 General Shareholders' Meeting (GSM2021)

The GSM2021, on second call, was held on 14 May 2021. Considering the relevance of holding the Annual General Meeting for the regular functioning of CaixaBank, in the interests of the company and in protection of its shareholders, customers, employees and investors in general, and with the aim of guaranteeing the exercise of the rights and equal treatment of shareholders, the Board of Directors agreed to enable telematically the attendance to and participation in the GSM2021.

75.4% QUORUM OF TOTAL SHARE CAPITAL WITH A

92% OF AVERAGE APPROVAL AT THE ANNUAL GENERAL MEETING OF 14 MAY 2021

Shareholder Advisory Committee

Non-binding advisory body created to learn first-hand about the assessment of initiatives aimed at the shareholder base, and contribute to the continuous improvement of communication and transparency.

12 MEMBERS

3 MEETINGS

Shareholder service

(telephone, email and video call)

1,378 CONTACTS

Corporate meetings

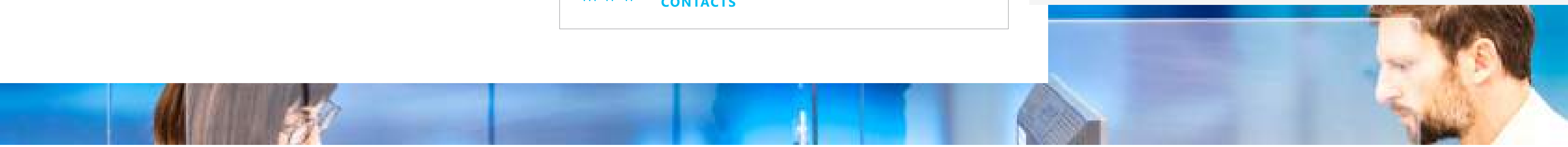
CaixaBank's management sessions explain results and other relevant corporate information to shareholders first-hand.

7 MEETINGS

2,891 ATTENDEES

In addition, specific courses are conducted, and financial education materials are prepared for shareholders.

See Financial culture section



Investors

Roadshows and talks with institutional investors

406
MEETINGS WITH NATIONAL AND FOREIGN INSTITUTIONAL EQUITY AND FIXED-INCOME INVESTORS

646
ATTENDEES

17
MEETINGS WITH SPECIFIC INVESTORS ON ESG TOPICS

29
ATTENDEES

Meetings with analysts

344
ANALYSTS' REPORTS PUBLISHED ON CAIXABANK, INCLUDING SECTOR REPORTS WITH ANALYSIS OF CAIXABANK

"*Institutional Investor*" Awards
FINANCIAL ANALYSTS CHOSE CAIXABANK'S MANAGEMENT TEAM AND INVESTOR RELATIONSHIP TEAM AS THE BEST IN EUROPEAN BANKING IN 2021.

Suppliers

CaixaBank has a procurement area specialised by category (Facilities&Logistics, Works, IT, Professional Services and Marketing) with a transversal view and management of Group purchases[1]. Its objective, in line with our business strategy, is to obtain the goods and services required in a responsible and sustainable manner subject to the time limits, quantity and quality required, at the lowest total cost and with the minimum risk for our business, according to unified performance criteria for the entire Group.

CaixaBank seeks to establish quality relationships with suppliers who share the same ethical principles and social commitment, having established criteria and control mechanisms, such as carrying out audits to ensure compliance with them. The continuous improvement of relations with suppliers is key to creating value in CaixaBank.

PRINCIPLES OF PROCUREMENT

[2] They establish a balanced framework for cooperation between CaixaBank and its suppliers, which promotes stable business relationships, consistent with our values.

01. Efficiency

Optimise the impacts of purchases with an emphasis on quality, service, cost, security of supply, sustainability and innovation.

02. Sustainability

Disseminate ethical, social and environmental considerations in CaixaBank's network of suppliers and partners and promote the contracting of suppliers who implement best practices in ethical, social and environmental matters, as well as good corporate governance.

03. Integrity and transparency

Guarantee equal opportunities, applying objective, transparent, impartial and non-discriminatory selection criteria. Totally reject corruption in any form, direct or indirect.

04. Compliance

Formalise the terms of procurement by means of a contract that seeks a fair balance between the rights of CaixaBank and those of the supplier, to ensure that they are fulfilled in time and form by both parties.

05. Proximity and monitoring

Implement mechanisms for ongoing assessment of supplier performance and promote dialogue, through an institutional communication channel.

[1] Applicable to Group companies with which it shares a corporate procurement model.

[2] https://www.caixabank.com/deployedfiles/caixabank/Estaticos/Principios_de_Compras_ENG.pdf

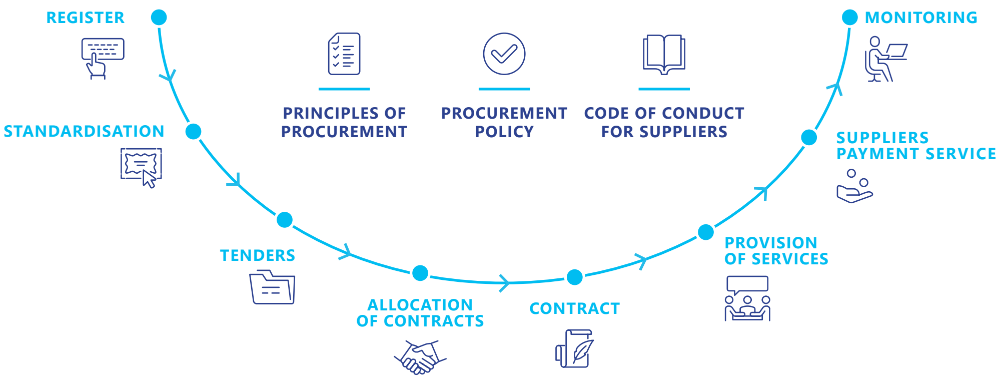
Supplier Code of Conduct and Procurement Rules

[1] The **Supplier Code of Conduct** aims to disseminate and promote the values and ethical principles that will govern the activity of CaixaBank's suppliers of goods and services, sub-contractors and third parties working with CaixaBank.

This Code sets out guidelines for the conduct of companies that work as suppliers will follow in relation to compliance with current legislation, ethical standards and measures to prevent bribery and corruption, security, the environment and confidentiality.

The **procurement rules** establish the criteria to be followed when selecting and negotiating with suppliers.

SUPPLIER MANAGEMENT PROCESS



In 2021, the comprehensive management tool for the supplier, negotiation and contractual management cycle was improved and consolidated.

PROCUREMENT INDICATORS[1]

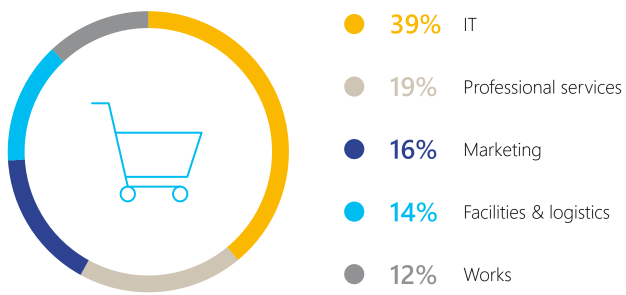
	2021	2020
Number of suppliers[2]	3,390	2,393
Volume invoiced (€ m)[2]	2,979	2,120
Suppliers approved at the end of the year	1,157	n/a
Suppliers approved[3] in the financial year	882	688
Average payment period to suppliers (days)	22.1	21.0
Volume negotiated through electronic trading (€ m)	636	642
Volume negotiated through electronic trading	851	540
% volume corresponding to local suppliers - Spain	97%	97%
Employees with training on the procurement process	3,714	n/a

[1] Applicable to Group companies with which it shares a corporate procurement model.
Suppliers whose turnover in 2021 is over €30,000 are included. Suppliers, official bodies and property owners' associations have been excluded.

[2] Data is included as of the date of the merger.

[3] Suppliers who have completed the standard-approval process during 2021.

% OF PROCESSES NEGOTIATED BY CATEGORY OF PURCHASES



[1] https://www.caixabank.com/deployedfiles/caixabank/Estaticos/Codigo_de_Conducta_Proveedor_ENG.pdf

€7.3 m
VOLUME AWARDED TO SEC (SPECIAL EMPLOYMENT CENTRES)
€5.4 m IN 2020

1,402
SUPPLIERS WITH ISO14001 CERTIFICATION
1,226 IN 2020

100%
OF PURCHASE CATEGORIES WITH AN ENVIRONMENTAL IMPACT HAVE ENVIRONMENTAL REQUIREMENTS

In 2019 the Supplier Audit Plan was launched. Through an on-site validation process, the Plan seeks to gather evidence to ensure that CaixaBank has the information necessary to generate a risk map for our main suppliers. As well as reducing risk, with on-site evaluation, we seek continuous improvement in the management of our suppliers and aim to provide them with added value by assisting in their development.

In 2021, 30 audits (16 in 2020) were carried out, including all the categories of procurement (Facilities&Logistics, Works, IT, Professional Services and Marketing). Corrective measures have been defined.

Additionally, the management of procurement processes through electronic trading is an indication of CaixaBank's efforts to guarantee traceability and integrity in the contracting process. Electronic negotiation begins with the approval of all the suppliers involved in the process and ensures that, during the process, information will be the same for all participants and the selection will be based on objective criteria.

Since 2020, new supplier certifications have been taken into account in the registration and approval process with regard to corporate social responsibility: OHSAS18001/ISO45000 certification and social audit and/or certification SA8000/BSCI/Responsible Business Alliance.

In addition, supplier contracts include a specific clause on Human Rights.

Financial Inclusion

Financial inclusion is a key factor in reducing poverty and promoting shared prosperity. Promoting financial inclusion is in CaixaBank's DNA and is one of its strategic priorities. CaixaBank understands inclusion from the following perspectives:

- CaixaBank channels funds towards specific actions, contributing directly to the SDGs.
- Products and services for vulnerable groups.
- Social housing programme and Impulsa programme
- Access to financial services through microfinance and the MicroBank social bank.
- Presence in most municipalities in Spain through a wide network of branches.
- Adoption of physical and technological accessibility measures for groups with physical or cognitive difficulties.
- Contribution to improving financial culture.

Since the start of the 2019-21 Strategic Plan, CaixaBank has issued, within its **framework for issuing bonds linked to SDG 1** (August 2019), four social bonds, whose funds are intended for financing activities and projects that contribute to fight poverty, boost education and well-being and promote financial and social development in the most disadvantaged areas of Spain.

Social bonds

1ST SOCIAL BOND

Issue: 26 September 2019

Type: Senior Non-Preferred Debt

Nominal amount: €1,000 m

Maturity[1]: 1 October 2024

Coupon: 0.63%

Funding loans granted by MicroBank without guarantees or collateral to families with limited income (the limit is established as the Public Multiple Purpose Income Indicator (IPREM) by 3), to fund daily needs such as health care, education or household and vehicle repairs.

Funding loans granted to self-employed workers, micro-businesses and small businesses operating in Spanish provinces with lower per capita GDP and/or a higher unemployment rate.

CaixaBank is the first Spanish bank to issue a social bond linked to SDGs

Mention social bond of the year 2020 (banks) by Environmental Finance.

2ND SOCIAL BOND

Issue: 10 July 2020

Type: Senior Preferred Debt

Nominal amount: €1,000 m

Maturity[1]: 10 July 2026

Coupon: 0.75%

100% of the funds will be allocated to financing granted in 2020 arising from Royal Decree-Law 8/2020 of 8 April on anti-COVID measures, with the aim of mitigating the economic and social impacts arising from the pandemic.

Loans will be offered to entrepreneurs, microbusinesses and SMEs in the most disadvantaged regions of Spain.

CaixaBank issues a Covid-19 social bond

3RD SOCIAL BOND

Issue: 26 May 2021

Type: Senior Non-Preferred Debt

Nominal amount: €1,000 m

Maturity[1]: 26 May 2028

Coupon: 0.75%

4TH SOCIAL BOND

Issue: 13 January 2022

Type: Senior Preferred Debt

Nominal amount: €1,000 m

Maturity[1]: 13 January 2028

Coupon: 0.625%

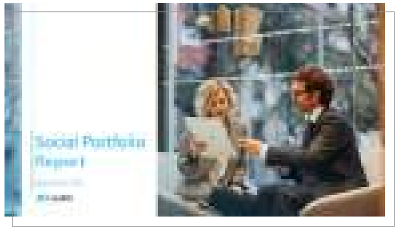
The purpose of the third and fourth issuances of social bonds by CaixaBank is to finance activities and projects that contribute to fight poverty, boost education and well-being and promote financial and social development in the most disadvantaged areas of Spain.

More details in the corporate website [2]

[1] With an early repayment option in the last year by the issuer. Except for the 1st social bond.

[2] Through the following link, you can access detailed information on the Issuance Framework, the Social Bond Monitoring Report and the presentations of each of the issues https://www.caixabank.com/en/shareholders-investors/fixed-income-investors.html

IMPACT OF SOCIAL BONDS



The second impact report on social bonds was published in December 2021.[1]

The report has been verified by an independent third party, with limited scope of guarantee. Part of the impacts have been calculated through surveys using the input-output model and with the collaboration of an independent external consultant.

SOCIAL PORTFOLIO AT 31 MARCH 2021

€4,900 m

298,574 OPERATIONS

8 DECENT WORK AND ECONOMIC GROWTH	€3,831 m 77.2%	Employment generation and retention
1 NO POVERTY	€972 m 19.6%	Access to essential services.
3 GOOD HEALTH AND WELL-BEING	€133 m 2.7%	Basic infrastructure and access to essential services
4 QUALITY EDUCATION	€25 m 0.5%	Employment generation and retention

1 NO POVERTY

97% OF THE BENEFICIARIES STATE THAT **THE FINANCING HAS ENABLED THEM TO MEET THEIR OBJECTIVES**

49% OF THE OPERATIONS HAVE BEEN GRANTED TO **BENEFICIARIES THAT RESIDE IN AREAS WITH A HIGH PERCENTAGE OF PEOPLE AT RISK OF POVERTY**

€144 m **GRANTED IN RURAL AREAS**

3 GOOD HEALTH AND WELL-BEING

6 **FINANCED HOSPITALS**

2,027 **BEDS IN HOSPITALS / FINANCED MEDICAL CENTRES**

4 QUALITY EDUCATION

2,991 **STUDENTS BENEFIT IN FINANCIAL EDUCATION CENTRES**

8 DECENT WORK AND ECONOMIC GROWTH

3,728 **NEW BUSINESSES CREATED**

54,405 **JOBS CREATED/RETAINED**

[1] https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/CaixaBank_Social_Portfolio_Report_Informe_PwC_vDEF.pdf

Meeting the needs **of the society we operate in**

COVID-19 crisis

Since the beginning of the COVID-19 crisis, the firm commitment towards financial inclusion has led to the implementation of broad and decisive measures aimed at supporting the most vulnerable groups by focusing efforts on the most affected regions.

>> AT 31 DECEMBER 2021

€21,762 m

AMOUNT DRAWN OF PUBLICLY GUARANTEED FINANCING, BASED ON THE STATE GUARANTEE SCHEMES IMPLEMENTED WITHIN THE FRAMEWORK OF COVID-19

€13,191 m IN 2020

CaixaBank, recognised by Global Finance for its leadership in supporting businesses during the COVID-19 crisis

Emergency in the island of La Palma

CaixaBank launched a solidarity programme to support families, businesses and agricultural producers when the eruption began, and it included an extensive package of extraordinary measures under the slogan #CaixaBankWithLaPalma. This campaign was implemented through the island's commercial branch network, and the entire Company's workforce got involved in its management.

One of the measures of this plan to support the affected families, businesses and companies has been the temporary moratoria on personal loans and mortgages, facilities to the agricultural sector and payment commitments of customers in the business segment for a period of up to 12 months.

Furthermore, through AgroBank, contact was made with the main cooperatives and organisations of producers in La Palma, as well as with the Department of Agriculture, Livestock, Fisheries and Water of the Canary Islands Regional Government, to coordinate emergency aid and advances aimed at mitigating the damage to farms and agricultural holdings.

Through MicroBank, a financial support helpline has been set up to promote self-employment and incentivise entrepreneurial activity following the disaster. It is aimed at people and entrepreneurs who require support to redirect their business or start a new business activity, with the sole guarantee of the project's feasibility.

CaixaBank has also collaborated with the island's institutions to collect donations.

840
MORATORIA GRANTED TO AFFECTED FAMILIES, BUSINESSES AND COMPANIES

100%
OF APPLICATIONS SUBMITTED

€3.6 m
CHANNELLED IN THE COLLECTION OF FINANCIAL DONATIONS IN FAVOUR OF THE AFFECTED PEOPLE

>> INEQUALITY MONITOR [1]

In 2020, CaixaBank Research and Universitat Pompeu Fabra promoted the Inequality Monitor, a pioneering international project that aims to monitor the evolution of inequality and the role of welfare in Spain, using big data techniques.

The Inequality Monitor aims to make the impact of the COVID-19 crisis known across Spanish households and, especially, on the most vulnerable groups in society, as well as to contribute to the debate on the effectiveness of public sector protection mechanisms.

[1] https://inequality-tracker.caixabankresearch.com/en

Inclusive finance

CaixaBank, as part of its vocation towards service quality and closeness and in collaboration with Social Entities it works alongside, has designed financial services and products to meet the specific needs of the Third Social Sector.

In this line, it has value proposals for financial services aimed at vulnerable social entities and groups.

Social account

Solution for people who receive social benefits or suffer severe poverty.

Free demand deposit account + free access to basic financial services, aimed at people at risk of social exclusion (individuals receiving Subsistence Income, Guaranteed Income from regional governments, among others).

The collection criteria have been expanded in order to identify a greater number of people at risk of exclusion and to be able to offer them these accounts.

Inclusion account

With the aim of promoting the banking for refugees and people who need a bank account to receive social benefits or to access a first job.

Account + inclusion debit card + CaixaBankNow free of charge with transactional limitations. Intended for individuals without access to banking due to coming from high risk jurisdictions and not being able to provide proof of income.

211,432
SOCIAL ACCOUNTS / INCLUSION ACCOUNTS
+68% COMPARED TO 2020

Support to the Third Social Sector

When designing a programme to support the third social sector, one needs to identify the entities whose main goal is to provide direct assistance to people, as they require specific solutions to carry out their activity.

This is why, CaixaBank has a value proposal in place for social entities, through which it develops specific products and incentivises the basic transactions of social solidarity entities.

It also offers specific solutions for collecting donations.

Solutions for people with disabilities

In order to guarantee the inclusion of people with disabilities and ensure the best customer experience, the processes are reviewed, implementing continuous improvements in all service channels.

NGO Cards

By means of NGO cards, the more solidary customers are able to support the social entities they sympathise with.

CaixaBank makes annual contributions to the social entities linked to the card for a fixed amount per active card or a percentage of the annual amount of purchases made by the customer, depending on the card chosen by the customer.

Creation of internal guidelines to facilitate the registration of products intended for vulnerable people or people with special needs

An active support policy **for housing problems**

CaixaBank has an **active support policy for housing problems**, structured around two focuses:

i. On the one hand, early and specialised care for customers with difficulties,

ii. and on the other, the promotion of social housing programmes.

The Bank is a signatory to the Spanish Government's Code of Good Practice on the viable restructuring of mortgage debt on the main home of families at risk of exclusion.

CaixaBank has a specialist team providing solutions to customers who are struggling to meet their home mortgage repayments. In 2013, it set up a Mortgage Customer Service; a free telephone service for customers whose property is affected by a foreclosure suit.

CaixaBank Group has a **social housing programme** with an impact throughout Spain, mainly for former debtors and Group tenants who are in a situation of vulnerability and at risk of residential exclusion.

For all these people, rental amounts are adapted to their ability to pay, with special consideration being given to: families with a member with disabilities, single-parent families with dependent children and family units in which there is a victim of gender violence or elderly people.

The Impulsa programme was consolidated in 2021, the purpose of which is to help improve the socio-economic situation of tenants. The main implications for tenants are social support to help them get back into work (through referrals to the "la Caixa" Incorpora programme) and to process benefits and energy aids.

2,216

FILES REVIEWED BY THE CSMC IN 2021

26,879

SINCE IT WAS INITIATED IN 2013

13,235

SOCIAL RENT PROGRAMME PROPERTIES

14,455 IN 2020

(INCLUDES 1,079 CONTRACTS FOR THE CENTRALISED PROGRAMME OF "LA CAIXA" FOUNDATION'S, 1,375 IN 2020)

● 7,996 properties without a subsidy (€219.8 amount average rent)
7,568 IN 2020

● 4,160 properties with a subsidy (€261.5 amount average rent)
5,562 IN 2020

MicroBank

MicroBank, the Group's social bank, is a leader in the field of social inclusion using micro-credits. MicroBank combines the contribution of value in social terms, satisfying needs that are not sufficiently covered by the traditional credit system, with the generation of the resources needed so that the project can continue to grow at the pace required by existing demand, following the parameters of rigour and sustainability of a banking institution. This establishes a social banking model that facilitates access to credit through quality financial services, with the following objectives:

Job creation through the launch or expansion of businesses through granting micro-credits to business people and social enterprises.

Financial inclusion, promoting equal access to credit, especially to those without collateral, as well as equal access to banking services for new customers through CaixaBank's extensive commercial network.

The promotion of productive activity, granting financial support to self-employed professionals and micro-enterprises as an instrument to stimulate the economy, encouraging the start-up and consolidation of businesses.

The generation of environmental and social impact, providing financial support to projects that have a positive and measurable impact on society.

Personal and family development, meeting the financial needs of people on low incomes through micro-credits and helping them to get through difficult periods.

The direct, indirect and induced contribution to the Spanish economy in terms of **impact on GDP** and job creation.

What is a micro-credit?

Micro-credits are collateral-free loans of up to €25,000 granted to individuals whose economic and social circumstances make access to traditional bank financing difficult. Its purpose is to promote productive activity, job creation and personal and family development.

8 10

MICROBANK IN 2021

€953 m
GRANTED
€900 m IN 2020

107,222
MICRO-CREDITS GRANTED AND OTHER LOANS WITH SOCIAL IMPACT
105,378 IN 2020

€2,075 m
OUTSTANDINGPORTFOLIO BALANCE AT 31 DECEMBER
+13% WITH RESPECT TO 2020

6,672
NEW BUSINESSES CREATED WITH SUPPORT TO ENTREPRENEURS
5,416 IN 2020

17,007
JOBS CREATED WITH SUPPORT TO ENTREPRENEURS
8,737 IN 2020

1.94%
ROA
0.33% IN 2020

6.07%
ACCUMULATED NON-PAYMENT OF MATURED LOANS MATURED AT 31 DECEMBER 2021
6.04% IN 2020

Institutional support

The support of leading European institutions in the promotion of entrepreneurship and micro-businesses is key to the achievement of MicroBank's goals.

EUROPEAN INVESTMENT BANK (EIB)
MicroBank became the first European bank to receive financing to grant micro-credits in 2013

EUROPEAN INVESTMENT BANK (EIB)
2008 start of the collaboration

COUNCIL OF EUROPE DEVELOPMENT BANK (CEB)
2008 start of the collaboration

Distribution by segment

57.7%	Families	42.4% IN 2020
39.4%	Entrepreneurs and businesses	53.4% IN 2020
2.9%	Other social businesses	4.2% IN 2020

8

Business microcredit

Intended for: entrepreneurs and micro-enterprises with fewer than 10 employees and with a turnover not exceeding two million euros a year that need financing to start, consolidate or expand the business, or to meet working capital needs.

Main features:

- Fixed-rate loan with personal guarantee.
- Business Microcredit is granted based on trust in the applicant and their business project, and without collateral.
- The maximum repayment period is 6 years, with an optional grace period of 6 months.

2020	2021
32,331 operations (including specific COVID-19 lines)	15,221 operations (including specific COVID-19 lines)
€374 m amount of the operations	€196 m amount of the operations
€11,571 average amount	€12,870 average amount

The 270 active entities, with which a collaboration agreement has been signed to promote self-employment, are an essential part of the programme. Collaborating entities allow for a better assessment of operations, because of their knowledge of customers, provide technical support to entrepreneurs and contribute to the expansion of the distribution network of MicroBank products and services.

92	88	40	11	39
town councils	non-profit organisations	other public administrations	universities and business schools	chambers of commerce

Microcredit for families

Intended for: people with limited income, up to 19,300 euros/year[1], who want to finance projects linked to personal and family development, as well as needs arising from unforeseen situations.

The income criterion is reviewed periodically, in order to always keep the focus on groups that continue to have greater difficulties in accessing credit, assuming on many occasions the impact that decisions of this type may have on growth, the risk profile of the portfolio and the generation of profit.

Main features:

- Fixed-rate loans.
- Family Microcredit is granted without collateral.
- The maximum repayment period is 6 years, with a grace period of up to 12 months.

2020	2021
67,764 transactions	86,859 transactions
€373 m amount of the operations	€547 m amount of the operations
€5,497 average amount	€6,296 average amount

ICO RENTALS

Financing facility started in 2020 due to the COVID-19 crisis and aimed at customers and non-customers in a vulnerable situation who cannot afford to pay for their home rental.

2,367
HOMES HAVE BENEFITED FROM THIS MEASURE
SINCE THE START DATE OF THE PROGRAMME IN 2020

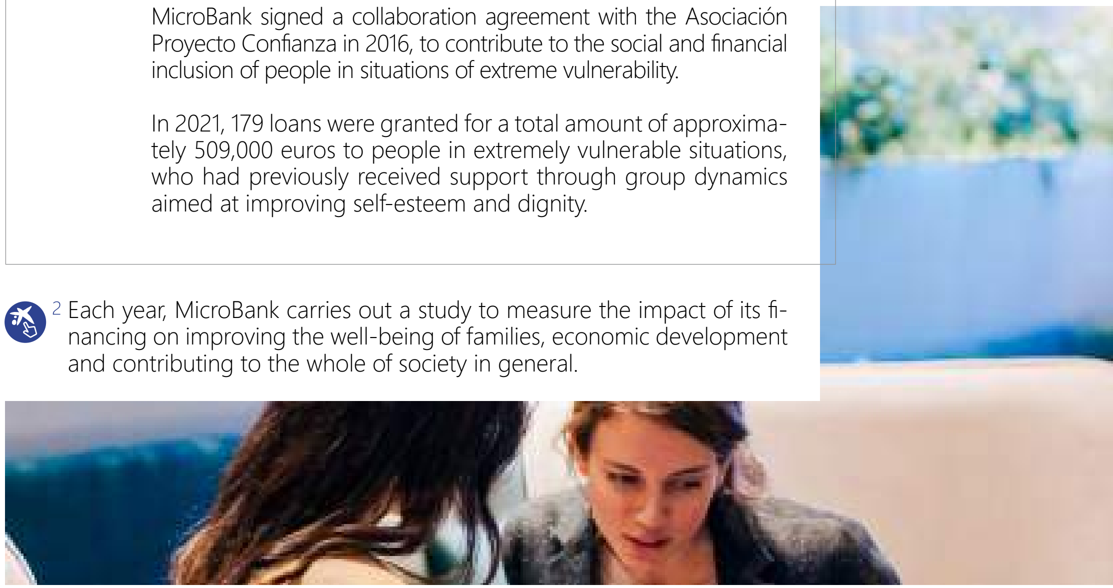
€8.5 m
TOTAL AMOUNT GRANTED

PROYECTO CONFIANZA

MicroBank signed a collaboration agreement with the Asociación Proyecto Confianza in 2016, to contribute to the social and financial inclusion of people in situations of extreme vulnerability.

In 2021, 179 loans were granted for a total amount of approximately 509,000 euros to people in extremely vulnerable situations, who had previously received support through group dynamics aimed at improving self-esteem and dignity.

[2] Each year, MicroBank carries out a study to measure the impact of its financing on improving the well-being of families, economic development and contributing to the whole of society in general.



[1] To determine the income level, the Income Indicator (IPREM) has been taken into account.

[2] https://www.microbank.com/impacto-social_en.html

1 10

Other financing with a social impact

Loans that generate a positive social impact on society, in sectors related to the social economy, health, education and innovation.

2020

5,283
transactions

€154 m
amount of the operations

€29,059
average amount

2021

5,142
transactions

€210 m
amount of the operations

€40,837
average amount

NEW AGREEMENT WITH THE EIF. SKILLS AND EDUCATION *PROGRAMME*

MicroBank has signed a new agreement with the European Investment Fund (EIF) to improve the access to financing of individuals and organisations that wish to invest in training and education with the aim of improving their employability.

A helpline offering support to organisations that are engaged in education, training and the development of professional skills has been implemented in 2021.

€2.6 m
GRANTED THROUGH 31 OPERATIONS

HIGHLIGHTS INCLUDE:

INNOVATION LOAN

Differential characteristics:

- **Amount:** Up to 50,000 euros.
- **Purpose:** start-up or expansion of innovative business projects.
- **Term:** the maximum repayment period is 7 years, with a grace period of up to 24 months.

SOCIAL ENTERPRISE EASI LOAN

Differential characteristics:

- **Amount:** up to 500,000 euros.
- **Purpose:** financing for the creation and development of social enterprises. Social enterprises are considered to be those that specialise in labour insertion, as well as environmental activities, those that develop their activity in sectors such as the promotion of personal autonomy and care for disabled and dependent persons, the fight against poverty, social exclusion, interculturality and social cohesion.
- **Term: up to 10 years** (with optional capital grace period of up to 12 months).

EDUCATION LOAN

Intended for: Students who want to finance their expenses arising from the completion of a master's degree or postgraduate studies. These are products created specifically for each of these purposes and have characteristics adapted to each of them.

- **Purpose:** They cover the enrolment cost and the associated maintenance costs.

HEALTH LOAN

Intended for: Loan to finance medical treatments and temporary assistance to people with mental health disorders (eating disorders, behavioural disorders, etc.), with the aim of helping to improve their quality of life and personal autonomy.

Differential characteristics:

- **Amount:** up to 25,000 euros.
- **Purpose:** expenses arising from treating these people.
- **Term:** up to 6 years.

3 4 9

Local accessible banking

CaixaBank's understanding of financial inclusion also means local, accessible banking, with an unwavering commitment to stay close to its customers.

Proximity

CaixaBank has 1,650 rural branches located in towns with under 10,000 inhabitants.

With the aim of enhancing its service in rural areas, CaixaBank has 14 mobile branches (ofibuses), which serve 270,000 people in 426 municipalities in eleven provinces: Ávila, Burgos, Castellón, Ciudad Real, Granada, Guadalajara, La Rioja, Madrid, Segovia, Toledo and Valencia.

Each mobile branch covers different daily routes and, depending on the demand, visits the locations where it provides service once or several times a month. In addition to preventing the financial exclusion of rural areas, this service preserves the direct relationship with the customers who reside in these locations and upholds the Company's commitment to the agricultural and livestock sectors.

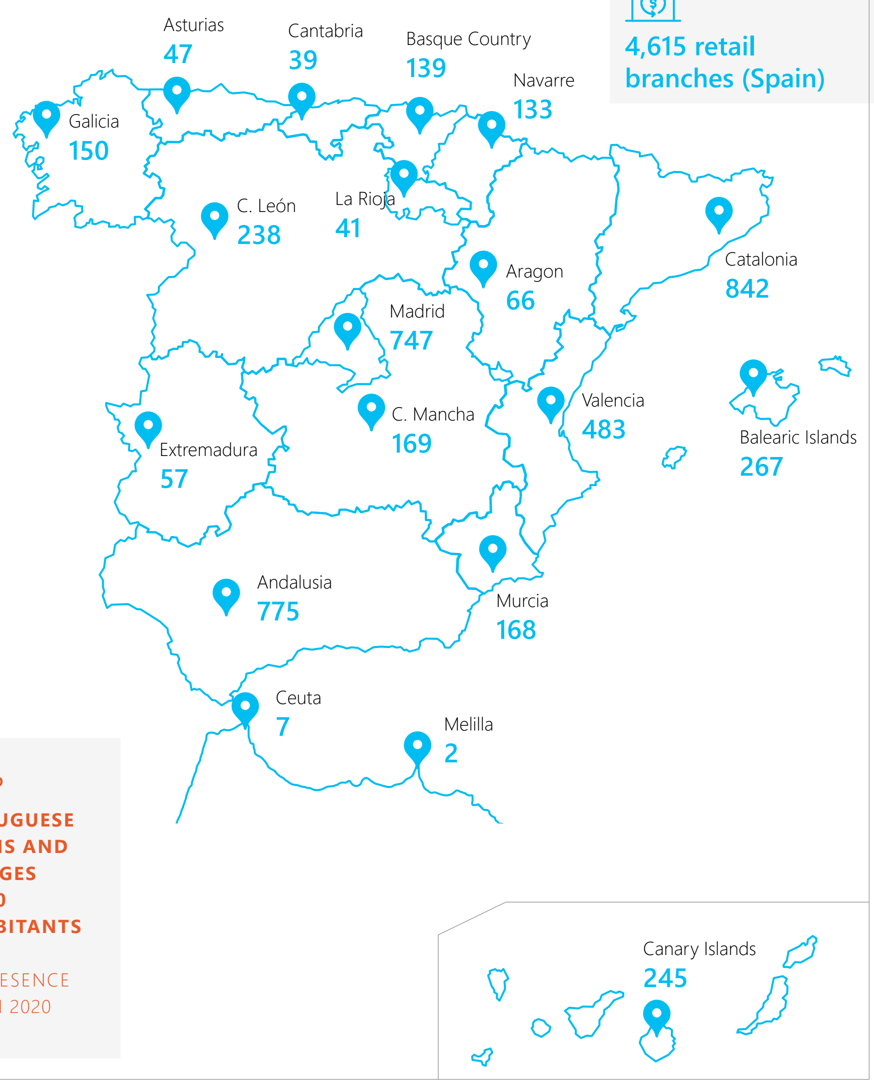
CaixaBank will install 135 ATMs in municipalities at risk of financial exclusion in the Region of Valencia, after being awarded the initiative of the Regional Government of Valencia to favour financial inclusion in the region's municipalities and population centres that do not have basic financial services.

Mobile branches are essential to CaixaBank's strategy to prevent the financial exclusion of rural areas

CaixaBank has stated its commitment to maintain the service in all the towns and villages it is currently present

NUMBER OF BRANCHES PER AUTONOMOUS COMMUNITY

4,615 retail branches (Spain)



2,234
SPANISH TOWNS WHERE CAIXABANK HAS PRESENCE

92%
CITIZENS WITH A BRANCH IN THEIR MUNICIPALITY (SPAIN)
91% IN 2020

99%
SPANISH TOWNS AND VILLAGES > 5,000 INHABITANTS WITH THE PRESENCE OF CAIXABANK
98.8% IN 2020

420
SPANISH TOWNS AND VILLAGES CAIXABANK IS THE ONLY BANKING INSTITUTION
215 IN 2020

63%
PORTUGUESE TOWNS AND VILLAGES >5,000 INHABITANTS WITH BPI PRESENCE
64% IN 2020

1 11

Accessibility

CaixaBank aspires to become the bank of reference and choice of various people, in line with the Company's values. To that end, it has begun working on the different aspects that will help it achieve this. Its goal is to create an accessible omnichannel experience, eliminating any physical or sensory barriers.

CaixaBank uses a broad definition of accessibility, which means not just offering the greatest range possible of channels for accessing its products and services, but also striving to ensure that these channels can be used by as many people as possible. CaixaBank therefore works to eliminate any physical and sensory barriers that could prevent people with disabilities accessing its premises, products or services.

CaixaBank incorporates the WCAG 2.1-W3C[1] guidelines in its accessibility model

PRINCIPLES IN THE DESIGN OF PRODUCTS AND SERVICES

PERCEIVABLE

>> **SENSES**
THAT THE CONTENT CAN BE PERCEIVED BY DIFFERENT SENSES

OPERABLE

>> **MOTOR, VOICE**
THAT IT CAN BE USED WITH THE USUAL PERIPHERALS OR WITH SPECIALISED SUPPORT PRODUCTS

UNDERSTANDABLE

>> **COGNITIVE**
THAT THE CONTENT IS EASY TO UNDERSTAND, AND AVOIDS OR HELPS SOLVE MISTAKES

ROBUST

>> **TECHNOLOGY**
THE CONTENT CAN BE USED WITH DIFFERENT DEVICES

>> OUR ACTION PLAN

01. GLOBAL VISION

Centralise accessibility efforts with a unique and expert view that coordinates and enhances its scope and impact on customers and employees, using an omnichannel approach.

02. METHODOLOGY

Define or implement an accessibility framework applicable to any type of project in such a way that it facilitates the development of accessible products and services.

03. COMMUNICATION AND TRAINING

Carry out communication and training actions on accessibility and the defined framework, to guarantee awareness, knowledge and application by the teams.

04. MONITORING

Continuous monitoring of the accessibility, using an omnichannel approach, that allows identifying room for improvement and prioritising efforts.

[1] Web Content Accessibility Guidelines del World Wide Web Consortium.

ACCESSIBILITY IN BRANCHES

At CaixaBank branches the idea of "zero level" is applied. This consists in the elimination of the differences in height between the inside of branches and the pavement outside or, if this is not possible, linking the two with ramps or lifts.

86%
ACCESSIBLE BRANCHES
94% IN 2020

16
BRANCHES WHERE BARRIERS HAVE BEEN REMOVED IN 2021
49 IN 2020

ACCESSIBILITY AT ATMS

100%
ACCESSIBLE ATMS
99.1% IN 2020

100%
ATMS WITH VIDEO SCREENS PROVIDING
SIGN LANGUAGE ASSISTANCE
99,8% IN 2020

Accessibility at ATMs is based on, among others:

- **Visual facilities:**

  By typing Operation 111, a simplified contrast and operating screen is activated so users can adapt it to their needs, enabling them to view the different operations.

- **Acoustic and tactile facilities:**

  By typing Operation 222 and connecting headphones to the jack connection, you can enjoy a full guide of operations. The ATMs feature a digitally generated Avatar that helps deaf people understand the operation shown on the customer's screen. In addition, the inputs, outputs and keyboard have Braille.

- **Motor facilities:**

  The main elements, such as the operating screen and the keyboard, are placed in such a way to facilitate their viewing both in height and tilt. In addition, the contactless system facilitates the operation for people with difficulty using their upper limbs.

- **Facilities for the senior segment:**

  The Caixafacil easy menu is designed to facilitate navigation through the different operations' screens by the senior segment, including larger buttons and their habitual operations.

ONCE has conducted an expert analysis, with very positive results.

APP ACCESSIBILITY

It is an accessible native application for people with diverse capacities, designed under mobile accessibility standards and making use of all the technical possibilities offered today by iOS and Android operating systems.

- It has been developed from the outset under the **Accessibility Guidelines, WCAG 2.0.**
- ILUNION regularly **reviews and audits** the mobile application, helping us to identify points of improvement and ensuring its accessibility.
- At the same time, there is a continuous compilation and management of isolated points of improvement, identified from user complaints or internal reviews.

It takes into account, among others:

- At a design level, the **colour contrast and font size** has been approved to make it accessible and allow people with low vision to read correctly.
- In terms of content, plain and simple language is used, adding explanatory elements when more technical or legal language is required.
- The flows are designed to simplify the experience as far as possible, guiding users at each step and offering information on where they are and where they are heading.
- This includes VoiceOver (iOS) and TalkBack (Android) for people with total blindness for browsing design so that our apps allow voiceover of all screen information and actions.

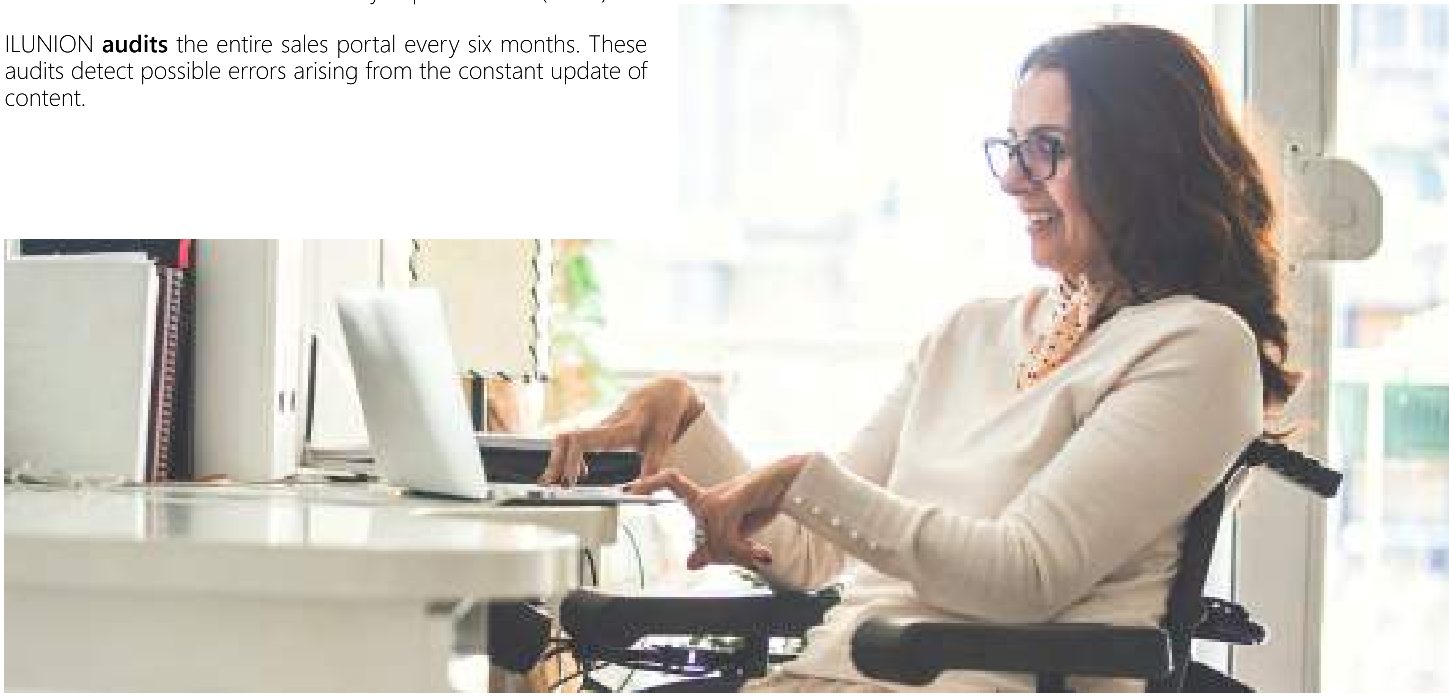
WEB ACCESSIBILITY

The following, among other aspects, are taken into account in Accessibility on the internet:

- The colour contrast and font size are suitable for optimal viewing of the portal.
- The images do not contain embedded text (text images), which would not allow users with a screen reader to view the text appearing in the image. In our case, the text has been programmed as text links, where users can access the content.
- Audiovisual elements are accompanied by subtitles.
- The layout structure of the page helps in reading by using screen reader software for visually impaired users (JAWS).

ILUNION **audits** the entire sales portal every six months. These audits detect possible errors arising from the constant update of content.

The corporate portal complies with the AA accessibility level of the W3C-WAI Web Content Accessibility Guidelines 2.0. It is the only commercial banking portal with this certification.

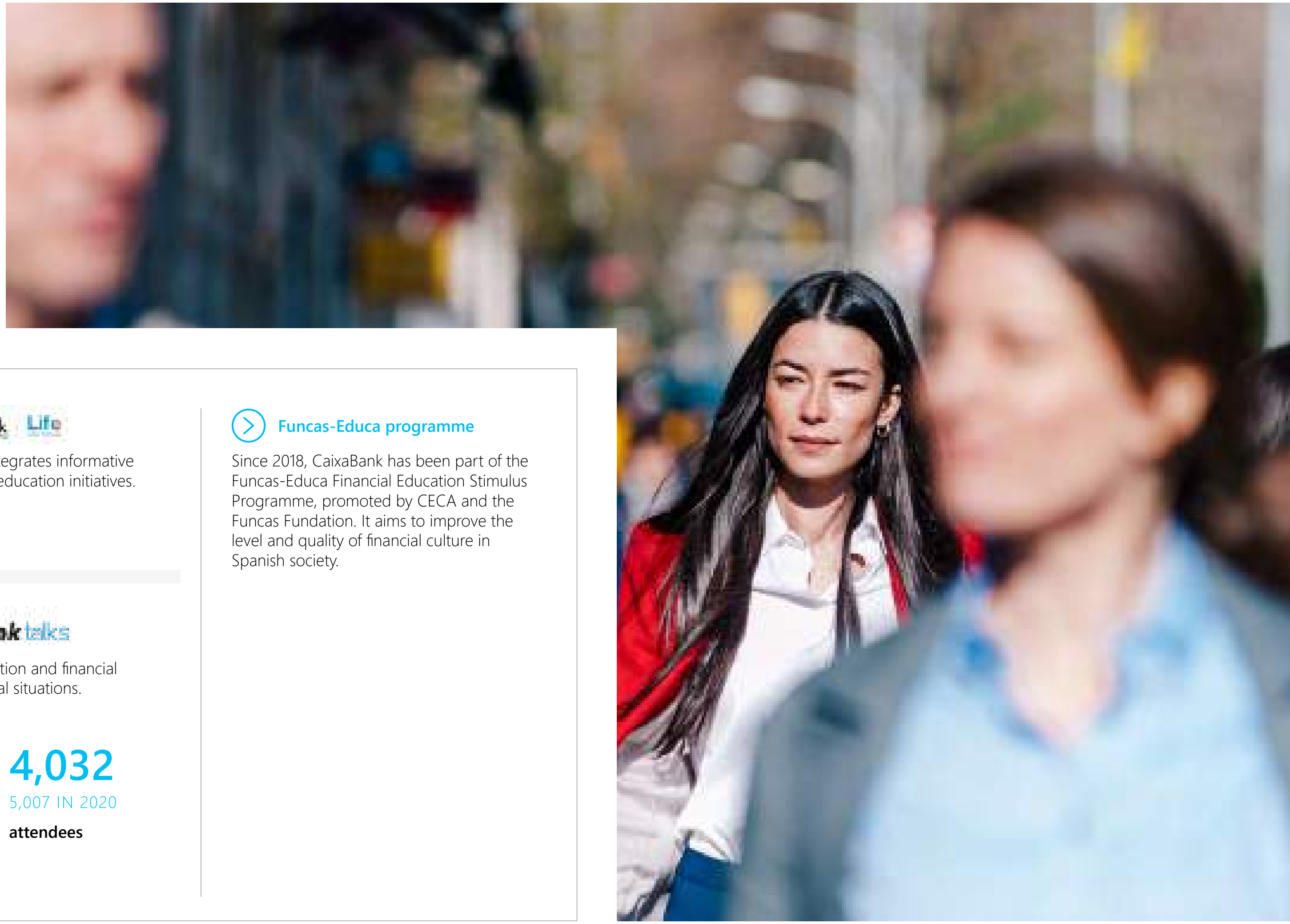


Financial culture

CaixaBank is committed to improving the financial culture of its customers and shareholders and, in general, of society as a whole, including the most vulnerable sectors.

Through initiatives aimed at different audiences, the Company aims to improve people's financial knowledge in order to encourage decisions that improve their well-being.

In 2021, face-to-face training activities were resumed -to the extent that the Covid-19 crisis allowed so-, and the momentum achieved the previous year as a result of the online educational content has been taken advantage of in order to continue reinforcing this channel.



FINANCIAL CULTURE DISSEMINATION

mucho por hacer [1]

Educational and awareness-raising content disseminated in collaboration with the main digital media. Connects financial concepts such as savings, investment or insurance with real life stories of famous people in our society.

408 m
67 m IN 2020
impressions number of impacts on digital media

24.7 m
8.3 m IN 2020
webinar of audiovisual content

CaixaBank Life

Online platform that integrates informative materials and financial education initiatives.

CaixaBank talks

Talks on savings, protection and financial planning in different vital situations.

23
32 IN 2020
talks held

4,032
5,007 IN 2020
attendees

Funcas-Educa programme

Since 2018, CaixaBank has been part of the Funcas-Educa Financial Education Stimulus Programme, promoted by CECA and the Funcas Fundation. It aims to improve the level and quality of financial culture in Spanish society.

4

[1] https://www.caixabank.es/particular/holabank/particulares_en.html

SPECIFIC CONTENT FOR GROUPS

Shareholders

Aula training programme on economics and finance aimed at CaixaBank's shareholders.

6
3 IN 2020
AulaTalks-Courses for shareholders with 7,070 views

11
10 IN 2020
Webinars for shareholders with 7,323 attendees

12
Aula financial training podcast with 6,723 reproductions

New comic book in the series Las Finanzas de Carlota: Operación fusión, para conocer en qué consiste una fusión corporativa (Carlota's Finances: Merger operation, to find out what a corporate merger is).

CaixaBank Volunteering

Basic finance talks and workshops conducted by CaixaBank Volunteering in face-to-face and digital format, aimed at different groups:

People with intellectual disabilities
161
112 IN 2020
workshops and 1,806 attendees

Young people
1,096
866 IN 2020
workshops and 17,621 attendees

Adults at risk of exclusion
441
213 IN 2020
workshops and 5,069 attendees

Talks on financial education
181
162 IN 2020
workshops and 2,137 attendees

Financial tips for young people

Short videos aimed at the young audience through the app and social media

8
number of published in-app *videos*

5 m
webinar

elBullifoundation

On-site courses for caterers Courses for customers in the catering sector, conducted in collaboration with elBulliFoundation.

2
number of intensive courses on Management in the Catering Sector

110
attendees totals

36
hours of training delivered

Recetas de gestión con Ferran Adrià, at CaixaBankLab Campus[1]

KNOWLEDGE GENERATION AND ANALYSIS

CaixaBank Research

Creation and dissemination of knowledge through research and economic analysis.

99
82 IN 2020
talks held

826
690 IN 2020
articles held

4,830
4,603 IN 2020
followers of @CBK_Research on Twitter

IESE

Research and dissemination of knowledge and trends in the areas of sustainability and social impact, aimed at the business sector. Topics covered: circular economy, ESG commitment in companies, environmental taxonomy and green financial products.

3
4 IN 2020
booklets published

3
4 IN 2020
webinars issued

17,099
9,380 IN 2020
webinar *views*

4

[1] https://www.caixabanklab-campus.com/cursos/restauracion/lab-para-reiniciar-tu-negocio-recetas-de-gestion-con-ferran-adria

Socially responsible investment

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

Over the past few years and following the Ten Principles of the UN Global Compact and the United Nations Principles for Responsible Investment (PRI), ESG criteria, as well as traditional risk and financial criteria, have been considered in the process of analysing investments.

The **new regulatory framework on sustainability-related information**, based on Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR), among other regulations, enhances communications involving the application of sustainability criteria in investment decision-making.

The integration of sustainability factors into product management, in compliance with the corporate framework for the integration of sustainability risks defined for CaixaBank Group and with the numerous international agreements and standards in this area, have positioned us as a benchmark in sustainable investment.

The implementation of regulatory requirements derived from the European Commission's Sustainable Finance Plan has focused the efforts of VidaCaixa, CaixaBank Asset Management and CaixaBank, and will continue to do so in 2022, in turn fostering significant advances in the Group's role as an agent of change.

CaixaBank Group has become the first bank in Spain to receive the **Sustainable Finances Certification under ESG criteria (Environmental, Social and Governance) from AENOR**. This new certification endorses the work and efforts made by the Group's two management companies to integrate these criteria into their investment decision-making processes; and how these processes have provided CaixaBank with the improvement mechanisms needed to control and monitor its management in this area

- **Article 8:** Financial products that promote environmental or social characteristics and/or a combination of those characteristics.
- **Article 9:** Financial products and services which have sustainable investment as their objective.
- **Article 6:** Products and services that take into account environmental, social and governance risks in investment decision-making and that are not considered under articles 8 or 9, as well as those that do not include sustainability risks.

The **pillars on which the integration of sustainability factors** is based in asset management, the discretionary portfolio management and advisory services and the distribution of insurance-based investment products are:

- Alignment of strategies between Group companies, and alignment with best practices, supervisory expectations and current regulations.
- Maximum involvement of the Governing Bodies and Management of Group companies.
- Internal control framework based on the three lines of defence model that guarantees the strict segregation of functions and the existence of several layers of independent control.
- The Group will rely on information and data from suppliers specialising in ESG matters in order to establish the necessary criteria, methodologies and procedures that allow integrating the sustainability risks.
- Establishing exclusion criteria in investment processes. The Group is generally opposed to investing in companies or States that engage in reprehensible practices that contravene international treaties such as the United Nations Global Compact.

EXCLUSIONS

- Significant activity in conventional weapons.
- Controversial weapons.
- Significant activity in generating and extracting thermal coal.
- Significant activity in tar sands.

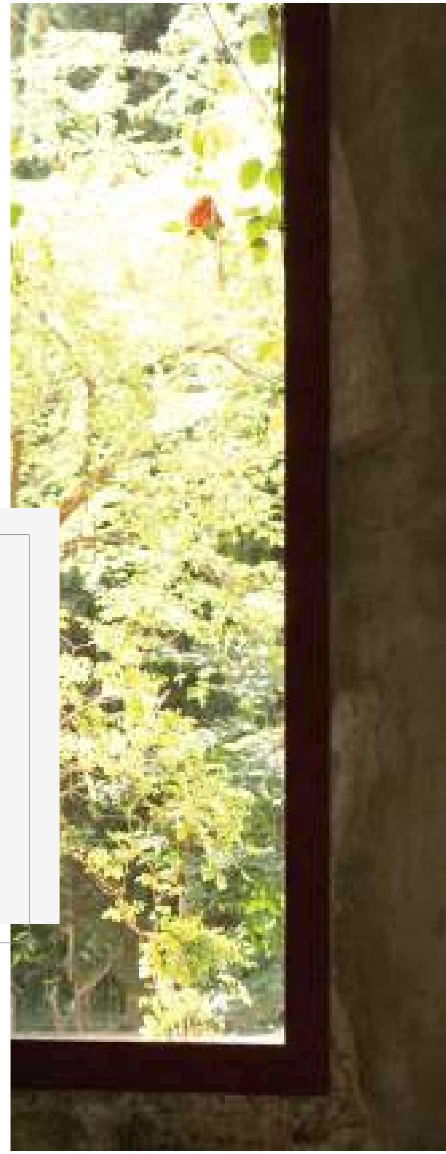
- The **long-term involvement with companies in which it invests** through proxy voting and open dialogue actions with the listed companies (known as engagement).
- Establishing procedures and plans, and reporting results with respect to **due diligence processes in relation to adverse impacts1**, which is based on: (i) identifying actual or potential adverse impacts; (ii) taking measures to stop, prevent or mitigate these adverse impacts, (iii) monitoring the implementation and results of these measures; and iv) reporting on how the main adverse impacts are addressed.
- Coherence of remuneration policies with the integration of sustainability risks. The general principles of the remuneration policy include guidance on promoting behaviours that "foster the generation of long-term value and the sustainability of results over time" and on ensuring remuneration is consistent with the "management of sustainability risks". The variable remuneration calculation therefore includes metrics linked to this issue, taking into account the duties and responsibilities assigned. **The Company has, in this respect, developed specific sustainability targets that impact on the variable remuneration paid** to Private Banking managers engaged in providing investment advice.

In this context, CaixaBank has launched a new range of investment funds and pension plans, **Impact Solutions SI Range**[2], with the highest rating in sustainability according to European regulations (article 9).

The SI Range is a solution with a positive and measurable impact on people and the environment, and it contributes to achieving the 17 United Nations Sustainable Development Goals.

CaixaBank signed an agreement with BlackRock to drive impact investing. BlackRock's *Fundamental Equity Impact* team will provide advice on the equity impact investment funds due to its differentiated methodology in selecting companies that really have an impact on society and the planet.

Information has been published on the corporate website[3] about how CaixaBank integrates the sustainability risks into the provision of investment and asset management services.



12

[1] The main adverse impacts are understood as those impacts of investment and advisory decisions that can have negative effects on sustainability factors

[2] https://www.caixabank.es/bancaprivada/fondos-de-inversion/gama-si-soluciones.html

[3] https://www.caixabank.com/en/sustainability/responsible-practices/responsible-management.html

VidaCaixa

The strength of the business and the integration of the Bankia's pension business contributes to strengthen the leadership position of VidaCaixa in the insurance sector in Spain

VidaCaixa is the insurer that pays the most benefits in Spain

In 2021, VidaCaixa joined the ***Net Zero Asset Owner Alliance***, assuming the commitment to transition towards an investment portfolio with net zero CO_2 emissions in 2050[3]

VidaCaixa follows the TCFD recommendations on climate risk management

SPAIN[1]

€106,032 m
CUSTOMER FUNDS MANAGED
€88,973 m IN 2020

€10,059 m
PREMIUMS AND CONTRIBUTIONS COMMERCIALISED
€8,943 m IN 2020

€4,216 m
BENEFITS PAID
€3,687 m IN 2020

33.9%
MARKET SHARE OF TOTAL LIFE INSURANCE[4]
29.3% IN 2020

33.9%
MARKET SHARE IN PENSION PLANS
26.3% IN 2020

SPAIN + PORTUGAL

4.6 m	Individual customers 4.0 m IN 2020
1.3 m	Large companies and groups 1.1 m IN 2020
0.3 m	SMEs and self-employed workers 0.3 m IN 2020

PORTUGAL[2]

€7,978 m
CUSTOMER FUNDS MANAGED
€7,495 m IN 2020

12.3%
MARKET SHARE OF LIFE INSURANCE
11.4 IN 2020

[1] Includes the life and pension plan business of VidaCaixa, S.A. and the pension plan business of Bankia, integrated into VidaCaixa in November 2021. On 29 December 2021, CaixaBank announced that it has signed an agreement with the Mapfre Group to acquire 51% of Bankia Vida. After this acquisition, CaixaBank will hold 100% of the company's share capital. Bankia Vida is to be sold to VidaCaixa, as the head company of the insurance group, in the first quarter of 2022.

[2] Includes the life and pension plan business of BPI Vida e Pensões, which is fully owned by VidaCaixa, S.A.

[3] For on-balance sheet investments.

[4] Technical provisions. Includes information on Bankia Vida, subsidiary of CaixaBank, S.A.

INTEGRATION OF ESG RISKS[1]

VIDACAIXA HAS AN A+ RATING IN THE STRATEGY AND GOVERNANCE CATEGORY, THE HIGHEST POSSIBLE RATING FOR PRI

100%
OF ASSETS UNDER MANAGEMENT TAKE INTO ACCOUNT ESG ASPECTS AS OF 31 DECEMBER 2021
(ACCORDING TO UNPRI CRITERIA)

47.2%[2]
OF THE EQUITY WILL HAVE A HIGH SUSTAINABILITY RATING ACCORDING TO THE SFDR
(ARTICLES 8 AND 9) (€22,165 m)

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

- 52.8% (€24,770 m) — Heritage of products classified under article 6 (integrated)
- 46.8% (€21,970 m) — Heritage of products with sustainability rating (article 8 - driven)
- 0.4% (€195 m) — Heritage of products with sustainability rating (article 9 - impacted)

IMPACT[3]

EXPOSURE TO SUSTAINABLE BONDS +71% VS 2020

- €1,283 m — Green Bonds
- €523 m — Sustainable bonds
- €327 m — Social bonds
- €103 m — Sustainability linked *bonds*

2.97%
EXPOSURE OF PORTFOLIOS TO ECONOMIC ACTIVITIES CONSIDERED TO BE LINKED TO HIGH CO_2 EMISSIONS
2.99% IN 2020

ENGAGEMENT[3]

6
COLLECTIVE DIALOGUES
6 IN 2020

44
DIALOGUES WITH COMPANIES ON ESG TOPICS
20 IN 2020

286
ESG DUE DILIGENCE WITH EXTERNAL MANAGERS

15
DIALOGUES WITH EXTERNAL MANAGERS ON ESG TOPICS

11%
OF THE INVESTMENT IN COMPANIES SUBJECT TO ENGAGEMENT PROCESSES

82
ESG TOPICS COVERED IN DIALOGUES WITH COMPANIES

PROXY VOTING

494
GENERAL SHAREHOLDERS MEETINGS VOTED DURING THE YEAR
380 IN 2020

19
MEETINGS WHERE MEMBERS OF THE BOARD HAVE BEEN VOTED AGAINST FOR ESG OR CLIMATE CHANGE PURPOSES
12 IN 2020

117
MEETINGS WHERE SHAREHOLDERS VOTED IN FAVOUR OF PROPOSALS
52 IN 2020

61
MEETINGS WHERE SHAREHOLDERS VOTED IN FAVOUR ON ENVIRONMENTAL MATTERS AND SOCIAL

[1] Includes information on BPI Vida e Pensões. Bankia's integrated portfolio is not included.
[2] Calculated percentage of plans affected by SFDR, including EPSV and Unit Linked.

CaixaBank Asset Management

Leaders in asset management

CaixaBank Asset Management follows the TCFD recommendations on climate risk management

39.8%
OF WOMEN FUND MANAGERS OF TOTAL

CaixaBank AM named "European Leader in Gender Diversity 2021" and "Best Gender Representation 2021" in its category by the specialised magazine *Citywire*, the only Spanish management company

CaixaBank AM is the only European fund management company to obtain the "EFQM 500 Seal" for its strategy focused on excellence, innovation and sustainability

SPAIN[1]

24.5%
MARKET SHARE OF INVESTMENT FUNDS IN SPAIN
17.5% IN 2020

€84,507 m
OF ASSETS UNDER MANAGEMENT
€53,336 m IN 2020

€44,164 m
DISCRETIONARY PORTFOLIO MANAGEMENT
€28,834 m IN 2020

PORTUGAL[2]

17.2%
MARKET SHARE OF INVESTMENT FUNDS IN PORTUGAL
18.7% IN 2020

€7,959 m
OF ASSETS UNDER MANAGEMENT
€6,179 m IN 2020

€4,090 m
DISCRETIONARY PORTFOLIO MANAGEMENT
€3,066 m IN 2020

LUXEMBOURG[3]

€967 m
OF ASSETS UNDER MANAGEMENT
€971 m IN 2020

[1] Includes the funds, discretionary management portfolio and SICAVs business of CaixaBank Asset Management SGIIC and the Bankia Fondos business, integrated into CaixaBank Asset Management in July 2021.
[2] Includes the real estate and mutual funds and discretionary management portfolio business of BPI Gestão de Activos SGFIM, which is fully owned by CaixaBank Asset Management.
[3] Includes the funds and SICAVs business of CaixaBank Asset Management Luxembourg, S.A.

INTEGRATION OF ESG RISKS

PRI A+

CAIXABANK ASSET MANAGEMENT AND BPI GESTÃO DE ACTIVOS AN A+ RATING IN THE STRATEGY AND GOVERNANCE CATEGORY, THE HIGHEST POSSIBLE RATING FOR PRI

100%

OF ASSETS UNDER MANAGEMENT TAKE INTO ACCOUNT ESG ASPECTS AS OF 31 DECEMBER 2021 (ACCORDING TO UNPRI CRITERIA)

DISTRIBUTION OF ASSETS OF PRODUCTS ACTIVELY MARKETED UNDER SFDR

Spain		Portugal
60.1% (€46,242m)	Heritage of products classified under article 6 (integrated)	37.5% (€1.514 m)
5.4% (€4,118 m)	Heritage of products classified under article 6 (not integrated)	0% (€0 m)
30.3% (€23,325 m)	Heritage of products with sustainability rating (article 8 - driven)	62.5% (€2,522 m)
4.2% (€3,214 m)	Heritage of products with sustainability rating (article 9 - impacted)	0% (€0 m)

34.5%

OF THE EQUITY WILL HAVE A HIGH SUSTAINABILITY RATING ACCORDING TO THE SFDR (ARTICLES 8 AND 9) (€26,539 m)

62.5%

OF THE EQUITY WILL HAVE A HIGH SUSTAINABILITY RATING ACCORDING TO THE SFDR (ARTICLES 8 AND 9) (€2,522 m)

IMPACT

EXPOSURE TO SUSTAINABLE BONDS +218% VS 2020

- €2,372 m — Green Bonds
- €1,111 m — Sustainable bonds
- €479 m — Social bonds
- €269 m — Sustainability linked *bonds*

ENGAGEMENT

2
GROUP DIALOGUES[1]
2 IN 2020

115
DIALOGUES WITH COMPANIES ON ESG TOPICS
42 IN 2020

230
ESG DUE DILIGENCE AND DIALOGUES WITH THIRD-PARTY MANAGERS
105 IN 2020

172
ESG TOPICS COVERED IN DIALOGUES WITH COMPANIES

PROXY VOTING

1,052
GENERAL SHAREHOLDERS MEETINGS VOTED DURING THE YEAR
603 IN 2020

20
MEETINGS WHERE MEMBERS OF THE BOARD HAVE BEEN VOTED AGAINST FOR ESG OR CLIMATE CHANGE PURPOSES
9 IN 2020

138
MEETINGS WHERE SHAREHOLDERS VOTED IN FAVOUR OF PROPOSALS
57 IN 2020

61
MEETINGS WHERE SHAREHOLDERS VOTED IN FAVOUR ON ENVIRONMENTAL MATTERS AND SOCIAL

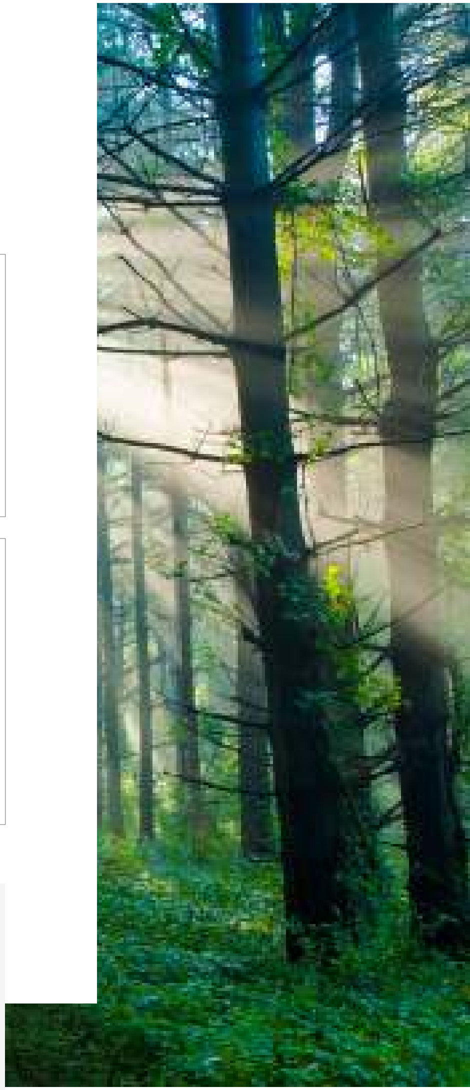
[1]Dialogues include those active at 31/12, as well as those initiated and completed in 2021.

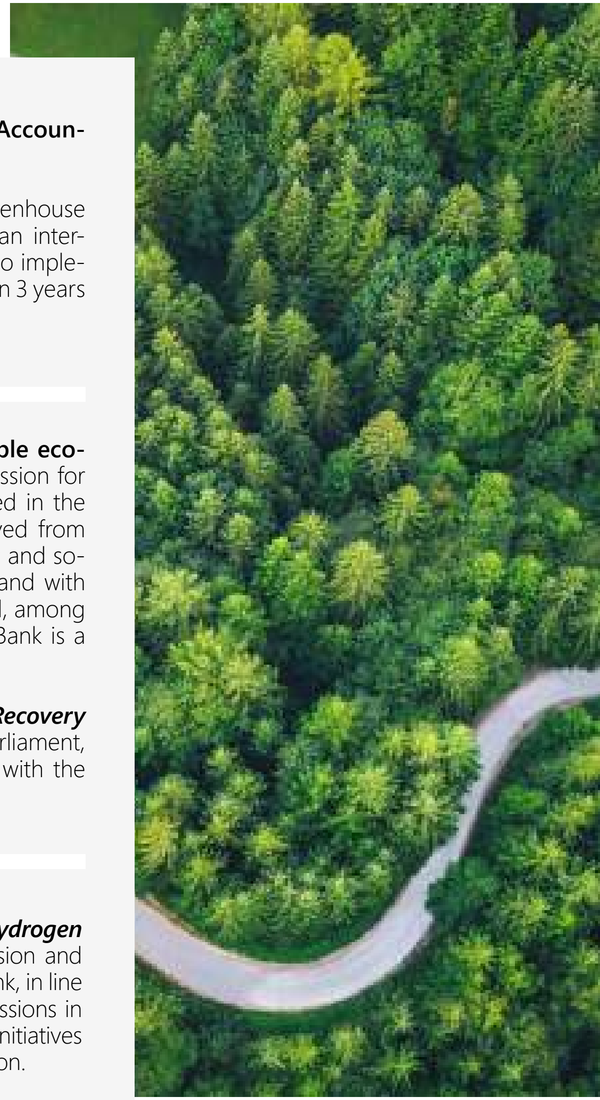
Environmental strategy

Protecting the environment is one of CaixaBank's strategic priorities and one of the five main points of its Socially Responsible Banking Plan. The Environmental Strategy, approved by the Management Committee in line with internal policies and standards, is composed, in turn, of five lines of action:

ENVIRONMENTAL STRATEGY: LINES OF ACTION

Transitioning to a low carbon economy that encourages sustainable development and is socially inclusive is essential, in CaixaBank's view





01. [1] In February 2019, CaixaBank published its **Statement on climate change**, which was approved by the Board of Directors and updated in January 2022, in which it undertakes to take the necessary measures to comply with the Paris Agreement. The Declaration on Climate Change is a declaration of intent based on the five lines of the Bank's Environmental Strategy.

The Declaration argues that climate change is one of the main challenges facing the planet, with impacts on the physical environment, society and the economy. It is a source of physical and transition risks, as well as opportunities for countries, businesses and people.

03. In April 2021, CaixaBank signed the **Net Zero Banking Alliance (NZBA)**, promoted by the United Nations (UNEP FI), as a founding member. The agreement commits the Company to becoming CO_2 emission neutral in 2050 and represents a higher ambition with respect to the United Nations Collective Commitment to Climate Action, signed by the Company in December 2019.

The world's major institutional investors are committing, through the ***Net Zero Asset Owner Alliance***, to a transition to portfolios with "*Net Zero*" greenhouse gases emissions in 2050. Thus, they are contributing to the fulfilment of the Paris Agreement goal for climate change: avoiding the global temperature from rising above 1.5ºC.

VidaCaixa is the first Spanish insurer to join the alliance, within the framework of its global commitment to sustainability and with the aim of promoting a low-carbon economy.

02. In July 2021, CaixaBank joined the **Partnership for Carbon Accounting Financials** (PCAF).

The initiative promotes the assessment and disclosure of greenhouse gas emissions linked to the financial portfolio, following an internationally renowned methodology. CaixaBank undertakes to implement this new measurement method in its daily activity within 3 years of joining.

04. In 2020, CaixaBank signed the **Manifesto for a sustainable economic recovery**. The manifesto, addressed to the Commission for Social and Economic Reconstruction that has been created in the Congress of Deputies, asks for the stimulus policies derived from COVID-19, in addition to being effective from an economic and social perspective, to be aligned with sustainability policies and with the European Green Deal. The initiative has been promoted, among others, by the Spanish Green Growth Group, which CaixaBank is a part of.

In the same vein, CaixaBank has signed up to the ***Green Recovery Call to Action*** initiative, promoted in the European Parliament, which seeks to align economic recovery plans in Europe with the Paris Agreements and a sustainable future.

05. In 2021, CaixaBank signed on to the ***European Clean Hydrogen Alliance***, an initiative promoted by the European Commission and whose aim is to foster clean hydrogen technologies. CaixaBank, in line with its sustainability strategy and commitment to zero emissions in 2050, will boost financing for undertaking green hydrogen initiatives that will advance the transition towards global decarbonisation.

[1] https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad_corporativa/StatementonClimateChange.pdf

With the environment as one of CaixaBank's strategic priorities, in 2021, the 2019-2021 Road Map continued to be rolled out to advance the implementation of the bank's environmental strategy.

The **2019-2021 Road Map** to roll out the Environmental Strategy, in line with the Bank's Strategic Plan and presented to the Risk Committee, includes the following areas of action:

Environmental Risk Management Policy

To implement the Environmental Risk Management Policy and review risk concession procedures to take into account regulatory and market changes.

External Reporting

To establish an external reporting model to ensure information on the environment and climate change is publicly disclosed in accordance with the regulations applicable at all times.

Definition and roll out of the governance model

To implement a coherent, efficient and adaptable governance model for managing environmental and climate change risks that ensures CaixaBank Group's targets are met within an appropriate framework.

Taxonomy

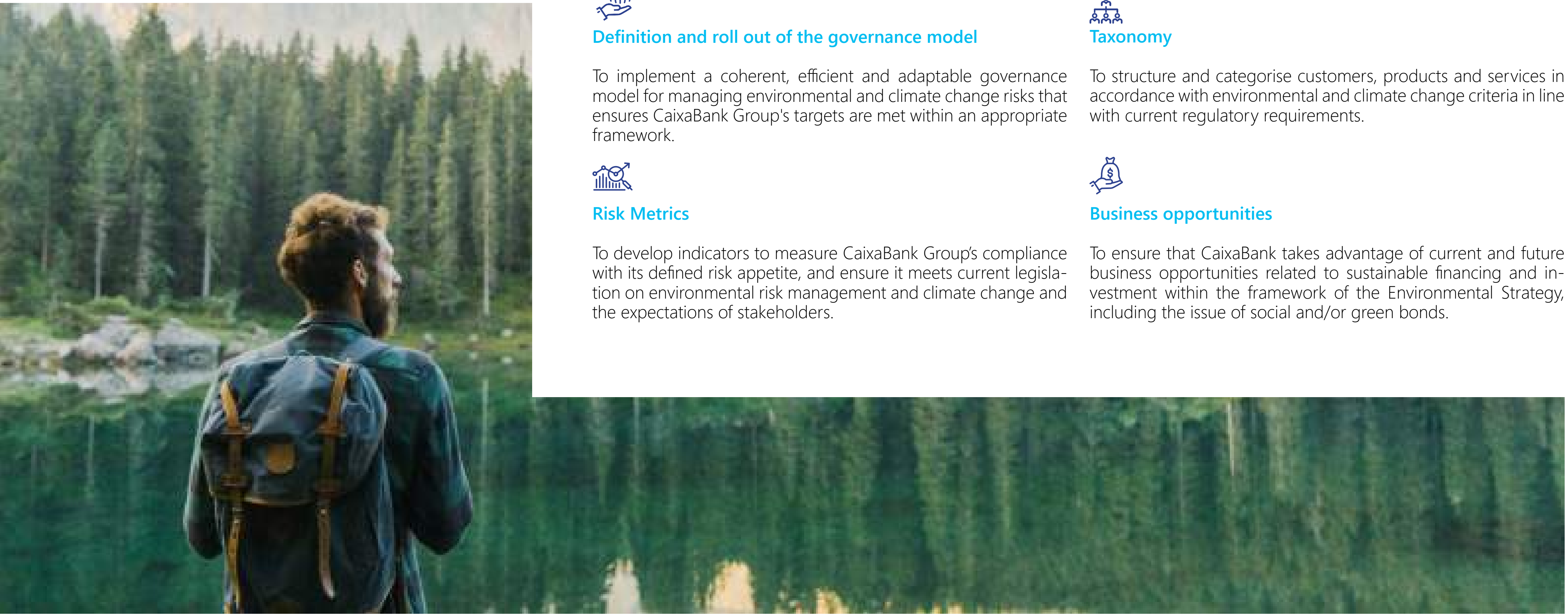
To structure and categorise customers, products and services in accordance with environmental and climate change criteria in line with current regulatory requirements.

Risk Metrics

To develop indicators to measure CaixaBank Group's compliance with its defined risk appetite, and ensure it meets current legislation on environmental risk management and climate change and the expectations of stakeholders.

Business opportunities

To ensure that CaixaBank takes advantage of current and future business opportunities related to sustainable financing and investment within the framework of the Environmental Strategy, including the issue of social and/or green bonds.



Managing **environmental risks and risks related to climate change**

A. Definition and roll out of the governance for sustainability risk (ESG)

The highest management body with responsibility for managing sustainability risk, including climate and environmental risk, is the **Sustainability Committee**, which was set up and approved by the Management Committee (MC) in April 2021. Since 2019, the Sustainability Committee has assumed the functions performed by the Environmental Risk Management Committee, as well as the functions relating to Corporate Social Responsibility and Sustainability performed by the Corporate Responsibility and Reputation Committee. The Sustainability Committee meets on a monthly basis and is a delegated body of the Management Committee. It reports directly to the Management Committee, which in turn reports, when applicable, to the Appointments and Sustainability Committee, and the latter reports to the Board of Directors. In addition, in matters related to the sustainability risk policies, the Sustainability Committee reports to the Global Risk Committee, which submits them to the Risk Committee. The latter submits them to the Board of Directors. The Sustainability Committee reports to the Sustainability Director, who is a member of the Management Committee. Among other functions, the Committee is responsible for overseeing the Sustainability Master Plan, approved in December 2021 as part of the development of the Socially Responsible Banking Plan (2019-2021), monitoring projects and initiatives to implement the Sustainability Master Plan, promoting the integration of sustainability criteria in business management, knowing and analysing the regulatory requirements in terms of sustainability, reviewing and approving the information to be disclosed regarding sustainability, reporting the Sustainability Management's agreements to the Management Committee and submitting the issues relating to the sustainability risk management policies to the Global Risk Committee.

In March 2021, the Sustainability Directorate was created. Within the Sustainability Department, the Sustainability Risk Office takes on the functions that the Corporate Directorate for Environmental Risk Management Division (DGRMA) had been performing since 2018. It is responsible for defining the principles of action in relation to managing ESG risks, as well as advising on their application criteria, validating these and transferring them to the corresponding analysis tools. To enhance the oversight of climate risks, in January 2022 the **Climate Risk Management** was created within the Sustainability Office.

In addition to the Sustainability Management, there are specialised staff totally or partially engaged in managing sustainability risks throughout the 3 Lines of Defence, including the Business, Risk, Non-Financial Risks and Audit functions.

The targets of the CEO, the Sustainability Director, the Risk Director and the Sustainability Risk Director Officer include the deployment of the Road Map for the Environmental Strategy and/or with the integration into the management of environmental and climate-related risks. These objectives are focused on contributing to the alignment of CaixaBank's credit portfolio with a low-carbon economy that is resistant to climate change, in accordance with the Commitments acquired by the Entity within the framework of the *United Nations Environmental Program Finance Initiative* (UNEP FI) - *Principles for Responsible Banking Collective Commitment to Climate Action*.

Sustainability risk is currently included in the Corporate Risk Catalogue as a transversal factor in several of its risks (credit, reputational, other operational risks). Furthermore, since 2020, the climate risk has been incorporated a level 2 of credit risk and, since 2018 environmental risk has remained a level 2 risk of reputational risk. In addition, since 2021, the climate risk has been incorporated a level 2 of operational risk.

B. Assessment of the materiality of sustainability risks (ESG)

CaixaBank analyses the qualitative materiality of the impact of the ESG factors on the prudential risks and the business model. The following risks have been considered:

- **Climate Risk.** Conceptually, the risks associated with climate change are classified as either physical risks or transition risks. The first arise as a result of climate or geological events and changes in the balance of ecosystems and may be gradual or abrupt. They can cause physical damage to assets (infrastructure. properties), disruption to production or supply chains and/or may affect the productivity of economic activities (agriculture, energy production). Transition risks, meanwhile, are associated with the fight against climate change and the transition to a low-carbon economy. They include factors such as changes in regulations and standards, the development of alternative energy-efficient technologies, changes in market tastes or reputational issues affecting the sectors that cause the greatest damage.
- **Environmental risks not due to climate change.** Financial risks associated with exposure that could be affected potentially by, or contribute to, the negative impacts of environmental degradation, such as air and water pollution, water stress, soil pollution, loss of biodiversity and deforestation.
- **Social Risks.** Adverse financial or reputational impacts due to the negative impact on counterparties of social factors, such as respect for human rights, social protection and inclusion, equality, employment relations, and occupational health and safety, among others.
- **Governance Risks.** Negative financial or reputational impact due to weaknesses of the counterparties related to transparency, conduct in the markets, anti-corruption policies, compliance with tax obligations or other conducts considered unethical by relevant stakeholders.

Based on the assessment carried out, the management of ESG risks currently focuses on environmental risk and, more specifically, on climate risk. To this end, detailed analyses have been conducted on climate risks at the sector level and to the physical risk of the mortgage portfolio.

See Risk metrics section in the Climate Risk Management section

The other ESG risks continue to be monitored.

[1] Climate risk assessed under the "orderly transition" scenario as defined by the Network for Greening the Financial System (NGFS) in "*A call for action. Climate change as a source of financial risk*" (available at https://www.ngfs.net/sites/default/files/medias/documents/ngfs_first_comprehensive_report_-_17042019_0.pdf)

C. Climate Risk Management

CaixaBank is making progress on the management and analysis of climate risks in accordance with the regulatory framework the recommendations of the *Task Force on Climate-Related Financial Disclosures* (TCFD) and the European Commission's *Guidelines on Non-Financial Reporting*. Policy and regulatory development in connection with management and reporting of climate and environmental risks continued during 2021. Climate risk management obtained 94 points (99 percentile) in the DJSI Climate Strategy section.

In this regard, CABK assessed its alignment with the expectations of the European Central Bank's Guide on Climate-related and Environmental Risks of November 2020, and in May 2021 it sent its action plans and implementation schedules to ensure the alignment of its processes with the new regulatory and supervisory framework.

CaixaBank actively manages environmental risks and those associated with climate change through the lines of action set out in its Road Map

Environmental Risk Management Policy

The Environmental Risk Management Policy was approved by the Board of Directors in February 2019. The most-affected subsidiaries (BPI, Vidacaixa and CaixaBank Asset Management) have approved their own policies, aligned with that of CaixaBank, taking into account the specific nature of their businesses. The review of the current policy is ongoing, incorporating sustainability risks at a corporate level.

The policy establishes the Group's global principles for managing environmental risk. It makes reference to the environmental implications mainly arising from its lending activity to customers, and it aims to mitigate the impact of climate change, that is, of the potential harmful effects on the environment in general, such as air and water pollution, resource depletion or loss of biodiversity and related risks. Environmental risk is one of the ESG (environmental, social and governance) risks and it is managed via the lines of action set out in CaixaBank's Environmental and Climate-related Risk Management Strategy.

The Environmental Risk Management Policy establishes criteria to be built into the Bank's procedures for accepting new customers and operations, with general and sector-based exclusions whereby CaixaBank will not assume credit risk linked to activities that could have a significant environmental impact.

The sectors subject to specific exclusions of certain activities are as follows:

Energy	Mining
Infrastructures	Agriculture, fishing, livestock farming and forestry management

In accordance with the Environmental Risk Management Policy, a questionnaire to assess and classify customers and operations forms part of the environmental risk analysis built into the credit process for business and corporate customers. The most complex operations are assessed by specialised analysts from the ESG Risk Management area within the General Risks Division.

In addition, during 2021, the training plan was completed for the Risk Admission Centres (RACs) and the International Branches, so that the analysts of these centres could also classify the customers managed in their area and analyse the corresponding operations in terms of environmental risk, defining powers that allow them to sanction independently, with operations that exceed this level of authority being elevated to the team of specialised analysts of the ESG Risk Management area within the General Risks Division. The training plan includes sessions focused on environmental risk analysis.

This analysis process, and within the framework of applying the Equator Principles, which CaixaBank signed up to in 2007, includes a review of issues related to the categorisation of and compliance with these principles.

9,260 applications

ASSESSED BETWEEN THE DGR, RACS, INTERNATIONAL OFFICES AND BPI[1]

[1] 157 operations, 7,930 customers in CaixaBank, S.A. and 1,173 operations and customers in BPI were analysed.

Equator Principles

The Equator Principles were established to identify, assess and manage potential environmental and social risks, including those related to Human Rights, climate change and biodiversity.

Scope

- Project finance and project finance advisory services where total project capital costs are US$10 million or more.
- Project-related corporate loans with a total aggregate loan amount of at least US$50 million and an individual commitment by CaixaBank of at least US$50 million, and a loan term of at least two years.
- Bonds linked to projects in an amount of at least US$10 million.
- Bridge Loans with a term of less than two years that are intended to be refinanced by project finance or a project-related corporate loan that meet the aforementioned criteria.
- Refinancing and acquisition of Projects provided that they meet certain requirements (the original project was financed under the Equator Principles, there being no material changes in the scope of the project and it had not yet been completed when signing the facility)
- CaixaBank voluntarily applies this procedure to syndicated operations with a term of 3 years or more and when CaixaBank's individual commitment is between €7 million and €35 million. The procedure also applies to other operations to finance investment projects with a minimum term of 3 years and a minimum amount of €5 million when the holder is a medium-sized, large or very large legal entity.

Application

- Projects with high and irreversible risks and potential impact, where it is not deemed possible to establish a viable action plan, or projects that contravene the Bank's corporate values, are rejected.
- In other instances, an independent expert is appointed to evaluate each borrower's social and environmental management plan and system. The projects are classified into categories A, B and C depending on the potential risks and impacts detected during the due diligence process, which involves teams from the sales and risk areas and external experts.
- Category A and certain Category B projects may have potentially significant adverse impacts. In these cases, an action plan must be drawn up to help prevent, minimise, mitigate and remedy the adverse social and environmental impacts.

In 2021, the Bank financed 10 projects for a total investment of €9,526 m, with a stake of €843 m.

The assessment carried out to categorise the projects was performed with the support of an independent expert.

>> OPERATIONS FINANCED

	2020		2021	
	units	€ m	units	€ m
Category A (projects with significant potential environmental/social impacts)	2	225	0	0
Category B (projects with limited and easily offset potential ESG risks)	14 (1 BPI)	1,042 (54 BPI)	10	843
Category C (projects with minimal or no adverse social or environmental impacts, including certain projects of financial intermediaries with minimal or no risks)	3	163	0	0
Total	**19**	**1,430**	**10**	**843**

13

Further information on the Equator Principles
https://www.caixabank.com/en/sustainability/environment/esg-risk-management.html

Risk Metrics

Transition risk

The lending portfolio is managed with the intention of aligning its indirect impact on climate change with the Bank's risk appetite and its commitment to sustainability goals. Since 2018, therefore, it has measured its lending exposure to economic activities considered to be linked to high CO_2 emissions.

For better comparability, the main indicator is based on the definition suggested by the TCFD, and includes exposure to activities linked to the energy and utilities industries, excluding renewables (carbon-related assets, as defined in Implementing the Recommendations of the TCFD). In 2018, 2019 and 2020, such activities accounted for around 2% of the total financial instruments portfolio. The exposure to CO_2-intensive sectors represent in 2021 around 2% of the total portfolio following the incorporation of assets from Bankia's portfolio after the merger.

Additional management metrics are currently being developed.

During 2021, CaixaBank has also analysed in depth the scenarios of transition climate risk.

The qualitative analysis focuses on identifying the segments potentially most affected by the transition risk in sectors with portfolio material risks. Specifically, the analysis focuses on the Energy (oil&-gas and electricity sector), Transport and Construction sectors, and identifies the segments most affected by studying the main risk variables and establishing heat maps for different time horizons (2025, 2030, 2040 and 2050), geographies and climate scenarios. In 2021, heat maps were further elaborated to incorporate a granular analysis by activity at a CNAE level. This granular analysis was conducted for transition scenarios that are compatible with the Company's decarbonisation commitments (1.5ºC scenarios in territories committed to net zero emissions in 2050).

In addition, the quantitative analysis of the most relevant sectors was completed in 2021, using two differentiated approaches:

- **Top-down analysis:** Analysis of the SME portfolio for the most material sectors (Energy, Transport and Construction). The exercise forecasts the changes in the probability of default by companies based on climate variables that can be transposed to financial ratios. This is carried out using the bank's internal rating/scoring model, as well as the sensitivities provided by the aforementioned transition risk heat maps.
- **Bottom-up analysis:** analysis of the main customers of the corporate portfolio for the energy sector (oil & gas and power utilities). The exercise uses the Company's corporate rating tool and involves a detailed analysis of the transition strategies towards a low-carbon economy of a sample of CaixaBank's main customers in the Energy sector, which is complemented by an engagement process that is materialised through meetings with the customers included in the sample, incorporating their positions on climate change.

Both approaches are based on the methodology developed in the UNEP FI (TCFD Banking Pilot) working group, and they assess how climate transition risk can be translated into key financial metrics for companies in the short, medium and long term (2025, 2030, 2040 and 2050), under the most stringent transition scenario (1.5°C, assuming a limited use of carbon capture technology). To this end, the predictions of the Potsdam Institute for Climate Impact Research (PIK) and the IAM model (Integrated Assessment Models).

The result of the quantitative exercises confirms the conclusions drawn from the qualitative analysis, as well as the need to continue studying methodological aspects in order to deploy the scenario analysis on a recurring basis.

The Company continues to monitor the decarbonisation path of the main companies in the sectors analysed on the basis of their strategic plans to ensure the resilience of the Company's strategy, and there are also plans to extend the engagement process to the Company’s major customers in the most relevant sectors from a climate risk perspective.

Physical risk

With regard to the assessment of physical risks derived from climate change, the initial focus of analysis is the mortgage portfolio in Spain, due to its volume. To this end, a first qualitative analysis has been carried out, which identifies exposure by geographical risk areas under various climate scenarios for the main physical risks affecting the portfolio (rise in sea level, floods and fires resulting from the increase in temperature). The analysis conducted on the portfolio prior to the merger with Bankia concludes that the exposure of the Company's portfolio to these three risks is limited.

Based on the conducted quantitative analysis, broadening the analysis to other assets potentially affected by the physical risks and studying in further depth some of the methodological aspects has been planned.

Climate stress exercises

CaixaBank has begun preparing the climate stress exercise that the ECB will conduct during the first half of 2022. The exercise will be used as a basis for quantifying exposure to climate risks.

Taxonomy

In 2020, the European Parliament and the EU Council adopted Regulation (EU) 2020/582, hereinafter the Taxonomy Regulation, which establishes transparency requirements for environmentally sustainable economic activities. For the time being, Delegated Regulation 2021/2139 of the community regulation on sustainability is limited to the objectives of **mitigating greenhouse gas emissions and adapting to the vulnerability posed by the effects of climate change.**

The remaining environmental objectives set out by Taxonomy have not yet been implemented. As the regulation is implemented, the Group's commitment is to make it public with the best practices in effect at any given time.

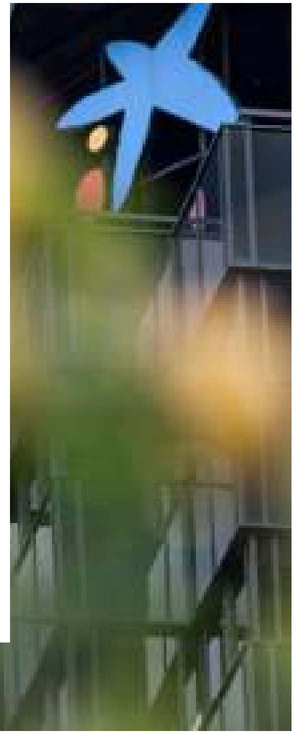
During 2021, CaixaBank continued working on the following lines to be in a position of classifying its portfolios in accordance with the Taxonomy Regulations:

- In November 2019, CaixaBank joined the UNEP FI working group to analyse banking's adaptation to the EU taxonomy for banking products (*High-Level Recommendations for Banks on the Application of the EU Taxonomy*). In 2021, CaixaBank participated in the second phase of this project with the aim of developing standard guides and templates to operationalise the Taxonomy based on the recommendations report conducted during Phase I. The result of the working group can be seen in the report of the second stage of the working group.
- In line with the technical criteria, operational and documentary criteria have been established for the classification of operations in the most relevant sectors of the CaixaBank portfolio, and a project has been set to implement the requirements in the information systems and projects.

The data as at 31 December 2021 have been prepared based on the best effort to adhere to the applicable regulations and will evolve in the future as further information becomes available from counterparties and new regulatory developments. The ratios presented have been prepared using the most representative data of the CaixaBank Group entities, which include 95% of the total assets and are presented separately to allow for a better interpretation:

	CaixaBank, S.A.	Banco BPI	VidaCaixa, S.A.
% of total assets covered by the GAR that is exposed to eligible economic activities as per the Taxonomy *(Green Asset Ratio)*	47.12%	58.90%	0.00%
% of total assets covered by the GAR that is exposed to ineligible economic activities as per the Taxonomy	34.32%	13.65%	79.40%
% of total assets covered by the GAR that is exposed to companies not required to publish non-financial information, as per the NFRD	17.33%	25.98%	17.84%
% of total assets covered by the GAR that is exposed to the portfolio of interbank demand loans	0.14%	0.35%	0.00%
% of total assets covered by the GAR exposed to derivatives	0.29%	0.09%	0.00%
% of total assets subject to the taxonomy regulation that is exposed to central governments, central banks and supranational issuers	33.14%	29.20%	78.95%
% exposure of the trading portfolio over the total of assets subject to taxonomy regulations	3.29%	0.26%	0.00%
Assets covered by the GAR in millions of euros	347,434	12,668	28,439

See details in Glossary - Taxonomy Regulation (EU) 2020/852 and Delegated Regulations



Regardless of the ongoing developments to comprehensively apply the European Taxonomy, since 2020, CaixaBank internally applies the following criteria for considering loans as environmentally sustainable:

- Assets eligible for a Green Bond, according to the Issuance Framework of Bonds linked to CaixaBank's Sustainable Development Goals. It includes the following types of financing for, among other objectives, improving the environment and/or contributing to a reduction of Greenhouse Gas emissions:
  - Renewable energies and energy efficiency.
  - Certified energy-efficient property.
  - Access to clean mass transport systems.
  - Efficiency in the use and quality of water.
  - Activities that contribute to the prevention, minimisation, collection, management, recycling, reuse or processing of waste for recovery (circular economy).
  - Protection of healthy ecosystems and mitigation of climate change in the agricultural sector (forests and woods).
- Assets certified by a third party in accordance with commonly accepted market standards, such as LMA or ICMA.
- Operations indexed to ESG indices.
- Eco-funding lines for consumer products (household appliances, renovations and energy-efficient vehicles).

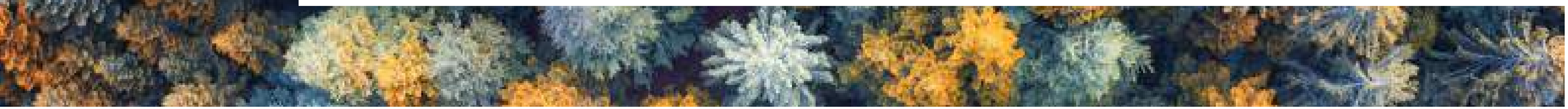
D. *Net Zero Banking Alliance*

In April 2021, CaixaBank signed, as a founding member, the *Net Zero Banking Alliance* (NZBA) promoted by the UNEP FI, by means of which it commits to achieving net zero emissions by 2050 and setting intermediate decarbonisation targets by October 2022. Signing the NZBA represents a higher ambition with respect to the previous commitments assumed by the Company, such as the *Collective Commitment to Climate Action*, as it requires aligning with the target of limiting the temperature increase by 1.5ºC with respect to pre-industrial levels.

The Company is currently working to set and publish the decarbonisation targets for 2030 by October 2022. In 2021, the following milestones were reached:

- Adherence to the *Partnership for Carbon Accounting Financials* (PCAF). PCAF is a global partnership of financial institutions whose goal is to establish an international standard for measuring and disseminating financed greenhouse gas (GHG) emissions.
- Estimate of the financed emissions (Scope 3, category 15 of the GHG Protocol). Progress has been made in estimating the financed emissions based on the PCAF methodology for mortgage portfolio assets, debt securities, equity instruments and corporate loans and advances.
- Assessment of the materiality of ESG risks with a focus on the transition climate risks of the potentially most affected segments, based on detailed *heatmaps*. This analysis, together with the calculation of emissions and its breakdown by sectors, will determine the sectoral portfolios to be prioritised.

The targets will be set by taking a phased approach, starting with the most intensive sectors indicated in the UNEP FI *Guidelines for Target Setting* and prioritising, among these, the most relevant in the CaixaBank portfolio.



Calculation of financed issuances

Taking as a reference the guidelines defined by the PCAF in its accounting and reporting standard (*The global GHG accounting & reporting standard for the financial industry*), CaixaBank is currently estimating the emissions associated with the outstanding portfolio, as at 31 December 2020, of residential and non-residential mortgages, debt securities (corporate bonds), equity instruments (stocks and shares) and corporate loans and advances (without specific purpose).

With a *bottom-up* approach, in shares, bonds and corporate loans, the calculation is based on information about the carbon footprint (Scope 1, 2 and 3) reported by the financed companies or from sectoral proxies (when the data is not available). In mortgages, the emissions of the financed assets are estimated. In all cases, the allocation of emissions financed by CaixaBank is carried out based on the allocation factor defined by the PCAF for each type of asset.

E. External Reporting

CaixaBank is committed to complying with the transparency recommendations of the TCFD, a work group of the Financial Stability Board set up to raise awareness of climate-related risks and opportunities through financial reporting, in order to encourage market participants to take them into account.

[1] In 2019, CaixaBank participated actively in the United Nations Environment Programme Finance Initiative (UNEP FI) projects to implement the recommendations of the TCFD in the banking sector (TCFD Banking Pilot Phase II and Phase III). During 2021, the Company has prepared a case study on engagement with customers so as to be included in the engagement best practice report *"Leadership strategies for client engagement:advancing climate-related assessment"* on the UNEP FI website.

[1] https://www.unepfi.org/publications/leadership-strategies-for-client-engagement-advancing-climate-related-assessments/

Sustainable Business

Climate change involves risks, but it also offers business opportunities for financing activities that contribute to mitigating climate change or help us to adapt to it. CaixaBank is committed to sustainability through the design and marketing of products that integrate environmental, social and governance criteria and promote environmentally sustainable activities that contribute to the transition to a low-carbon economy.

It has teams specialising in corporate and international banking for infrastructure, energy and sustainable financing projects, as well as in real estate, agricultural, business banking and private banking business. In this regard, the aim is to facilitate the transition towards a low-carbon economy for all customers (engagement), for which the Company has launched an advisory Pilot Project in which it analyses the sustainability strategy and positioning for corporate and institutional customers.

Furthermore, engagement is carried out during the process of analysing the climate change scenarios analysis, as well as process of analysing environmental risks established in the Environmental Risk Management Policy.

Sustainable environmental financing

LOANS LINKED TO SUSTAINABILITY VARIABLES

These are loans linked to ESG criteria where the conditions will vary depending on the achievement of sustainability objectives. An external adviser assesses and establishes the objectives complying with the Sustainability Linked Loan Principles. In this area, CaixaBank has led outstanding operations such as those of Acciona Energía and Roca, and has stood out for its innovation in incorporating ESG criteria in short-term financing, such as the sustainable confirming of Gestamp and the sustainable leasing of Arval.

92
SIGNED OPERATIONS
32 IN 2020

FOR **€10,832 m**
€2,997 m IN 2020

"GREEN" LOANS[1]

These loans have a positive environmental impact, the underlying aspects of which are eligible projects or assets, including: renewable energies, energy efficiency, sustainable transport, waste treatment, reduction of emissions and sustainable building, which comply with the Green Loan Principles (GLP) issued by the Loan Market Association. This type of financing includes renewable energy operations (Dogger Bank and Total Energies) and property with certification (Meridia Capital).

36
SIGNED OPERATIONS
24 IN 2020

FOR **€1,625 m**
€2,021 m IN 2020

2021 ranking on sustainable financing

REFINITIV

REFINITIV RECOGNISES CAIXABANK IN ITS LEAGUE TABLE AS:

16th Global bank - *Global Top Tier Green & ESG Loans*

6th Bank at EMEA [2] - *EMEA Top Tier Green & ESG Loans*

Bloomberg

BLOOMBERG RECOGNISES CAIXABANK IN ITS LEAGUE TABLE AS:

13th Global bank - *Top Tier Green Use of Proceeds*

Dow Jones Sustainability Indices

DOW JONES SUSTAINABILITY INDEX (DJSI) RECOGNISES CAIXABANK IN ITS INDEX OF WORLD'S MOST SUSTAINABLE BANKS

90 points (99 percentile) in the Sustainable Finance area

[1] This category includes some operations included in financing energy-efficient properties and renewable energies - Project Finance.

[2] Europe, Middle East and Africa.

RENEWABLE ENERGIES - PROJECT FINANCE

As part of its commitment to the fight against climate change, CaixaBank supports environmentally friendly initiatives that contribute to the prevention and mitigation of climate change and the transition to a low-carbon economy, mainly through the financing of renewable energy projects.

In 2021, CaixaBank took part in financing 29 new projects for the amount of €1,706 m. Photovoltaic initiatives accounted for 47% of total investment this year, consolidating the distribution of the renewable energy portfolio. Exposure in renewable energies represents 91% of the Project Finance energy project portfolio.

29

NEW PROJECTS FINANCED

39 IN 2020

FOR €1,706 m, WHICH TRANSLATES INTO 6,350 MW OF RENEWABLE ENERGY POWER INSTALLED

€3,163 m / 5,730 MW IN 2020

FINANCING ENERGY-EFFICIENT PROPERTIES

Operations for which there is documentary evidence of an energy efficiency certificate with A or B rating are considered environmentally sustainable. CaixaBank captures information and documentation regarding the energy certificate when operations are formalised.

€1,151 m

PROMOTIONS FORMALISED WITH AN EXPECTED RATING OF A OR B

€1,001 m IN 2020

€280 m

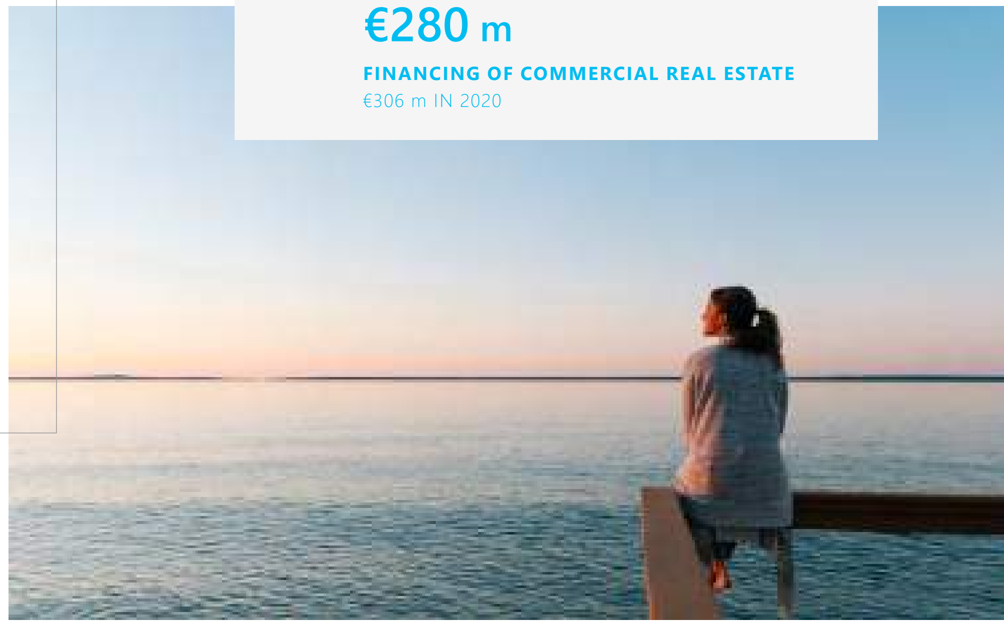
FINANCING OF COMMERCIAL REAL ESTATE

€306 m IN 2020

Portfolio exposure
Renewable energy

REPRESENTS 91% OF THE PROJECT FINANCE ENERGY PROJECT PORTFOLIO

- 41% Wind — 55% IN 2020
- 47% Photovoltaic — 38% IN 2020
- 9% Solar thermal — 6% IN 2020
- 3% Other — 1% IN 2020



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ECOFINANCING

CaixaBank has specific financing lines for buying environmentally-friendly vehicles and household appliances, investing in energy efficient housing, promoting investments to make resources more efficient and reduce their environmental impact.

Since 2013, CaixaBank has implemented an EcoFinancing line to make more loans available for agricultural projects related to energy efficiency and water use, organic farming, renewable energy, waste management, and the development of rural areas.

919
LOANS GRANTED
788 IN 2020

for €61 m
€54 m IN 2020

BPI

Aware of the importance of adopting measures to guarantee environmental sustainability in our products, we offer different credit lines that promote energy efficiency and support various renewable energy investment projects. In 2021, total financing granted amounted to €248 m, by type:

	2020		2021	
€ million	Granted in 2020	Portfolio exposure	Granted in 2021	Portfolio exposure
Renewable energy	70	231	50	236
Urban renovation				
IFRRU, Financial Instrument for urban rehabilitation	45	150	58	214
Jessica Line	16	156	2	144
BEI - Energy efficiency in business	5	12	3	19
Green bonds/ESG	90	140	135	224

2 7 13

Green and sustainable bonds

In 2021, CaixaBank issued 3 green bonds, which add to the inaugural green bond issued in 2020. The €2,582 million obtained from the three bonds issued in 2021 have been allocated to financing projects that promote two of the Sustainable Development Goals (SDGs): Goal 7 (Affordable and Clean Energy) and Goal 9 (Industry, Innovation and Infrastructure).

The portfolio of eligible green assets consists of loans mainly intended for solar and wind renewable energy projects.

GREEN BONDS

1ST GREEN BOND

- **Issue:** 18 November 2020
- **Type:** Senior Non-Preferred Debt
- **Nominal amount:** €1,000 m
- **Maturity**[1]: 18 November 2026
- **Coupon:** 0.375%

Mention green bond of the year 2021 (banks) by Environmental Finance

2ND GREEN BOND

- **Issue:** 9 February 2021
- **Type:** Senior Non-Preferred Debt
- **Nominal amount:** €1,000 m
- **Maturity**[1]: 9 February 2029
- **Coupon:** 0.50%

3RD GREEN BOND

- **Issue:** 18 March 2021
- **Type:** Tier 2
- **Nominal amount:** €1,000 m
- **Maturity**[1]: 18 June 2031
- **Coupon:** 1.25%

First issuance of a Tier 2 subordinated green bond by a Spanish bank

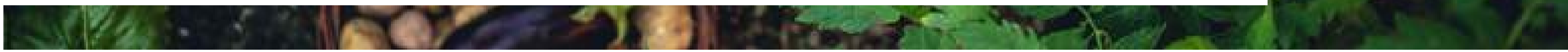
4TH GREEN BOND

- **Issue:** 3 June 2021
- **Type:** Senior Non-Preferred Debt
- **Nominal amount:** GBP 500 m
- **Maturity**[1]: 3 December 2026
- **Coupon:** 1.50%

CaixaBank issues its first non-euro currency bond

7 AFFORDABLE AND CLEAN ENERGY — Guaranteeing access to affordable, secure, sustainable and modern energy.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — The initiative seeks to develop resilient infrastructure and sustainable industrialisation and to promote innovation.



[1]With an early repayment option in the last year by the issuer.

IMPACT GREEN BONDS

In July 2021, the first report on the impact of green bonds was published.

The report has been verified by an independent third party, with limited scope of guarantee.

GREEN PORTFOLIO AT 31 DECEMBER 2020

€4,200 m

81 OPERATIONS

7 AFFORDABLE AND CLEAN ENERGY	€3,600 m 85%	Renewable energy
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	€600 m 15%	Energy-efficient buildings

7 AFFORDABLE AND CLEAN ENERGY

13.5 GW
OF INSTALLED CAPACITY IN THE PORTFOLIO'S PROJECTS

39,376 GWh/year
GREEN ENERGY GENERATED BY PORTFOLIO PROJECTS, OF WHICH 7,344 FINANCED BY CAIXABANK

1,435,861 tCO_2/year
EMISSIONS AVOIDED FINANCED BY CAIXABANK

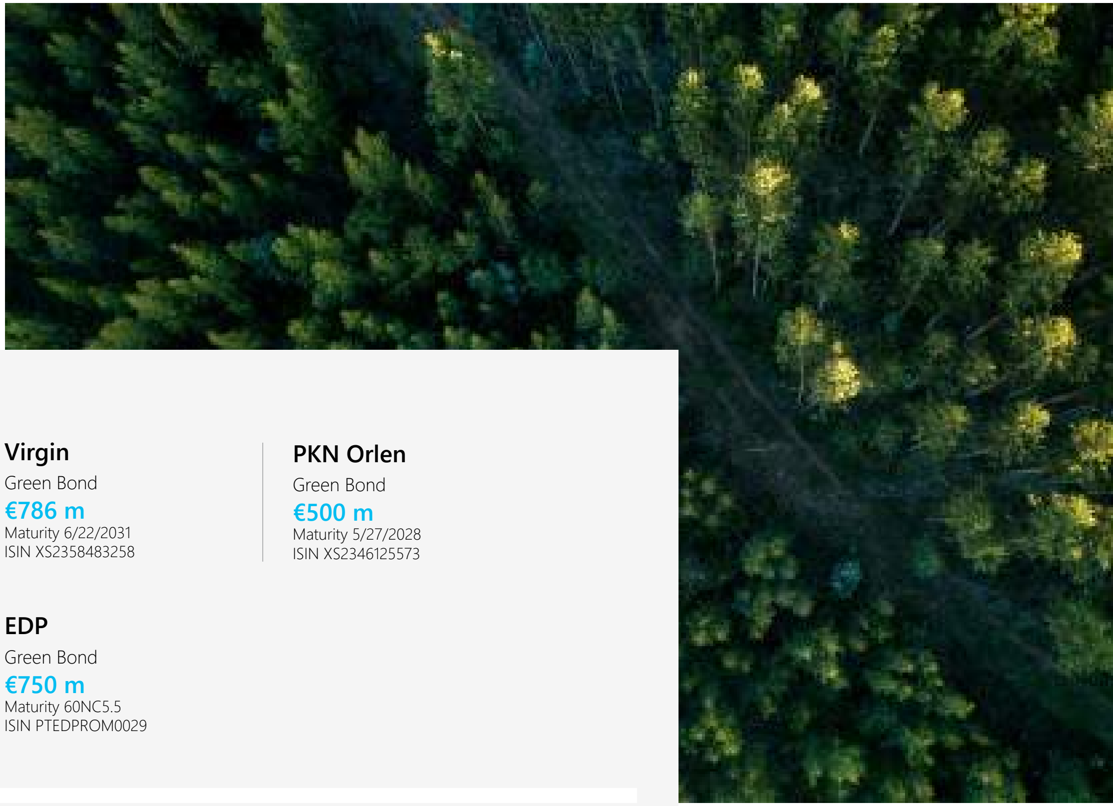
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

99 GWh/year
OF AVOIDED ENERGY CONSUMPTION FINANCED BY CAIXABANK

23,229 tCO_2/year
EMISSIONS AVOIDED FINANCED BY CAIXABANK

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

In 2021, the Company actively participated in the placement of 9 green bond issues for investment in environmentally sustainable assets with a total volume of €5,536 m (6 for €4,700 m in 2020). It also participated in the placement of 5 sustainable bond issues amounting to €5,000 m (4 issuances for €1,700 m in 2020).



GREEN BONDS

Community of Madrid
Green Bond
€500 m
Maturity 7/30/2028
ISIN ES00001010G6

Acciona Energia
Green Bond
€500 m
Maturity 10/7/2027
ISIN XS2388941077

ADIF
Green Bond
€600 m
Maturity 10/31/2031
ISIN ES0200002063

Virgin
Green Bond
€786 m
Maturity 6/22/2031
ISIN XS2358483258

PKN Orlen
Green Bond
€500 m
Maturity 5/27/2028
ISIN XS2346125573

REE
Green Bond
€600 m
Maturity 5/24/2033
ISIN XS2343540519

Via Celere
Green Bond
€300 m
Maturity 4/1/2026
ISIN XS2321651031

Community of Madrid
Green Bond
€1,000 m
Maturity 4/30/2031
ISIN ES00001010B7

EDP
Green Bond
€750 m
Maturity 60NC5.5
ISIN PTEDPROM0029

SUSTAINABLE BONDS

Andalusia
Sustainable
€1,000 m
Maturity 4/30/2031
ISIN ES0000090847

Basque Government
Sustainable
€1,000 m
Maturity 4/30/2032
ISIN ES0000106726

Telefonica
Sustainable
€1,000 m
Maturity PNC8.25
ISIN XS2293060658

Iberdrola
Sustainable
€1,000 m
Maturity PNC7
ISIN XS2295333988

Caja Rural de Navarra
Sustainable
€1,000 m
Maturity PNC6
ISIN XS2295335413

Environmental Management Plan

At CaixaBank, we carry out our activity while protecting our environment. This is why, we develop the best environmental and energy practices in accordance with the Environmental and Energy Management Principles.

There is a 2019–2021 Environmental Management Plan in place, which includes impact reduction goals based on innovation and efficiency, establishes priority lines of actions and sets the main initiatives to disseminate and promote good practices.

FOCUS OF THE 2019-2021 ENVIRONMENTAL MANAGEMENT PLAN.

01. Carbon Neutral Strategy

Minimising and offsetting all calculated CO_2 emissions that it has not been possible to eliminate.

02. Measures on environmental efficiency and certification

Minimisation of the bank's impact, implementation of new energy saving measures and renewal of certification and environmental commitments.

03. Extension of the environmental commitment to the value chain

Action plans for suppliers to assume our environmental values as their own and to comply with the commitments they have made.

04. Boost in sustainable mobility

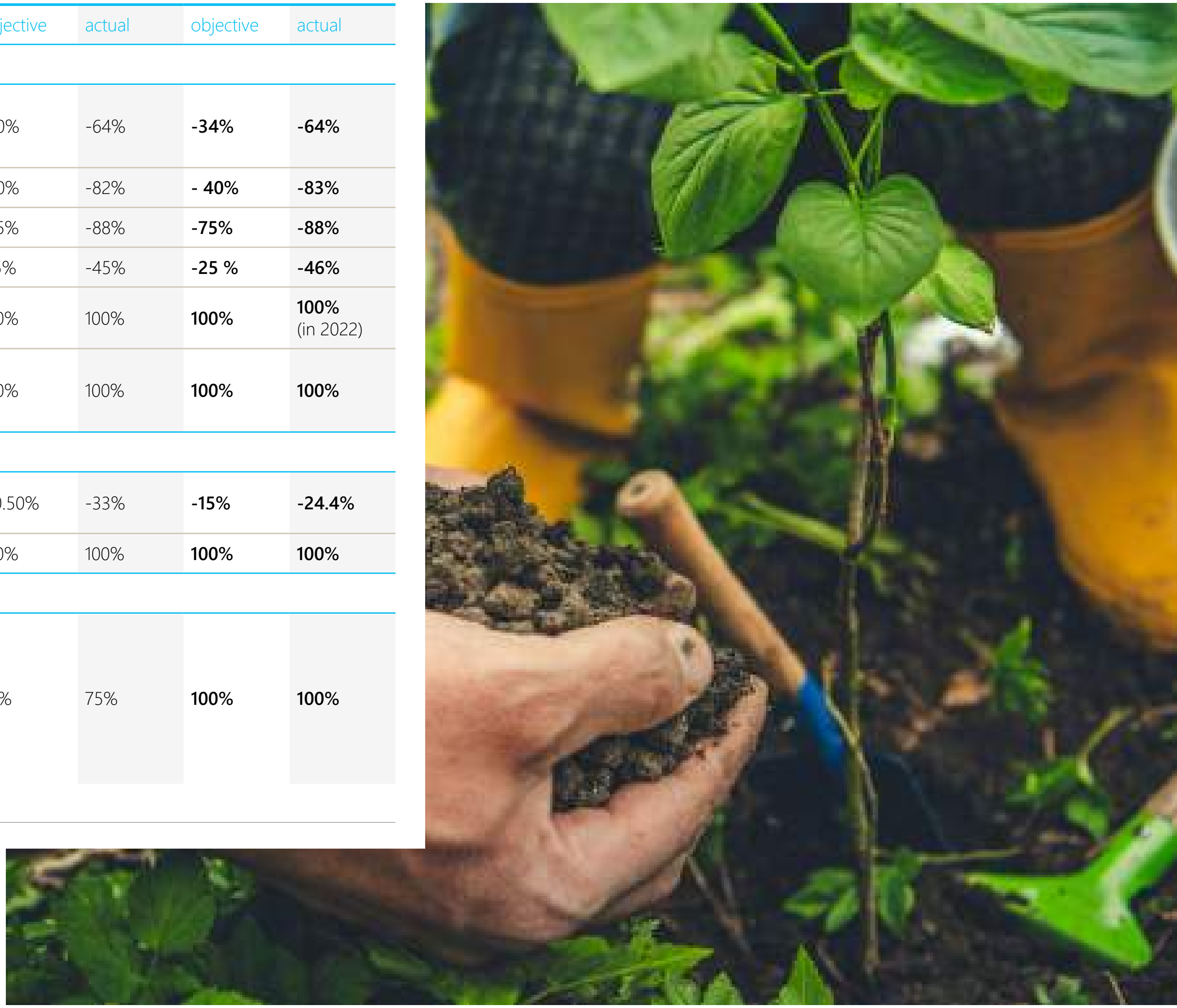
Measures to encourage sustainable mobility to minimize emissions by the organization, its workforce and suppliers.

05. Commitment, transparency and engagement

Engagement actions with employees strengthen commitment and improve environmental information for the public.

The 2019–2021 Environmental Management Plan establishes quantitative objectives for all the years covered by the plan, so that the extent to which it has been successfully implemented can be measured[1]:

Objective	Indicators	2019		2020		2021	
		objective	actual	objective	actual	objective	actual
Carbon Neutral Project							
Minimising and offsetting the carbon footprint	Reduced Co_2 emissions *(v. 2015)*	-11.50%	-50%	-20%	-64%	**-34%**	**-64%**
	Scope 1	-11.50%	-71%	-20%	-82%	**- 40%**	**-83%**
	Scope 2	-11.50%	-82%	-75%	-88%	**-75%**	**-88%**
	Scope 3	-11.50%	-29%	-15%	-45%	**-25 %**	**-46%**
	Reduced CO_2 emissions offset	100%	100%	100%	100%	**100%**	**100%** (in 2022)
100% renewable energy contracted	Energy consumed from renewable sources	100%	100%	100%	100%	**100%**	**100%**
Environmental efficiency and certification							
Implementation of energy efficiency measures	Energy consumption savings *(v.2015)*	-7%	-19%	-10.50%	-33%	**-15%**	**-24.4%**
Renewal of certifications and extension of the perimeter		100%	100%	100%	100%	**100%**	**100%**
Value chain							
Environmental Procurement Plan *(environmental criteria in purchasing and contracting of services and extension of the environmental commitment to the value chain)*	Categories of environmental purchases/Total categories of environmental purchases[2]	50%	50%	75%	75%	**100%**	**100%**



[1] CaixaBank's scope prior to integration with Bankia has been maintained for assessing the closure of the Environmental Management Plan's indicators.

[2] % of procurement categories and contracts with significant environmental impact over which environmental criteria has been included with the aim of reducing their impact

N.B.: The data for 2020 differ from those provided in the 2020 Consolidated Management Report, since the seasonal nature of the data has been adjusted to the calendar year.

01 *Carbon Neutral* Strategy - Calculation, reduction and offsetting of the Operational Carbon Footprint

COMBATING CLIMATE CHANGE

CALCULATING OUR CARBON FOOTPRINT
EACH YEAR CAIXABANK CARRIES OUT AN INVENTORY OF GREENHOUSE GAS (GHG) EMISSIONS GENERATED AS A RESULT OF ITS CORPORATE ACTIVITY, TO CALCULATE ITS CARBON FOOTPRINT AND ESTABLISH MEASURES AIMED AT PROGRESSIVELY REDUCING IT

REDUCTION IN CO_2 EMISSIONS
THROUGH THE INTRODUCTION OF TECHNOLOGICAL IMPROVEMENTS AND GOOD ENVIRONMENTAL PRACTICES

100% CERTIFIED RENEWABLE
ENERGY CONSUMPTION

OFFSETTING EMISSIONS THAT COULD NOT BE AVOIDED
BOTH IN CORPORATE BUILDINGS AND THROUGHOUT THE COMMERCIAL NETWORK (SCOPES 1, 2 AND 3)

The Company's strategy to achieve net zero emissions is based on their measurement, reduction and the offsetting of those that we cannot avoid.

The carbon footprint of CaixaBank S.A. is verified by an independent external firm in accordance with International Standard ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements*.

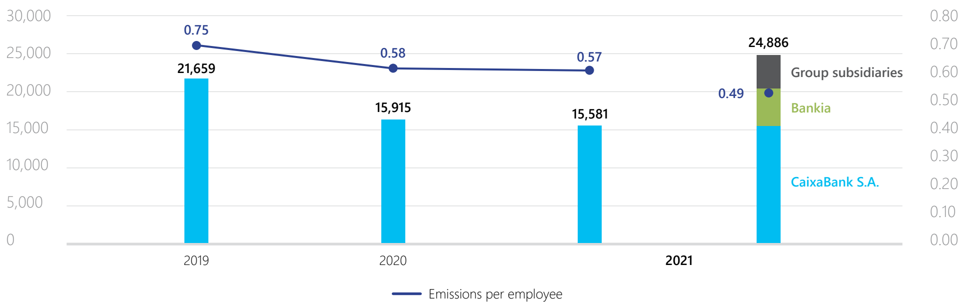
OPERATING CARBON FOOTPRINT (T CO_2 EQ)[1]

	CaixaBank, S.A. pre-merger			CaixaBank Group
	2019	2020	2021	2021
t CO_2 eq Scope 1	5,511	3,482	3,262	9,633
t CO_2 eq Scope 2	411	266	280	1,025
t CO_2 eq Scope 3	15,737	12,167	12,039	14,228
Total t CO_2 eq	**21,659**	**15,915**	**15,581**	**24,886**
t CO_2 eq per employee	0.75	0.58	0.57	0.49

BREAKDOWN OF SCOPE 1 EMISSIONS BY GAS TYPE 2021 (T)

	CO_2	CH_4	N_2O	HFCs
CaixaBank, S.A. pre-merger	1,604	13	49	1,596
CaixaBank Group	5,949	31	124	3,612

CAIXABANK, S.A. PRE-MERGER



100% EMISSIONS OFFSET

Since 2009, CaixaBank S.A. has calculated its carbon footprint as part of its commitment to minimise and offset the Bank's CO_2.

7 13

Here are the calculations of the Carbon Footprint for the years 2019, 2020 and 2021 for the CaixaBank pre-merger perimeter, as well as 2021 data that include CaixaBank post-merger with Bankia and with Scope 1 and 2 of the rest of Group companies.

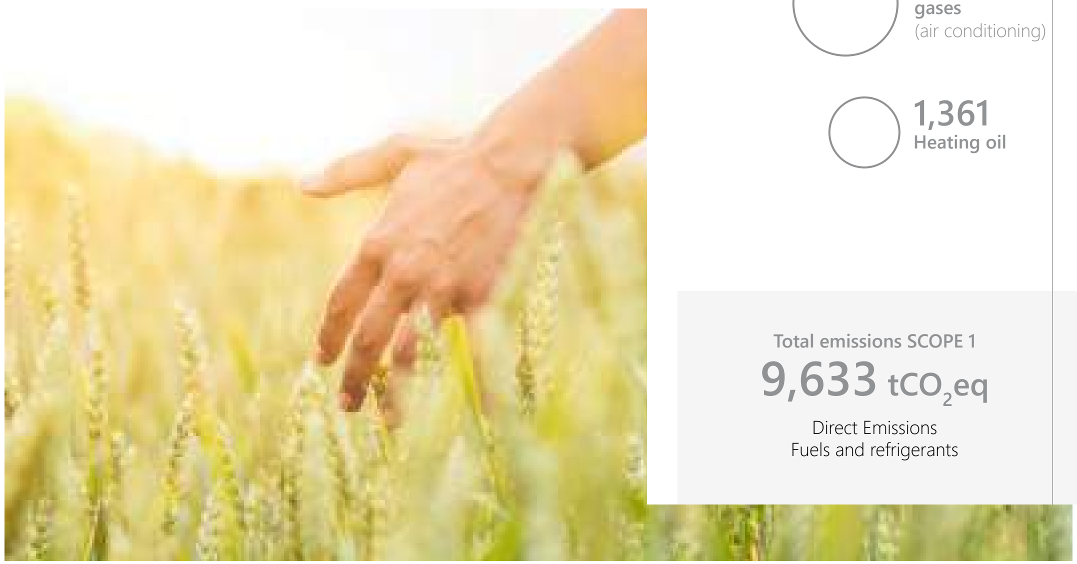
[1] The operational carbon footprint does not include indirect emissions from the financing or investment activity.

CaixaBank S.A. has been *Carbon Neutral* since 2018. In 2021, CaixaBank offset the 2020 emissions that could not be eliminated through the participation in a project in India, recognised by Verified Carbon Standard (VCS), consisting in the installation and setup of wind turbines, as well as two own projects of CO_2 absorption by reforesting burned areas on the mountain of Montserrat, Barcelona, and in the town of Ejulve, Teruel.

In 2021, emissions were reduced by 27.9% compared to 2019, within the scope of CaixaBank, S.A. prior to the merger, remaining at levels similar to 2020.

The year 2020 is not taken as a reference for the interpretation of data, with respect to which there has been an increase in consumption due to the exceptional situation experienced in this year as a result of COVID's impact in terms of presence.

A materiality analysis on Scope 3 of the carbon footprint of CaixaBank, S.A. and the rest of Group companies is expected in 2022, with the aim of defining the most relevant emission categories and entirely calculating them in subsequent years.



>> BREAKDOWN OF THE OPERATIONAL CARBON FOOTPRINT OF CAIXABANK GROUP IN 2021

TOTAL EMISSIONS
24,886 tCO_2eq

CaixaBank will offset 100% of the operational emissions calculated for Group in 2021[1]

4,659 Fuels (own fleet)
3,612 Cooling gases (air conditioning)
1,361 Heating oil

1,025 Electric energy

3,209 Capital goods
95 Other issuances related with energy
5,435 Paper (A4, communications and other materials)
4,073 Corporate Travel
230 Waste
178 Materials
247 Commuting
200 Water
562 Toner

Total emissions SCOPE 1	Total emissions SCOPE 2	Total emissions SCOPE 3
9,633 tCO_2eq	1,025 tCO_2 eq	14,228 tCO_2eq
Direct Emissions Fuels and refrigerants	Indirect Emissions Purchase of energy for own use	Other Indirect Emissions Products and services consumed *(Does not include category 15. Investments)*

See full details of the calculation at the end of the section

[1] Except category 15. Investments.

02 Measures on **environmental efficiency and certification**

The reduction of emissions is achieved by implementing environmental efficiency measures, monitoring the indicators and implementing an Energy and Environmental Management System in accordance with the requirements established in standards ISO 14001 and ISO 50001 and in the European EMAS regulation, which enables us to perform our activity considering the environment's protection.

In addition to the CaixaBank[1] Certifications, other Group companies, such as CaixaBank Facilities Management and Caixabank Tech, have environmental management systems certified under the ISO 14001 standard. Also worth a mention is 2 BPI centres also obtained this certification in 2021.

[1] CaixaBank, S.A. has 8 buildings with ISO 14001 certification, 1 Building with ISO 50001 certification and 1 Building certified under the EMA Regulation.

685 BRANCHES MONITORED

22 CORPORATE BUILDINGS MONITORED

410 REMOTELY MANAGED STORES

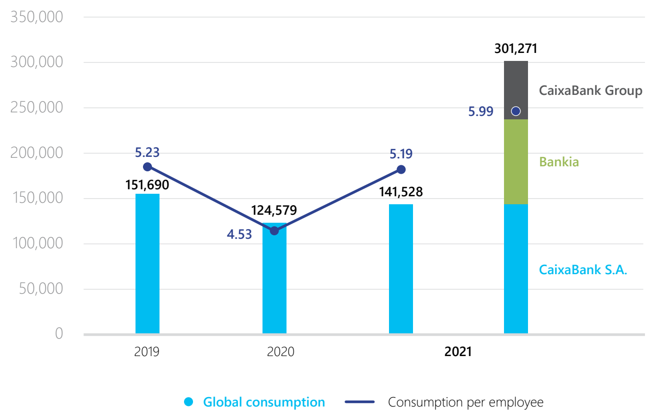
Electricity

- CaixaBank has implemented an automation project that allows it to monitor energy consumption in corporate buildings and the branch network, evaluate the energy savings of the measures implemented and define new efficiency initiatives.
- In recent years, several initiatives have been implemented to reduce consumption in the branch network, based on the savings potential: Replacing fluorescent lights with LED lighting, replacing HVAC equipment with more efficient equipment, presence sensors and automatic light shut-off, single shut-off switches associated with the alarm connection, hibernation strips for peripheral circuits, replacement of computer equipment, etc.
- The two Data Processing Centres (DPCs) have LEED certification, with the silver and gold category, respectively.
- In 2021, electricity consumption fell by 6.7% compared to 2019. The year 2020 is not taken as a reference for the interpretation of data, with respect to which there has been an increase in consumption due to the exceptional situation experienced in this year as a result of COVID's impact in terms of presence.
- This reduction has been the result both of the management measures and energy savings implemented, and of the synergies resulting from the merger.

99.21% OF ELECTRIC ENERGY CONSUMED IS FROM RENEWABLE SOURCES
99.3% IN 2020

-24.4% REDUCTION IN ELECTRIC ENERGY CONSUMPTION SINCE 2015

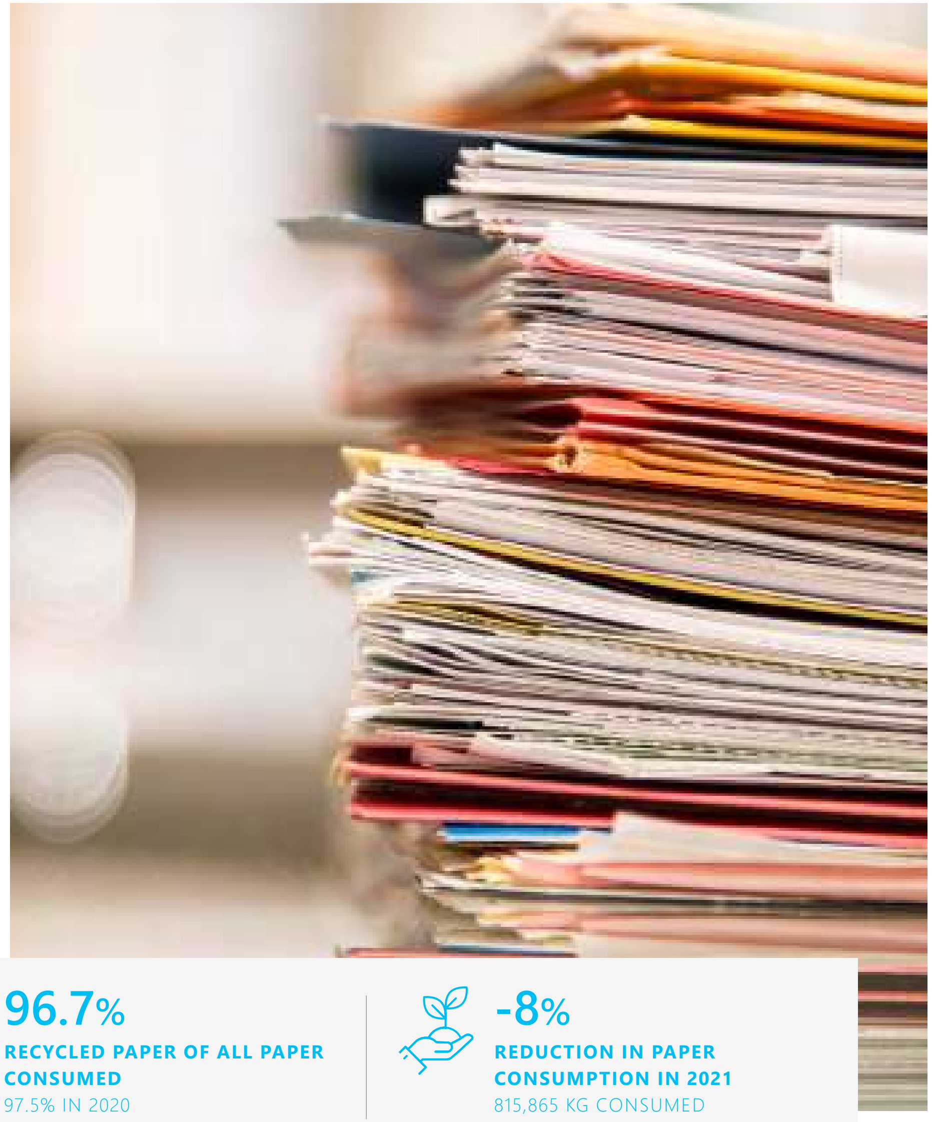
ELECTRIC ENERGY CONSUMPTION
(MWh)



Paper

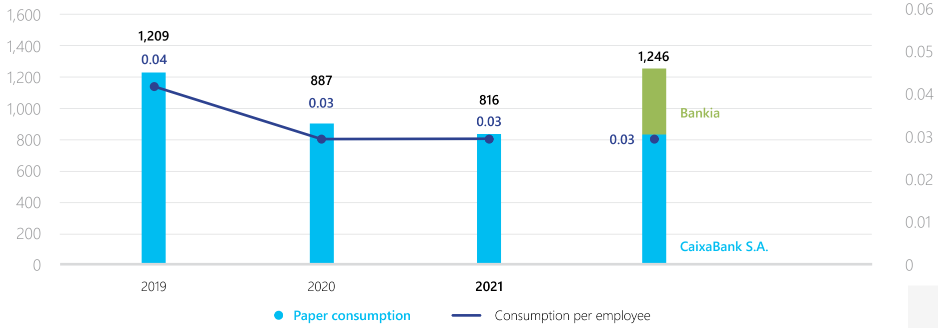
In recent years, several initiatives have been implemented to reduce paper consumption:

- The digitisation project allows digital signatures for 100% of processes.
- ATMs allow for deposits without an envelope and offer the option to view information on-screen and not print a receipt.
- Invoicing is done electronically.
- The paper consumption associated with the sending of notifications to customers has been reduced by 57% since 2015 (-2.5% compared to 2020).
- Reduction and centralisation of printers in multifunctional teams with a user identification system.
- The company is committed to the preferential use of recycled paper.
- Publications are produced on paper with FSC and PEFC certificates.



PAPER CONSUMPTION (A4)

(tonnes)



96.7%
RECYCLED PAPER OF ALL PAPER CONSUMED
97.5% IN 2020

-8%
REDUCTION IN PAPER CONSUMPTION IN 2021
815,865 KG CONSUMED

Water

- The consumed water comes from the supply network, and it is mostly used for sanitary purposes, which does not allow it to be reused and, therefore, its relevance as an environmental vector is relative. However, measures to reduce water consumption have been implemented, e.g. traditional taps have been replaced by taps with interrupted flow and toilet cisterns have been replaced by others with smaller capacity and a double flush button.
- In unique buildings, the best technologies have been introduced to optimise water consumption associated with the refrigeration processes: Data Processing Centres use free cooling technology, which uses no water, and in the Barcelona corporate centre, the evaporative cooling towers have been replaced with adiabatic towers, with much lower water consumption.
- In 2021, 298,413m^3 of water were consumed, a 6.58% drop in consumption when compared to the previous year.

>> WATER CONSUMPTION (m^3)

	2019	2020	2021	2021 CaixaBank	2021 Bankia
Total consumption (m^3)	312,098	319,439	298,413	298,413	208,434
Consumption per employee (m^3)	12.19	11.64	10.93	11.89	

Waste and circular economy

- Selective collection allows for waste to be recovered and recycled.
- In corporate buildings, waste is accounted for and managed by authorised managers. Corporate Services' cafeterias are free of single-use plastic.
- Throughout the branch network, municipal selective collection containers are employed for non-hazardous waste (paper, plastic, organic and other), and the hazardous waste is managed by authorised managers through maintenance companies (bulbs, cooling gases, electronic waste, toner, etc.).
- CaixaBank launches regular awareness campaigns for staff to reduce waste generation.
- Collection of obsolete cards in the branch network for subsequent recycling.
- Marketing of cards made from biodegradable materials and recycled.
- CaixaBank has ReUtilízame (ReUseme), a programme that encourages companies to donate surplus materials in good condition to NGOs. The programme is open to customers and, in 2021, 15,873 items were donated, 25 companies participated and 141 NGOs benefited.

03 Extension of the **environmental commitment to the value chain**

By incorporating environmental criteria into the purchase of products and contracting of services, we extend our commitment to the suppliers and encourage them to adopt measures that minimise their activities' environmental impact.

The Environmental Procurement Plan has been implemented in 24 green purchase and contracting sheets.

1. Identification of the acquired or contracted products and services with the higher environmental impact.
2. Preparation of the proposal for environmental criteria to be included in the pre-contractual specifications.
3. Discussion and agreement on criteria with the departments that are involved in procurement and outsourcing.
4. Inclusion of environmental criteria in the pre-contractual specifications.

04 Boost in **sustainable mobility**

CaixaBank's Sustainable Mobility Plan includes both the internal (organisation and people) and external (customers and suppliers) dimensions, incorporating a 360º view of the inclusion of measures that minimise the impact of travel needs.

COMPANY

Interchange the sustainable mobility policy and implement associated governance measures (own fleet, corporate trips, events, etc.)

STAFF

Provide our staff with more sustainable home-work mobility options while minimising travel needs

PROVIDERS

Advance the reduction of pollution-related emissions and promote their decarbonisation

CUSTOMERS

Offer sustainable mobility products to our customers (individuals, entrepreneurs and companies), especially those related to electromobility

Here are some of the measures implemented in the Company:

- Deployment of remote work tools and online communication options with customers, which reduce the number of physical journeys.
- Electric vehicle charging points and private bicycle parking in several corporate centres have been installed.
- Reduction of the fleet of own vehicles and transition to hybrid cars.
- Internal car-sharing programme in regional centres.
- Delivery of packages in the last mile using an electric scooter.
- Inclusion of environmental criteria for reducing the impact associated with mobility in events and trips.

05 Commitment, transparency and engagement

Several initiatives have been carried out with the aim of meeting the Company's environmental commitment, both internally and externally, and have been designed for all audiences, such as regularly publishing articles on the CaixaBank Blog and on social media with informative content about the environment, delivering regulatory training on sustainability for the entire staff or sensitising or raising the awareness of all the bank's stakeholders on sustainably issues, including children with publications like "Lola and La Tortuga".

GREENHOUSE GAS EMISSIONS 2021 - CAIXABANK GROUP

Item		Source			CaixaBank	Bankia	Total Subsidiaries	CaixaBank Group
Scope 1	Combustion in mobile sources	Leasing vehicles	Petrol		1,297.72	32.68	1,072.17	2,402.57
			Gas oil		94.47	35.23	1,722.59	1,852.29
			Petrol hybrid		148.23	218.39	37.44	404.07
			Gas oil hybrid		0.00	0.00	0.35	0.35
	Combustion in fixed sources	Boilers or emergency equipment	Gas oil C		126.04	269.34	134.18	529.55
			Natural gas		-	784.43	47.66	832.09
	Cooling gas leaks	Various cooling gases			1,595.50	1,473.09	542.98	3,611.58
Scope 2		Electricity from the grid	*Location-based method*		19,530.85	12,868.67	11,149.50	43,549.02
			Market-based method		279.55	0.00	744.99	1,024.55
		Electricity self-consumption			-	-	-	-
Scope 3	3.1 Purchase of goods and services	Mains water			117.87	82.33	-	200.20
		Recycled paper	Paper for own use		1,945.42	1,058.61	-	3,004.03
		Virgin paper	Paper for own use		97.31	3.81	-	101.12
			Deliveries customers		2,178.59	-	-	2,178.59
			Guards and coils		139.74	-	-	139.74
			Bank books		11.28	-	-	11.28
		Other goods	*Toner (laserjet + inkjet)*		450.99	111.15	-	562.14
			Vinyl advertising		79.37	-	-	79.37
			PVC cards		66.01	-	-	66.01
			Recycled PVC cards		16.72	-	-	16.72
			PLA cards		2.95	-	-	2.95
			Paper bags		12.67	-	-	12.67
	3.2 Capital goods	PC tower			454.03	-	-	454.03
		Laptops			1,725.52	-	-	1,725.52
		Monitors			958.50	-	-	958.50
		Keyboards			70.90	-	-	70.90
	3.3 Fuel and activities related to energy (non-conventional)	Non-renewable electricity value chain	WTT	Electricity	75.49	0.00	-	75.49
		Transportation and distribution of non-renewable electricity	T&D	Electricity	19.67	0.00	-	19.67
	3.5 Waste generation	Toner cartridges			7.69	100.06	-	107.75
		Mixed construction waste			0.72	-	-	0.72
		Paper			4.37	22.24	-	26.61
		Rest fraction waste			3.91	-	-	3.91
		Computer support			-	91.07	-	91.07
	36 Corporate travel	Plane			547.90	101.51	-	649.41
		Train			93.33	39.08	-	132.40
		Rental cars			107.78	5.85	-	113.63
		Staff vehicles			2,603.74	573.38	-	3,177.12
	3.7 Commuting	On foot			0.00	-	-	0.00
		Bicycle/ electric bicycle / scooters / electric scooter			0.03	-	-	0.03
		Public rail transport			30.23	-	-	30.23
		Urban/interurban bus			11.65	-	-	11.65
		Motorcycle			23.03	-	-	23.03
		Car			181.97	-	-	181.97
Total		Scope 1			3,261.97	2,813.16	3,557.37	9,632.51
		Scope 2 *(location-based method)*			19,530.85	12,868.67	11,149.50	43,549.02
		Scope 2 *(market-based method)*			279.55	0.00	744.99	1,024.55
		Scope 3			12,039.39	2,189.09	0.00	14,228.48
		Total *(location-based method)*			34,832.21	17,870.93	14,706.87	67,410.01
		Total *(market-based method)*			15,580.91	5,002.26	4,302.37	24,885.53

Social action and voluntary work

Social commitment is one of CaixaBank's main assets and differential values, which has been integrated into its banking activity, but goes beyond it, through solutions that meet the needs of people and the world in which we live.

The key areas of action are as follows:

01. Local development and closeness: we significantly invest in the communities that we operate.

02. Adaptation to environmental changes: we encourage initiatives with a positive environmental impact and programmes that promote a circular economy and reused materials.

03. Promotion of everyone's well-being: we work towards breaking the cycle of poverty, especially by supporting vulnerable families, children, young people, elderly people and groups.

04. Creation of partnerships with third parties that promote social commitment and change: we establish strategic partnerships with leaders in change, such as the "la Caixa" Foundation, other local foundations, customers and institutions. Involving our employees through corporate culture.

The social action model has professionals that are relevant at a territorial level and in subsidiaries that promote capillary initiatives throughout the country.

Partnership with the "la Caixa" Banking Foundation

Social action with the "la Caixa" Banking Foundation

Thanks to its capillary nature and proximity to people, CaixaBank's branch network is a very effective means for detecting need, thus enabling "la Caixa" to allocate resources to great effect in all the areas where CaixaBank is present.

€40 m

FROM THE FOUNDATION, AIMED AT SOCIAL ENTITIES, HAVE BEEN CHANNELLED THROUGH THE BRANCH NETWORK

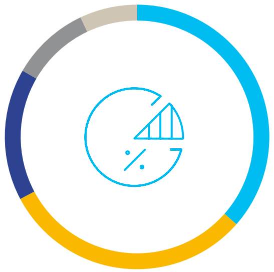
7,607

ACTIVITIES RELATED TO PROJECTS SET UP BY LOCAL SOCIAL ORGANISATIONS

6,427

BENEFICIARY ENTITIES

PROJECTS DISTRIBUTED BY TYPE
(NUMBER OF PROJECTS AND ALLOCATED INVESTMENT IN € m)



#NoHomeWithoutFood

In collaboration with Banco de Alimentos food bank and the "la Caixa" Foundation.

€2.3 m

TOTAL CONTRIBUTION

OF WHICH:

€1.3 m DONATIONS COLLECTED BY **CAIXABANK**

€1 m CONTRIBUTION **"LA CAIXA" FOUNDATION**

2,446 tonnes

OF BASIC FOODSTUFF FOR VULNERABLE GROUPS

School kits

In collaboration with the CaixaProinfancia programme by the "la Caixa" Foundation.

126,512

SCHOOL KITS DELIVERED

Other partnerships

Agreements with local entities and foundations

SOCIAL CALLS

€2.2 m
DESTINED TO SOCIAL CALLS WITH LOCAL FOUNDATIONS

505
PROJECTS SUPPORTED

ENVIRONMENTAL CALLS

€1.0 m
DESTINED TO ENVIRONMENTAL CALLS

78
PROJECTS SUPPORTED

EMPLOYABILITY

Employment programmes for vulnerable groups in collaboration with:

€0.7 m
FUNDS

Own projects

Donation platform

Free service for collecting donations for social entities.

€21 m	255	159
COLLECTED	CAUSES LAUNCHED	SOCIAL ENTITIES SUPPORTED

Pitch your project

Internal nationwide programme for all CaixaBank active employees, which ends in February 2022. Employees present candidacies for social entities in which they are involved. If they are selected as finalists, they receive financial support for their projects.

€0.6 m	40
FUNDS	WINNING PROJECTS

ReUseMe

Donation of surplus materials in good condition.

15,873 DONATED ITEMS

OF WHICH:

68% OF CUSTOMER COMPANIES

32% OF CAIXABANK GROUP

159 DONATIONS

141 BENEFICIARY ENTITIES

El Árbol de los Sueños

Customers and employees give socially vulnerable children the gift they have requested in their letter to the Kings.

26,412	3,633
GIFTS DONATED IN SPAIN	PARTICIPATING BRANCHES IN SPAIN

Voluntariado CaixaBank

Through CaixaBank's Volunteer Association in collaboration with the "la Caixa" Foundation and MicroBank

4,997 **ACTIVE VOLUNTEERS**, WITH AT LEAST ONE PARTICIPATION IN THE LAST 12 MONTHS

5,700 **VOLUNTEERING ACTIONS** IN THE AREAS OF FINANCIAL EDUCATION, *MENTORING* IN SELF-EMPLOYMENT, SUPPORT IN READING AND DIGITISATION, AMONG OTHERS

72,463 **HOURS OF VOLUNTEERING**

170,133 **BENEFICIARIES**

BPI's social commitment

BPI's firm social commitment is developed in collaboration with the "la Caixa" Foundation in 4 areas of activity - Social Programmes, Research and Health, Culture and Science and Education and Grants.

Social programmes

BPI "LA CAIXA" FOUNDATION AWARDS

Five Awards that support projects by social solidarity institutions to improve the quality of life of people in situations of social vulnerability.

This programme won the Equality and Diversity category in the first edition of the National Sustainability Award held by the Jornal de Negócios.

€4 m
INVESTMENT IN 2021

142
SUPPORTED PROJECTS

22,394
BENEFICIARIES

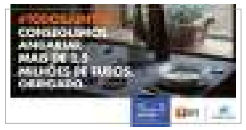
DISTRIBUTION BY TYPE
(NUMBER OF PROJECTS AND INVESTMENT IN € m)

- 33 (€0.8 m) — **Training,** Autonomy for people with disabilities
- 34 (€1 m) — **Seniors,** Active and healthy ageing
- 24 (€0.7 m) — **Rural,** Social actions in rural areas
- 24 (€0.7 m) — **Solidarity,** Labour integration and combatting exclusion
- 27 (€0.8 m) — **Childhood,** Minors living in poverty

SOLIDARITY INITIATIVE #ALLTOGETHER

This initiative provides food aid to needy families in the wake of the COVID-19 crisis, and it is supported by BPI, "la Caixa" Foundation, 9 other banks and more than 30 companies.

€2.5 m
DESTINED TO ACQUIRING FOODSTUFF



The distribution of this support was ensured by *Rede de Emergência Alimentar*, launched by Entrajuda to meet the needs at a national level arising from the pandemic.

DECENTRALISED SOCIAL INITIATIVE - ISD 2021

This initiative has been funded by the "la Caixa" Foundation with €1.2 million, and its second edition aims to support, through the BPI's Commercial Networks, social projects at a local level, in all the districts and municipalities of Açores and Madeira by selecting the best local social projects.

42,217
DIRECT BENEFICIARIES

188
PROJECTS

Research and health

BPI, together with the "la Caixa" Foundation, has sought to support talent and the gradual development of scientific knowledge that has an impact on society.

>> CAIXAIMPULSE PROGRAMME

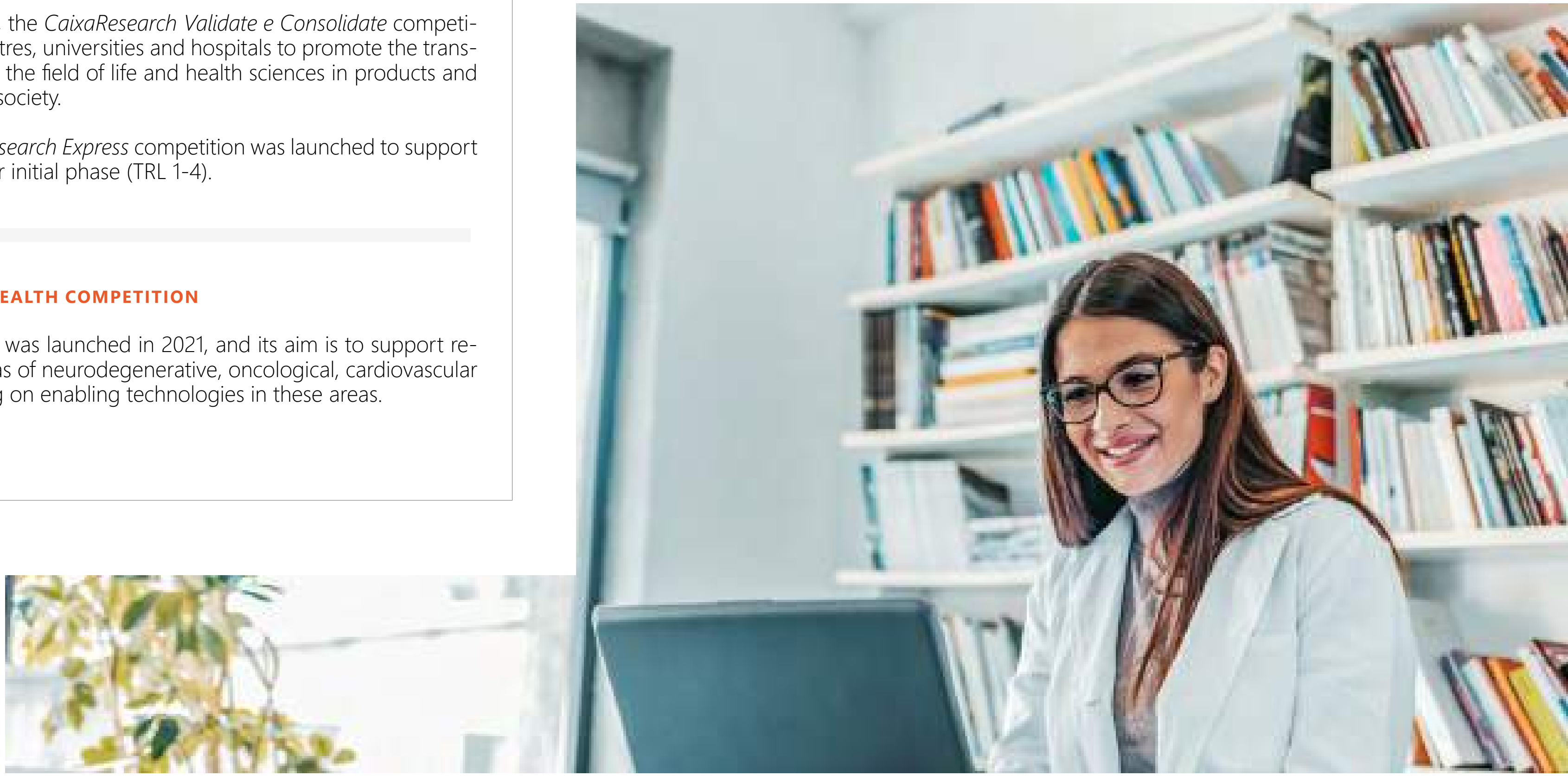
Its aim is to promote the transfer of knowledge and technology to society and the creation of new research-oriented companies.

Within the Programme's framework, the *CaixaResearch Validate e Consolidate* competitions were launched in research centres, universities and hospitals to promote the transformation of scientific knowledge in the field of life and health sciences in products and companies that generate value for society.

In January 2021, the annual *CaixaResearch Express* competition was launched to support biomedical research projects in their initial phase (TRL 1-4).

>> *CAIXARESEARCH* RESEARCH AND HEALTH COMPETITION

The fifth edition of this competition was launched in 2021, and its aim is to support research centres operating in the areas of neurodegenerative, oncological, cardiovascular and infectious diseases and working on enabling technologies in these areas.



CaixaBank Dualiza

CaixaBank Dualiza has boosted its activity in Vocational Training throughout 2021, with 6,489 students having benefited from different types of Vocational Training.

This figure is a success for an organisation that has completed five years working on Vocational Training and that in the last year has enjoyed the support of the largest financial institution in the country: CaixaBank.

In addition to these 6,500 students, CaixaBank Dualiza's activity has also involved 1,767 teachers, 595 education centres and 459 companies.

Most of the people or institutions that have participated in any of Dualiza's activities have done so through the Call for Grants, which will hold its fifth edition in 2022. The Call seeks to support projects by Vocational Training education centres that are carried out in collaboration with companies and that involve the students in their development. The aim is to improve student learning through innovative formulas, while bringing the business and educational world closer together, two realities that need and complement each other, but whose paths usually run in parallel without meeting at any point.

Moreover, a considerable part of the work carried out by CaixaBank Dualiza includes training actions for professors and sessions in which professors can share their knowledge.

In this regard, the MOOC on project-based learning stands out, which was completed by almost one thousand teachers.

Moreover, CaixaBank has once again supported all the agents involved in promoting and carrying out Vocational Training and its dual modality by collaborating in the organisation of conferences to disseminate Vocational Training in Catalonia, Murcia, Castilla-La Mancha and Castilla y León, all of which

with the aim of providing spaces for the sharing of knowledge among sector professionals.

With this purpose in mind, CaixaBank Dualiza has prepared the Annual Report on Vocational Training for the second consecutive year, in which it takes stock of all the events that have taken place within this training modality in recent months, analyses it in chronological order and establishes comparisons that allow for its contextualisation, so as to obtain a better overall picture of the state of Vocational Training.

All of this is carried out using data obtained by the Vocational Training Observatory, a platform that gathers all the data extracted from official sources of Vocational Training, Vocational Training for Employment and Dual Vocational Training.

In addition, during 2021, it continued its work focusing on guidance, that is, a comprehensive guidance that provides support throughout the entire working life and not only during the academic period.

Nearly 1,500 students have benefited from these initiatives, through which CaixaBank has sought to bring companies and training centres closer together, with the aim of providing a truthful image of what they represent in our current productive fabric and discouraging the old prejudices accompanying Vocational Training, still solely related to blue collar jobs.

03

Non-Financial Information Statement

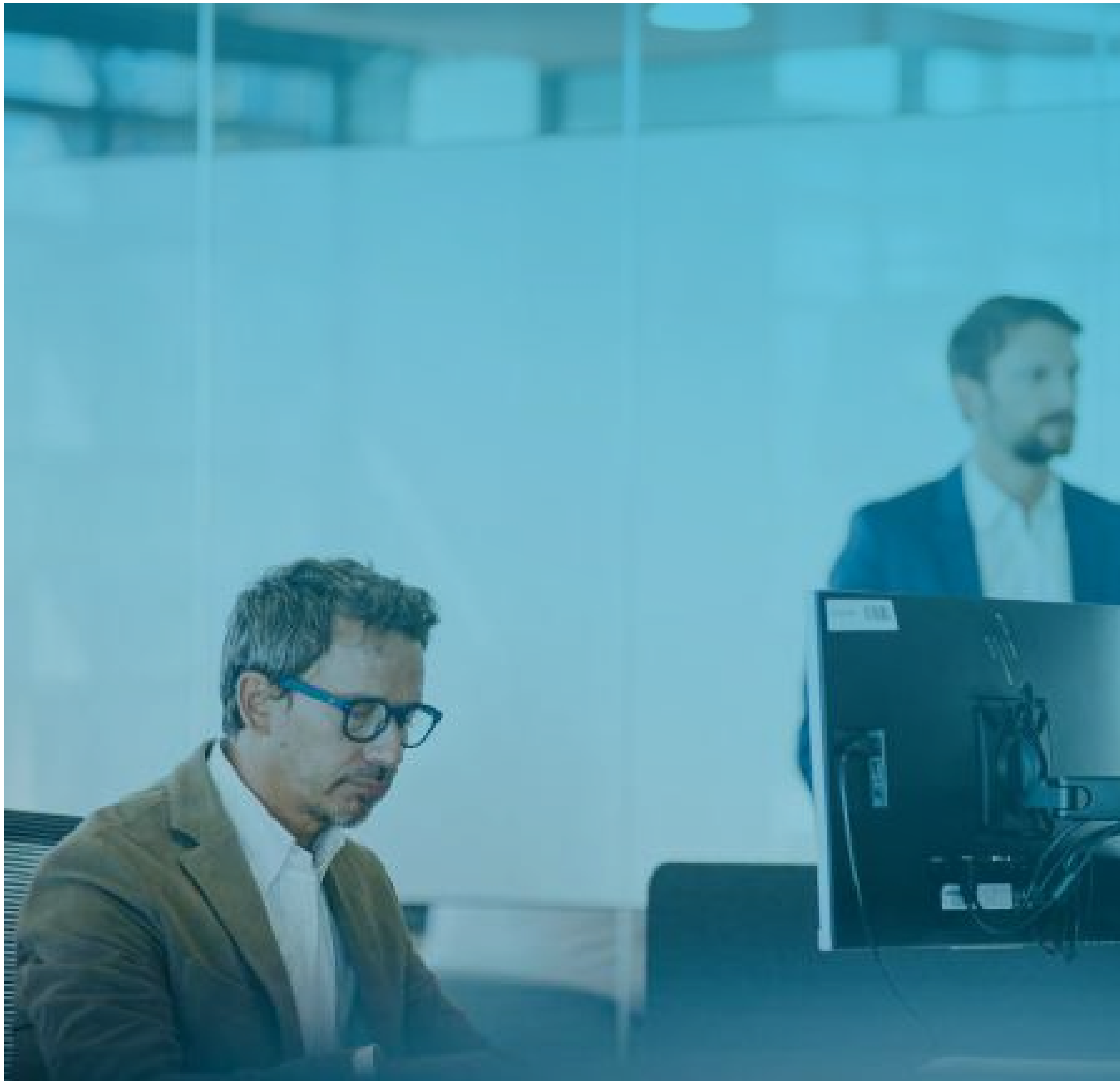


Table of contents **Act 11/2018** and **Taxonomy Regulation**

In accordance with the provisions of Law 11/2018 of 28 December on non-financial information and diversity, CaixaBank presents in the Statement of Non-Financial Information, among other matters, the information necessary to understand the evolution, results and situation of the Group, and the impact of its activity with respect to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as in relation to staff. The following shows the content requirements to be disclosed as specified in this Law and their agreement with the contents of the 2021 Consolidated Management Report.

Law 11/2018, of 28 December	Section or sub-section of the 2021 CMR index / Direct response	GRI indicator equivalence
Description of the business model and strategy		
Description of the business model	“Business Model” section of the 2021 Consolidated Management Report (CMR 2021) “CaixaBank 2021 - Impact on society” section of CMR 2021	102-1 / 102-2
Business environment and markets in which the Group operates	"Context and outlook for 2022" section of CMR 2021 “Business model” section of CMR 2021	102-3 / 102-4 / 102-6
Organisation and structure	"Glossary and Group structure" section of CMR 2021	102-7
Objectives and strategies	The priorities of the 2019-2021 Strategic Plan are the guidelines to structure this report in section 02 Strategic Lines. This report's "Strategy" chapter includes how the 2019-2021 Strategic Plan ended, which was heavily impacted by the Covid-19 crisis and the takeover merger of Bankia, S.A. by CaixaBank, S.A. At the date of publication of this report, the Bank is working on preparing the 2022-2024 Strategic Plan, which it expects to present to the market in a public event in May 2022.	
Main factors and trends that can affect the future evolution.	"Context and outlook for 2022" section of CMR 2021	
Description of the policies applied to the Group, which will include due diligence procedures applied to identify, assess, prevent and mitigate significant risks and implications, and control and verification procedures, including any measures adopted	"Risk management" section of CMR 2021 "Ethical and responsible behaviour" section of CMR 2021 "Corporate responsibility governance" section of CMR 2021	103 Approaches to managing each area within the economic, environmental and social scopes
The results of the policies, including key indicators that allow for progress to be monitored and assessed	"Risk management" section of CMR 2021 Similarly, the specific indicators for each non-financial area are detailed below in the successive sections of this table.	General or specific GRI standards of the economic, environmental and social scope are reported in the following blocks
The main short, medium and long-term risks associated with the group's activities. These include, inter alia, trade relations, products or services that can have negative effects in these areas	"Risk management" section of CMR 2021 "Stakeholders dialogue - Suppliers" section of CMR 2021 "Environmental strategy - Managing environmental risks and risks related to climate change" section of CMR 2021	102-15

Law 11/2018, of 28 December	Section or sub-section of the 2021 CMR index / Direct response	GRI indicator equivalence
Matters relating to human rights and ethical conduct		
Application of due diligence procedures regarding human rights; prevention of risks of human rights violations and, where applicable, measures to mitigate, manage and redress possible abuses committed	"Risk management" section of CMR 2021 "Ethical and responsible behaviour" section of CMR 2021 "Corporate responsibility governance" section of CMR 2021	103 Focus on management of Human Rights Assessment and Non-discrimination 102-16 / 102-17
Allegations of cases of human rights violations	"Ethics and integrity" section of CMR 2021 "Query and whistleblowing channel" section of CMR 2021	406-1
Promotion of and compliance with the provisions of fundamental Conventions of the International Labour Organisation related to respecting the freedom of association and the right to collective bargaining	"Ethics and integrity" section of CMR 2021 "Employee experience - Labour standards and personnel rights" CMR 2021	407-1
The elimination of discrimination in employment and the workplace	"Diversity and equal opportunities" section of CMR 2021	103 Management approach to Non-discrimination 406-1
The elimination of forced or compulsory labour and the effective abolition of child labour	"Ethics and integrity" section of CMR 2021	408-1 / 409-1
Measures adopted to prevent corruption and bribery	"Query and whistleblowing channel" section of CMR 2021 "Ethics and integrity" section of CMR 2021 "Risk management - Operational and reputational risk - Conduct and compliance" section of CMR 2021	103 Anti-Corruption Management Approach 102-16 / 102-17 / 205-1 / 205-2 / 205-3
Measures to combat money laundering	"Query and whistleblowing channel" section of CMR 2021 "Ethics and integrity" section of CMR 2021 "Risk management - Operational and reputational risk - Conduct and compliance" section of CMR 2021	103 Anti-Corruption Management Approach 102-16 / 102-17 / 205-1/ 205-2 / 205-3
Contributions to foundations and non-profit entities	"Social action and volunteering" section of CMR 2021	413-1
Subcontracting and suppliers: inclusion of social, gender equality and environmental matters in the procurement policy; in relationships with suppliers and subcontractors, consideration of their social and environmental responsibility; oversight systems and their audit and results	"Stakeholders dialogue - Suppliers" section of CMR 2021	103 Management approach to procurement practices and environmental and social assessment of suppliers 102-9 / 204-1 / 308-1 / 414-1

Law 11/2018, of 28 December	Section or sub-section of the 2021 CMR index / Direct response	GRI indicator equivalence
Environmental issues		
Detailed information on the current and foreseeable effects of the company's environmental activities	"Environmental strategy - Managing environmental risks and risks related to climate change / Sustainable business" section of CMR 2021	103 Management approach to each area within the environmental scope 201-2
Detailed information on the current and foreseeable effects of the company's health and safety activities	This is not material for CaixaBank Group	103 Management approach to each area within the environmental scope
Environmental assessment or certification procedures	"Environmental strategy - Environmental management plan" section of CMR 2021	103 Management approach to each area within the environmental scope
Resources dedicated to the prevention of environmental risks	"Environmental strategy - Managing environmental risks and risks related to climate change / Sustainable business" section of CMR 2021	201-2
Application of the principle of precaution	"Environmental strategy - Managing environmental risks and risks related to climate change / Sustainable business" section of CMR 2021	102-11
Amount of provisions and guarantees for environmental risks	Given the Group's activities, there is no significant risk of an environmental nature. CaixaBank did not receive any relevant fines or sanctions related to compliance with environmental regulations in 2021	307-1
Measures to prevent, reduce or restore carbon emissions that seriously affect the environment, taking into account any activity-specific form of air pollution, including noise and light pollution	This is not material for CaixaBank Group "Environmental strategy - Managing environmental risks and risks related to climate change / Environmental Management Plan" section of CMR 2021	103 Management approach to Emissions/Biodiversity
Prevention, recycling and reuse measures, and other forms of recovering and eliminating waste; actions to fight against food waste	This is not material for CaixaBank Group "Environmental strategy - Environmental Management Plan" section of CMR 2021	103 Management approach to Effluents and waste
Water consumption and supply in accordance with local limitations	This is not material for CaixaBank Group "Environmental strategy - Environmental Management Plan" section of CMR 2021	303-5
Consumption of raw materials and measures adopted to improve the efficiency of their use	This is not material for CaixaBank Group "Environmental strategy - Environmental Management Plan" section of CMR 2021	103 Materials Management Approach 301-1 / 301-2
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energy	"Environmental strategy - Environmental management plan" section of CMR 2021	103 Energy Management Approach 302-1

Law 11/2018, of 28 December	Section or sub-section of the 2021 CMR index / Direct response	GRI indicator equivalence
Environmental issues		
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it provides	Section "Environmental strategy - Managing environmental risks and risks related to climate change / Environmental Management Plan" section of CMR 2021	103 Emissions management approach 305-1 / 305-2
The measures adopted to adapt to the consequences of climate change	"Environmental strategy - Managing environmental risks and risks related to climate change / Sustainable business" section of CMR 2021	201-2
The reduction goals voluntarily established in the mid and long term to reduce greenhouse gas emissions and the measures implemented for this purpose	"Environmental strategy" section of CMR 2021	103 Emissions management approach
Preservation of biodiversity	This is not material for CaixaBank Group	103 Biodiversity management approach
Impacts caused by activities or operations in protected areas	This is not material for CaixaBank Group	304-2

Social and personnel matters		
Dialogue with local communities and measures adopted to guarantee the protection and development of these communities. Relationships with agents in local communities	"Materiality" section of CMR 2021 "Stakeholders dialogue" section of CMR 2021	102-43
Measures adopted to promote employment. Impact of the company's activity on employment and local development. Impact of the company on local populations and in the surrounding area	"Financial inclusion" section of CMR 2021 "Social action and volunteering" section of CMR 2021	103 Management approach to local communities and indirect economic impacts 203-1 / 413-1
Association and sponsorship actions	"Regulatory context" section of CMR 2021 "Social action and volunteering" section of CMR 2021 "Corporate Responsibility Governance - Alliances and affiliations" section of CMR 2021	102-12 / 102-13
Policies against all kinds of discrimination and diversity management. Measures to promote equal treatment and equal opportunities between men and women	"Diversity and equal opportunities" section of CMR 2021	103 Management approach to Diversity and Equal Opportunities and Non-discrimination

Law 11/2018, of 28 December	Section or sub-section of the 2021 CMR index / Direct response	GRI indicator equivalence
Social and personnel matters		
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities	"Diversity and equal opportunities" section of CMR 2021 "Query and whistleblowing channel" section of CMR 2021 "Financial inclusion - Local accessible banking" section of CMR 2021 "Employee experience - Equality Plan" section of CMR 2021	103 Management approach to Diversity and Equal Opportunities and Non-discrimination
Social dialogue: (i) Procedures for informing, consulting and negotiating with staff (ii) Mechanisms and procedures available to the company to encourage the involvement of employees in the company's management, in terms of information, querying and participation (Law 5/2021, amending the consolidated text of the Corporate Enterprise Act)	"Employee experience" section of CMR 2021 "Materiality" section of 2021	103 Worker–company relationship management approach
Total number of employees by gender, age, country, occupational classification and contract type	"Foster a people-centric, agile and collaborative culture - CaixaBank Group's Employee Profile Table" section of CMR 2021 "Diversity and equal opportunities - Tables Generational diversity in figures" section of CMR 2021 "Professional development and remuneration - Professional development and remuneration in figures" section of CMR 2021 "Diversity and equal opportunities - Tables Generational diversity in figures" section of CMR 2021	103 Employment management approach 102-8 / 405-1
Average annual number of permanent, temporary and part-time contracts, broken down by gender, age and occupational classification	The activities of the Group are not significantly cyclical or seasonal. For this reason, the annual average indicator is not significantly different from the number of employees at year-end.	102-8 / 405-1
Average remuneration and its evolution disaggregated by gender, age and occupational classification	"Diversity and equal opportunities - Tables Gender diversity in figures" section of CMR 2021 "Diversity and equal opportunities - Tables Generational diversity in figures" section of CMR 2021 "Professional development and remuneration - Professional development and remuneration in figures" section of CMR 2021	103 Management approach to Diversity and Equal Opportunities 405-2
Number of dismissals by gender, age and occupational classification	"Diversity and equal opportunities - Tables Gender diversity in figures" section of CMR 2021 "Diversity and equal opportunities - Tables Generational diversity in figures" section of CMR 2021 "Professional development and remuneration - Professional development and remuneration in figures" section of CMR 2021	401-1

Law 11/2018, of 28 December	Section or sub-section of the 2021 CMR index / Direct response	GRI indicator equivalence
Social and personnel matters		
Salary gap	"Diversity and equal opportunities - Tables Gender diversity in figures" section of CMR 2021	103 Management approach to Diversity and Equal Opportunities 405-2
Average remuneration of Directors and Managers by gender	"Diversity and equal opportunities - Tables Gender diversity in figures" section of CMR 2021	103 Management approach to Diversity and Equal Opportunities 102-35 / 102-36 / 102-38 / 102-39
Implementation of policies to disconnect from work	"Employee experience" section of CMR 2021	103 Employment management approach
Number of employees with disabilities	"Diversity and equal opportunities - Functional diversity" CMR 2021	405-1
Organisation of working hours	"Employee experience" section of CMR 2021	103 Management approach to Employment
Number of hours of absenteeism	"Employee experience - Tables Working environment in figures" section of CMR 2021	403-9
Measures for promoting work-life balance for both parents	"Employee experience - Equality Plan" section of CMR 2021	103 Management approach to Employment
Occupational health and safety conditions	"Employee experience" section of CMR 2021	Occupational Health and Safety Management Approach 403-1 / 403-2 / 403-3 / 403-6
Occupational accidents, in particular their frequency and severity, disaggregated by gender	"Employee experience - Tables Working environment in figures" section of CMR 2021	403-9
Type of occupational illnesses and distributed by gender	CaixaBank's activities do not lead to the development in its workers of any of the occupational diseases classified as serious.	403-10

Law 11/2018, of 28 December	Section or sub-section of the 2021 CMR index / Direct response	GRI indicator equivalence
Social and personnel matters		
Percentage of employees covered by a collective bargaining agreement by country	"Employee experience - Labour standards and personnel rights" section of CMR 2021	102-41
Overview of collective bargaining agreements, particularly in the field of occupational health and safety	"Employee experience - Labour standards and personnel rights" section of CMR 2021	403-4
Policies implemented in the field of training	"Professional development and remuneration - Development of potential" section of CMR 2021 "Professional development and remuneration - Ongoing training" section of CMR 2021	103 Training and teaching management approach 404-2
Total hours of training by job category	"Professional development and remuneration - Professional development and remuneration in figures" section of CMR 2021	404-1
Protocols for integration and universal accessibility for people with disabilities. Universal accessibility for people with disabilities	"Diversity and equal opportunities - Functional diversity" section of CMR 2021 "Financial inclusion - Local accessible banking" section of CMR 2021	103 Management approach to Diversity and Equal Opportunities and Non-discrimination

Other information		
Complaint systems available to customers	"Stakeholders dialogue - Customers " section of CMR 2021	103 Customer privacy and marketing and labelling management approach
Number of complaints received from customers and their resolution	"Stakeholders dialogue - Customers - Customer Service Office" section of CMR 2021	103 Customer privacy and marketing and labelling management approach 417-1 / 417-2 / 417-3 / 418-1
Measures for customer health and safety	This is not material for CaixaBank Group	03 Health and Safety Management Approach in customers
Amount of profit obtained, country-by-country	Section "Tax transparency - Own taxes and taxes collected from third parties in 2020 and 2021	103 Economic Performance Management Approach 201-1
Amount of profit tax paid	Section "Tax transparency - Own taxes and taxes collected from third parties in 2020 and 2021	201-1 / 207-4
Amount of subsidies received	Annex 5.F of the accompanying 2021 Consolidated Annual Financial Statements	201-4

Taxonomy Regulation (EU) 2020/852 and Delegated Acts C2021/4987	Section or sub-section of the 2021 CMR index / Direct response
Proportion in total assets of exposures to Taxonomy-eligible economic activities	"Managing environmental risks and risks related to climate change - Taxonomy" section of CMR 2021 "Glossary - Non-financial information - Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section of CMR 2021
Proportion in total assets of exposures to Taxonomy non-eligible economic activities	"Managing environmental risks and risks related to climate change - Taxonomy" section of CMR 2021 "Glossary - Non-financial information - Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section of CMR 2021
Proportion in total assets of exposures to central governments, central banks and supranational issuers	"Managing environmental risks and risks related to climate change - Taxonomy" section of CMR 2021 "Glossary - Non-financial information - Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section of CMR 2021
Proportion in total assets of exposures to derivatives	"Managing environmental risks and risks related to climate change - Taxonomy" section of CMR 2021 "Glossary - Non-financial information - Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section of CMR 2021
Proportion in total assets of exposures to companies that are not required to publish non-financial information in accordance with Article 19bis or 29bis of Directive 2013/34/EU (NFRD)	"Managing environmental risks and risks related to climate change - Taxonomy" section of CMR 2021 "Glossary - Non-financial information - Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section of CMR 2021
Proportion in total assets of the trading book	"Managing environmental risks and risks related to climate change - Taxonomy" section of CMR 2021 "Glossary - Non-financial information - Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section of CMR 2021
Proportion in total assets of demand interbank loans	"Managing environmental risks and risks related to climate change - Taxonomy" section of CMR 2021 "Glossary - Non-financial information - Taxonomy Regulation (EU) 2020/852 and Delegated Acts" section of CMR 2021

Global Reporting Initiative (GRI)

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
GRI 102: GENERAL DISCLOSURES		
Organizational profile	102-1 Name of the organization	Note 1.1 of the 2021 Consolidated Financial Statements (CFS 2021)
	102-2 Activities, brands, products and services	"Business Model" section in the 2021 Consolidated Management Report (CMR 2021) "Customer solutions" section of CMR 2021
	102-3 Location of headquarters	Note 1.1 CFS 2021
	102-4 Location of operations	"Business Model" section of CMR 2021
	102-5 Ownership and legal form	Note 1.1 CFS 2021 "Ownership - Share capital / Significant shareholders / Breakdown of indirect holding" section of CMR 2021
	102-6 Markets served	"Business Model" section of CMR 2021
	102-7 Scale of the organization	"CaixaBank in 2021"section of CMR 2021 Attractive shareholder returns and solid financials" section of CMR 2021
	102-8 Information on employees and other workers	"Foster a people-centric, agile and collaborative culture" section of CMR 2021
	102-9 Supply chain	"Stakeholders dialogue - Suppliers" section of CMR 2021
	102-10 Significant changes to the organization and its supply chain	"Significant events in the year" section of CMR 2021 Note 1.9 CFS 2021
	102-11 Precautionary principle or approach	"Corporate Responsibility Governance" section of CMR 2021 "Environmental Strategy" section of CMR 2021
	102-12 External initiatives	"Corporate Responsibility Governance - Alliances and affiliations" section of CMR 2021 "Diversity and equal opportunities - Adherence to national and international principles of promoting diversity" section of CMR 2021
	102-13 Membership of associations	"Regulatory context" section of CMR 2021
Strategy	102-14 Statement from senior decision-maker	"Letter from the Chairman" and "Letter from the CEO" sections of CMR 2021
	102-15 Key impacts, risks and opportunities	"Context and outlook " section of CMR 2021 "Risk management" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
Ethics and integrity	102-16 Values, principles, standards and norms of behaviour	"Ethics and integrity" section of CMR 2021 "Corporate Responsibility Governance" section of CMR 2021
	102-17 Mechanisms for advice and concerns about ethics	"Ethics and integrity" section of CMR 2021
Governance	102-18 Governance structure	"The Administration - General Shareholders' Meeting / The Board of Directors" section of CMR 2021 "Senior Management - The Management Committee" section of CMR 2021
	102-19 Delegating authority	"The Administration - General Shareholders' Meeting / The Board of Directors" section of CMR 2021 "Senior Management - The Management Committee" section of CMR 2021 "Ethics and integrity" section of CMR 2021
	102-20 Executive-level responsibility for economic, environmental, and social topics and Social bonds	"Senior Management – Main Committees" section of CMR 2021 "Corporate Responsibility Governance" section of CMR 2021 "Environmental strategy - Managing environmental risks and risks related to climate change" section CMR 2021
	102-21 Consulting stakeholders on economic, environmental, and social topics	"Materiality" section of CMR 2021 "Corporate Responsibility Governance - Reputation" section of CMR 2021 "Stakeholders dialogue" section of CMR 2021
	102-22 Composition of the highest governance body	"The Administration - The Board of Directors" section of CMR 2021
	102-23 Chair of the highest governance body	"The Administration - The Board of Directors" section of CMR 2021
	102-24 Nominating and selecting the highest governance body	"The Administration - Selection, appointment, re-election, assessment and termination" section of CMR 2021
	102-25 Conflicts of interest	"Corporate Responsibility Governance - Best Corporate Governance Practices" section of CMR 2021 "Ownership - Shareholder structure" section of CMR 2021
	102-26 Role of the highest governance body in selecting purpose, values, and strategy	"The Administration - The Board of Directors" section of CMR 2021 "Senior Management" section of CMR 2021 "Corporate Responsibility Governance" section of CMR 2021
	102-27 Collective knowledge of the highest governance body	"The Administration - The Board of Directors" section of CMR 2021
	102-28 Evaluating the highest governance body's performance	"The Administration - Formation of the Board of Directors / Selection, appointment, re-election, assessment and termination / Assessment of the Board" section of CMR 2021
	102-29 Identifying and managing economic, environmental, and social impacts	"Corporate Responsibility Governance" section of CMR 2021 "Environmental strategy - Managing environmental risks and risks related to climate change" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
Governance	102-30 Effectiveness of risk management processes	"Risk Management" section of CMR 2021
	102-31 Review of economic, environmental, and social topics	"The Administration - The Board of Directors" section of CMR 2021 "Senior Management - Main Committees" section of CMR 2021
	102-32 Highest governance body's role in reporting on sustainability	The Directorate of Financial Accounting, Control and Capital is responsible for preparing and coordinating the 2021 CMR, which includes the Statement of Non-financial Information. This report is subsequently reviewed by the Management Committee, the Appointments and Sustainability Committee, the Audit and Control Committee, and the Board of Directors of CaixaBank. The latter is responsible for formulating the Non-Financial Information Statement, which contains the regulatory requirements of information and any information deemed material according to the Materiality Analysis.
	102-33 Communicating critical concerns	"The Administration" section of CMR 2021 "Senior Management" section of CMR 2021
	102-34 Nature and total number of critical concerns	There are no critical concerns in the 2021 financial year
	102-35 Remuneration policies	"Remuneration" section of CMR 2021
	102-36 Process for determining remuneration	"Remuneration" section of CMR 2021
	102-37 Stakeholders' involvement in remuneration	"The Administration - General Shareholders' Meeting" section of CMR 2021
	102-38 Annual total compensation ratio	Note 9.1 CAA 2021 "Diversity and equal opportunities - Gender diversity in figures" section CMR 2021
	102-39 Percentage increase in annual total compensation ratio	Note 9.1 CAA 2021 "Diversity and equal opportunities - Gender diversity in figures" section CMR 2021
	102-40 List of stakeholder groups	"Stakeholders dialogue" section of CMR 2021 Corporate Social Responsibility Policy / Corporate Social Responsibility at CaixaBank (section 4.1)
	102-41 Collective bargaining agreements	"Employee experience - Labour standards and personnel rights" section of CMR 2021
	102-42 Identifying and selecting stakeholders	Stakeholders are identified and selected through a process of analysis and internal reflection carried out by the management team. The Bank continually reviews identified stakeholders, as well as the related active listening, dialogue and monitoring processes, to understand and meet their expectations and needs
	102-43 Approach to stakeholder engagement	"Materiality" section of CMR 2021 "Setting the benchmark for responsible management and social commitment - Global Reputation Index" section of CMR 2021 "Stakeholders dialogue" section of CMR 2021 "Foster a people-centred, agile and collaborative culture - Corporate Culture Plan - Active listening" section of CMR 2021
	102-44 Key topics and concerns raised	"Materiality" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
Practices for creating reports	102-45 Entities included in the consolidated financial statements	Note 2.1 and Annexes 1, 2 and 3 CFS 2021
	102-46 Defining report content and topic boundaries	"Materiality" section of CMR 2021
	102-47 List of material topics	"Materiality" section of CMR 2021
	102-48 Restatements of information	In 2021, the takeover merger of Bankia, S.A. by CaixaBank S.A. resulted in the performance of most indicators being affected due to the new size of the Bank. The non-financial information for 2020 will not be restated. However, in some cases CaixaBank and Bankia aggregate data from 2020 may be presented for a correct interpretation of the information.
	102-49 Changes in reporting	In the list of material topics for 2021, there have been no significant changes related to the periods subject to previous reports.
	102-50 Reporting period	Financial year 2021
	102-51 Date of most recent report	The 2020 Consolidated Management Report, drawn up in accordance with the GRI standards framework and incorporating the contents required by Law 11/2018 of 28 December, was registered with the CNMV in February 2021
	102-52 Reporting cycle	Yearly
	102-53 Contact point for questions regarding the report	The usual service channels for customers, shareholders, corporate investors, and media, are available on the company website (investors@caixabank.com, accionista@caixabank.com).
	102-54 Claims of reporting in accordance with the GRI Standards	"Materiality - Criteria and scope of the Report" section of CMR 2021
	102-55 GRI content index	"Statement of Non-Financial Information - Global Reporting Initiative (GRI)" section of CMR 2021
	102-56 External assurance	"Independent verification report" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
MATERIAL TOPICS		
Material topic: **Principled, responsible and sustainable conduct**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Risk management - Operational and reputational risk - Conduct and compliance / Reputational" section of CMR 2021 "Ethics and integrity" section of CMR 2021
	103-2 The management approach and its components	"Ethics and integrity" section of CMR 2021
	103-3 Evaluation of the management approach	"Ethics and integrity" section of CMR 2021
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	"Risk management - Operational and reputational risk - Conduct and compliance" section of CMR 2021 "Query and whistleblowing channel" section of CMR 2021
	205-2 Communication and training on anti-corruption policies and procedures	"Ethics and integrity - Measures to ensure compliance with policies" section of CMR 2021
	205-3 Confirmed incidents of corruption and actions taken	"Query and whistleblowing channel" section of CMR 2021
GRI 206: Anti-competitive behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	In 2021, no significant new disciplinary actions were taken with regard to this topic and no significant sanctions were received.
GRI 207: Taxes	207-1 Approach to tax	"Tax transparency" section of CMR 2021
	207-2 Tax governance, control and risk management	"Tax transparency" section of CMR 2021
	207-3 Stakeholder engagement and management of concerns related to tax	"Tax transparency" section of CMR 2021
	207-4 Country-by-country reporting	"Tax transparency" section of CMR 2021
GRI 412: Human rights assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	"Ethics and integrity - Human Rights" section of CMR 2021
	412-2 Employee training on human rights policies or procedures	"Ethics and integrity" section of CMR 2021
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	"Stakeholders dialogue - Suppliers" section of CMR 2021
GRI 415: Public policy	415-1 Political contributions	"Ethics and integrity" section of CMR 2021 "Regulatory context" section of CMR 2021
GRI 419: Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	Note 23.3 CFS. CNMV fine - Received folllowing the opening of disciplinary proceedings for the company's failure to comply with its duty of surveillance and control in the distribution of structured bonds, which may constitute two serious breaches of the Securities Market Act.

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
Material topic: **Balance sheet soundness and profitability**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Risk management - Business model risks" section of CMR 2021 "Attractive shareholder returns and solid financials" section of CMR 2021
	103-2 The management approach and its components	"Risk management - Business model risks" section of CMR 2021 "Attractive shareholder returns and solid financials" section of CMR 2021
	103-3 Evaluation of the management approach	"Attractive shareholder returns and solid financials" section of CMR 2021
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	"CaixaBank in 2021 - Impact on society" section of CMR 2021 / "Tax transparency - Amount of taxes managed by CaixaBank Group" section of CMR 2021
	201-2 Financial implications and other risks and opportunities related to climate change	"Environmental strategy" section of CMR 2021
	201-3 Defined benefit plan obligations and other retirement plans	Note 23.1 CFS 2021
	201-4 Financial assistance received from government	Annex 5.F CFS 2021
GRI 203: Indirect economic impacts	203-1 Infrastructure investments and services supported	"CaixaBank in 2021 - Impact on society" section of CMR 2021 / "Financial inclusion" section of CMR 2021
	203-2 Significant indirect economic impacts	"CaixaBank in 2021 - Impact on society" section of CMR 2021 / "Financial inclusion" section of CMR 2021 "Environmental strategy - Sustainable business" section of CMR 2021
Material topic: **Cybersecurity and data protection**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Risk management - Operational and reputational risk - Technological" section of CMR 2021 "Technological, social and competitive context" section of CMR 2021 "Cybersecurity" section of CMR 2021
	103-2 The management approach and its components	"Risk management - Operational and reputational risk - Technological" section of CMR 2021 "Technological, social and competitive context" section of CMR 2021 "Cybersecurity" section of CMR 2021
	103-3 Evaluation of the management approach	"Risk management - Operational and reputational risk - Technological" section of CMR 2021 "Technological, social and competitive context" section of CMR 2021 "Cybersecurity" section of CMR 2021
GRI 418: Customer privacy	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	In 2021, no significant new disciplinary actions were taken with regard to this topic and no significant sanctions were received. The existing ones that were initiated in 2020 are maintained: AEPD_Fine against CaixaBank (€6 m); AEPD_Fine against Bankia (€2.1 m).

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
Material topic: **Good corporate governance practices and compliance**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Best Corporate Governance practices" section of CMR 2021
	103-2 The management approach and its components	"Best Corporate Governance practices" section of CMR 2021
	103-3 Evaluation of the management approach	"Best Corporate Governance practices" section of CMR 2021
Material topic: **Active management of financial and non-financial risks**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Risk Management" section of CMR 2021
	103-2 The management approach and its components	"Risk management" section of CMR 2021 Note 3 CFS 2021
	103-3 Evaluation of the management approach	"Risk management" section of CMR 2021 Note 3 CFS 2021
Material topic: **Responsible marketing**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Responsible marketing and communication" section of CMR 2021
	103-2 The management approach and its components	"Responsible marketing and communication" section of CMR 2021
	103-3 Evaluation of the management approach	"Responsible marketing and communication" section of CMR 2021
Material topic: **Long-term vision and anticipating change**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Context and outlook for 2022" section of CMR 2021
	103-2 The management approach and its components	"Context and outlook for 2022" sections of CMR 2021 "Risk management" section of CMR 2021
	103-3 Evaluation of the management approach	"Context and outlook for 2022" section of CMR 2021
Material topic: **Clear and transparent communication**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Responsible marketing and communication" section of CMR 2021 "Risk management - Operational and reputational risk - Reliability of information" section of CMR 2021
	103-2 The management approach and its components	"Responsible marketing and communication" section of CMR 2021 "Risk management - Operational and reputational risk - Reliability of information" section of CMR 2021
	103-3 Evaluation of the management approach	"Responsible marketing and communication" section of CMR 2021 "Risk management - Operational and reputational risk - Reliability of information" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
GRI 417: Marketing and labelling	417-1 Requirements for product and service information and labelling	"Responsible marketing and communication" section of CMR 2021
	417-2 Incidents of non-compliance concerning product and service information and labelling	In 2021, no significant new disciplinary actions were taken with regard to this topic and no significant sanctions were received.
	417-3 Incidents of non-compliance concerning marketing communications	In 2021, no significant new disciplinary actions were taken with regard to this topic and no significant sanctions were received.
Material topic: **Friendly service and specialised advice**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Business model" section of CMR 2021 "Offering the best customer experience" section of CMR 2021 "Financial inclusion - Close and accessible banking" section of CMR 2021
	103-2 The management approach and its components	"Business model" section of CMR 2021 "Offering the best customer experience" section of CMR 2021 "Financial inclusion - Close and accessible banking" section of CMR 2021
	103-3 Evaluation of the management approach	"Business model" section of CMR 2021 "Offering the best customer experience" section of CMR 2021 "Financial inclusion - Close and accessible banking" section of CMR 2021
Own indicator: Customer Experience Index (IEX) - Global	Measureof customer experience based on the definition provided in the "Glossary and Group Structure - Non-Financial Information" section of CMR 2021	"Customer experience and quality" section of CMR 2021
Material topic: **Responsible use of new technology and ethical data handling**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Risk management - Operational and reputational risk - Conduct" section of CMR 2021 "Technological, social and competitive context" section of CMR 2021
	103-2 The management approach and its components	"Risk management - Operational and reputational risk - Conduct" section of CMR 2021 "Technological, social and competitive context" section of CMR 2021
	103-3 Evaluation of the management approach	"Risk management - Operational and reputational risk - Conduct" section of CMR 2021 "Technological, social and competitive context" section of CMR 2021
Material topic: **Managing talent and professional development**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Professional development and remuneration" section of CMR 2021
	103-2 The management approach and its components	"Professional development and remuneration" section of CMR 2021
	103-3 Evaluation of the management approach	"Professional development and remuneration" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
GRI 401: Employment	401-1 New employee hires and employee turnover	"Diversity and equal opportunities - Gender diversity in figures" section of CMR 2021
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Generally speaking, there are no differences in the social benefits received by employees based on the type of contract. However, some contracts contain specific requirements that must be met by employees in order to access the social benefits
	401-3 Parental leave	"Employee experience - Equality Plan" section of CMR 2021
GRI 402: Labour/management relations	402-1 Minimum notice periods regarding operational changes	In 2021, CaixaBank has complied with the deadlines established in current labour law for different circumstances.
GRI 404: Training and education	404-1 Average hours of training per year per employee	"Professional development and remuneration - Ongoing training" section of CMR 2021
	404-2 Programs for upgrading employee skills and transition assistance programs	"Professional development and remuneration" section of CMR 2021
	404-3 Percentage of employees receiving regular performance and career development reviews	"Professional development and remuneration" section of CMR 2021
GRI 407: Freedom of association and the right to collective bargaining	407-1 Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	"Employee experience - Employment standards and personnel rights" section of CMR 2021 "Dialogue with Stakeholders - Suppliers" section of CMR 2021
Material topic: **Financial solutions for people with financial difficulties / Investment with a social impact and microloans**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Financial inclusion" section of CMR 2021
	103-2 The management approach and its components	"Financial inclusion" section of CMR 2021
	103-3 Evaluation of the management approach	"Financial inclusion" section of CMR 2021
Own indicator: Social housing	Portfolio of properties owned by the Group in which the tenant's situation of vulnerability is considered when setting the conditions of the lease	"Financial inclusion" section of CMR 2021
Material topic: **Employees' health, safety and welfare**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Employee experience" section of CMR 2021
	103-2 The management approach and its components	"Employee experience" section of CMR 2021
	103-3 Evaluation of the management approach	"Employee experience" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
GRI 403: Occupational health and safety	403-1 Occupational health and safety management system	"Employee experience - Promoting well-being in a healthy and sustainable environment" section of CMR 2021
	403-2 Hazard identification, risk assessment, and incident investigation	"Employee experience - Promoting well-being in a healthy and sustainable environment" section of CMR 2021
	403-3 Occupational health services	"Employee experience - Promoting well-being in a healthy and sustainable environment" section of CMR 2021
	403-4 Worker participation, consultation, and communication on occupational health and safety	"Employee experience - Promoting well-being in a healthy and sustainable environment" section of CMR 2021
	403-5 Worker training on occupational health and safety	"Employee experience - Promoting well-being in a healthy and sustainable environment" section of CMR 2021
	403-6 Promotion of worker health	"Employee experience - Promoting well-being in a healthy and sustainable environment" section of CMR 2021
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	"Employee experience - Promoting well-being in a healthy and sustainable environment" section of CMR 2021
	403-8 Workers covered by an occupational health and safety management system	"Employee experience - Promoting well-being in a healthy and sustainable environment" section of CMR 2021
	403-9 Work-related injuries	"Employee experience - Promoting well-being in a healthy and sustainable environment - Working environment in figures" section of CMR 2021
	403-10 Work-related ill health	CaixaBank's activities do not lead to the development in its workers of any of the occupational diseases classified as serious.
Material topic: **Technological innovation and development of new products and services**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Technological, social and competitive context" section of CMR 2021 "Risk management - Operational and reputational risk - Technological" section of CMR 2021 "Customer solutions" section of CMR 2021
	103-2 The management approach and its components	"Technological, social and competitive context" section of CMR 2021 "Risk management - Operational and reputational risk - Technological" section of CMR 2021 "Customer solutions" section of CMR 2021
	103-3 Evaluation of the management approach	"Technological, social and competitive context" section of CMR 2021 "Risk management - Operational and reputational risk - Technological" section of CMR 2021 "Customer solutions" section of CMR 2021
Material topic: **Diversity, equality and work-life balance**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Diversity and equal opportunities" section of CMR 2021
	103-2 The management approach and its components	"Diversity and equal opportunities" section of CMR 2021
	103-3 Evaluation of the management approach	"Diversity and equal opportunities" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	"Corporate Governance - The Administration - Diversity in Board of Directors" section of CMR 2021 "Diversity and equal opportunities" section of CMR 2021
	405-2 Ratio of basic salary and remuneration of women to men	"Diversity and equal opportunities - Gender diversity in figures" section of CMR 2021
Material topic: **Working with the Decentralised Social Programme and promoting the activities of "la Caixa" Foundation**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Social action and volunteering" section of CMR 2021
	103-2 The management approach and its components	"Social action and volunteering" section of CMR 2021
	103-3 Evaluation of the management approach	"Social action and volunteering" section of CMR 2021
GRI 413: Local communities	413-1 Operations with local community engagement, impact assessments, and development programs	"Financial inclusion" section of CMR 2021 "Social action and volunteering" section of CMR 2021
	413-2 Operations with significant actual and potential negative impacts negative impacts on local communities	"Financial inclusion" section of CMR 2021 "Social action and volunteering" section of CMR 2021
Material topic: **Close to the customer and accessible sales channels**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Financial inclusion" section of CMR 2021
	103-2 The management approach and its components	"Financial inclusion" section of CMR 2021
	103-3 Evaluation of the management approach	"Financial inclusion" section of CMR 2021
Own indicator: Citizens with a branch in their municipality	Percentage of population in Spain in municipalities where CaixaBank has a branch (retail office or dependent window).	"Financial inclusion" section of CMR 2021
Material topic: **Development of digital and remote customer service channels**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Customer solutions" section of CMR 2021
	103-2 The management approach and its components	"Customer solutions" section of CMR 2021
	103-3 Evaluation of the management approach	"Customer solutions" section of CMR 2021
Material topic: **Managing climate change and environmental risks**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Environmental strategy - Managing environmental risks and risks related to climate change / Sustainable business" section of CMR 2021
	103-2 The management approach and its components	"Environmental strategy - Managing environmental risks and risks related to climate change / Sustainable business" section of CMR 2021
	103-3 Evaluation of the management approach	"Environmental strategy - Managing environmental risks and risks related to climate change / Sustainable business" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
GRI 307: Environmental compliance	307-1 Non-compliance with environmental laws and regulations	Note 42.1 CFS 2021
Own indicator: Portfolio exposure to carbon-intensive sectors on financial instruments	ratio of credit exposure, fixed income and carbon-intensive equities to total CaixaBank Group financial instruments. Some exposures may contain a mix of power generation that includes renewable energies. Indicator aligned with the TCFD.	"Environmental strategy - Managing environmental risks and risks due to climate change" section of CMR 2021
Material topic: **Commercialisation of green investment and financing products and services**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Environmental strategy - Sustainable business" section of CMR 2021 "Socially Responsible Investment" section of CMR 2021
	103-2 The management approach and its components	"Environmental strategy - Sustainable business" section of CMR 2021 "Socially Responsible Investment" section of CMR 2021
	103-3 Evaluation of the management approach	"Environmental strategy - Sustainable business" section of CMR 2021 "Socially Responsible Investment" section of CMR 2021
Material topic: **Responsible and transparent procurement**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Stakeholders dialogue - Suppliers" section of CMR 2021
	103-2 The management approach and its components	"Stakeholders dialogue - Suppliers" section of CMR 2021
	103-3 Evaluation of the management approach	"Stakeholders dialogue - Suppliers" section of CMR 2021
GRI 204: Procurement practices	204-1 Proportion of spending on local suppliers	"Stakeholders dialogue - Suppliers" section of CMR 2021
GRI 308: Environmental assessment of suppliers	308-1 New suppliers that were screened using environmental criteria	"Stakeholders dialogue - Suppliers" section of CMR 2021
	308-2 Negative environmental impacts in the supply chain and actions taken	"Stakeholders dialogue - Suppliers" section of CMR 2021
GRI 414: Supplier social assessment	414-1 Percentage of new suppliers assessed and screened using social criteria	"Stakeholders dialogue - Suppliers" section of CMR 2021
	414-2 Negative social impacts in the supply chain and actions taken	"Stakeholders dialogue - Suppliers" section of CMR 2021

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
Material topic: **An agile and collaborative work culture**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Corporate Culture" section of 2021
	103-2 The management approach and its components	"Corporate Culture" section of 2021
	103-3 Evaluation of the management approach	"Corporate Culture" section of 2021
Material topic: **Financial education**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Financial inclusion - Financial culture" section of CMR 2021
	103-2 The management approach and its components	"Financial inclusion - Financial culture" section of CMR 2021
	103-3 Evaluation of the management approach	"Financial inclusion - Financial culture" section of CMR 2021
Material topic: **Environmental management and carbon footprint**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Environmental strategy - Environmental management plan" section of CMR 2021
	103-2 The management approach and its components	"Environmental strategy - Environmental management plan" section of CMR 2021
	103-3 Evaluation of the management approach	"Environmental strategy - Environmental management plan" section of CMR 2021
GRI 302: Energy	302-1 Energy consumption within the organisation	"Environmental strategy - Environmental management plan" section of CMR 2021
	302-2 Energy consumption outside the organisation	"Environmental strategy - Environmental management plan" section of CMR 2021
	302-4 Reduction of energy consumption	"Environmental strategy - Environmental management plan" section of CMR 2021
	302-5 Reduction of energy requirements for products and services	Given the CaixaBank Group's financial activity, this indicator does not apply

GRI Standard	GRI Content	Section or sub-section of the 2021 CMR index / Reference / Direct response
GRI 305: Emissions	305-1 Direct GHG emissions (scope 1)	"Environmental strategy - Carbon Footprint" section of CMR 2021
	305-2 Indirect GHG emissions from energy generation (scope 2)	"Environmental strategy - Carbon Footprint" section of CMR 2021
	305-3 Other indirect GHG emissions (scope 3)	"Environmental strategy - Carbon Footprint" section of CMR 2021
	305-4 GHG emission intensity	"Environmental strategy - Carbon Footprint" section of CMR 2021
	305-5 Reduction in GHG emissions	"Environmental strategy - Carbon Footprint" section of CMR 2021
	305-6 Emissions of ozone-depleting substances (ODS)	Given the CaixaBank Group's financial activity, this indicator does not apply
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Given the CaixaBank Group's financial activity, this indicator does not apply
Material topic: **Corporate volunteering**		
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	"Social action and volunteering" section of CMR 2021
	103-2 The management approach and its components	"Social action and volunteering" section of CMR 2021
	103-3 Evaluation of the management approach	"Social action and volunteering" section of CMR 2021

Sustainability Accounting Standards Board (SASB)

In 2021, for the first time, CaixaBank has incorporated the SASB framework within its corporate reporting structure, seeking to achieve greater transparency and facilitating comparability in the field of sustainability information.

CaixaBank, in keeping with its core business of providing financial products and services to retail customers, meets the industry standard for commercial banks. In coming years, it will add other industry standards that provide a more complete map of the Group's activities, and the definition and calculation of the associated metrics will be updated.

Material issue	SASB metrics	Code	Section or sub-section of the Consolidated Management Report 2021 (CMR 2021) / Other references / Direct response
Data Security	(1) Number of data breaches (2) Percentage involving personally identifiable information (PII) (3) Number of account holders affected	FN-CB-230a.1	The CaixaBank Group did not suffer any incident related to cybersecurity involving leaks of personally identifiable information in fiscal year 2021, nor in the two previous years. Consequently, no customer has suffered any damage resulting from a leak of information due to attacks on CaixaBank's computer systems. With respect to other types of incidents arising from the exposure of customer information in cases of phishing or malpractice by employees, the Group seeks to minimise their occurrence and mitigate their impact through continuous training, communication and bolstering its digital channels with the most advanced technologies, such as artificial intelligence. In addition, it is worth noting that the bank maintains an insurance policy to cover certain expenses arising from a cyber incident.
	Description of the approach to identify and address data security risks	FN-CB-230a.2	See further detail in the "Risk management - Operational and reputational risk - Technological" section of CMR 2021 See further detail in the "Cybersecurity" section of CMR 2021
Financial Inclusion and Capacity Development	(1) Number and (2) Amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	CaixaBank focuses its activity on retail banking, with an approach that prioritises proximity and impact on the society in which it operates. At 31 December 2021, its portfolio of customer loans (€342,368 m) was characterised by its granularity—many small operations targeting individuals (51%). **16% of the portfolio is allocated to SMEs and individual entrepreneurs (€55,776 m).** See further details of the credit portfolio in Note 3. Management of the Risk of the 2021 Consolidated Annual Accounts of the CaixaBank Group It is worth highlighting two specific areas that share a clear goal of producing an impact on the community: on the one hand, the issuance of social bonds to finance specific credit operations for customers who contribute to SDGs; and on the other, the activity of MicroBank, the CaixaBank Group's social bank, with a catalogue of specific products for the most vulnerable groups in society. **Since 2019, CaixaBank has issued four social bonds, totalling €4,000 million, linked to SDGs 1, 3, 4 and 8.** The funds received are used to finance: (i) loans granted to freelancers, micro businesses, small businesses and SMEs in the most disadvantaged areas of Spain (€3,831 m and 58,635 operations); (ii) awards granted in 2020, as per Royal Decree-Law 8/2020, of April 8, on anti-Covid measures, with the purpose of mitigating the economic and social impacts derived from the pandemic (€2,080 m and 23,925 operations); (iii) finance loans granted by MicroBank to families with limited income [the limit is set at 3 times the Public Multiple Effect Income Indicator (IPREM - Indicador Público de Renta de Efectos Múltiples)] (€972 m and 239,928 operations) and; (iv) projects aimed at promoting education and providing basic services in the healthcare sector (€158 m and 11 operations). The details of the eligible portfolio of social bonds are up to date as at 31 March 2021. See further detail in the Social Bond Impact Report published on the corporate website in December 2021 and the "Financial Inclusion - SDG Bonds" section of CMR 2021 At December 31, 2021, **the outstanding balance of MicroBank's portfolio reached €2,075 m, of which €632 m corresponds to financing for entrepreneurs and micro-enterprises** with fewer than 10 employees and with a turnover not exceeding two million euros a year that need financing to start, consolidate or expand the business, or to meet working capital needs. See further detail in the "Financial inclusion - MicroBank" section of CMR 2021

Material issue	SASB metrics	Code	Section or sub-section of the Consolidated Management Report 2021 (CMR 2021) / Other references / Direct response
Financial Inclusion and Capacity Development	(1) Number and (2) Amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	The default ratio of the CaixaBank Group as at 31 December 2021 was 3.6%. For the MicroBank's portfolio, the cumulative ratio of write-offs to the capital due as at 31 December 2021 was 6.07%. **For more information on defaults, see the Consolidated Annual Accounts of the Group, Note 3. Risk Management - 3.4 Specific risks of the financial activity - 3.4.1 Credit risk**
	Number of accounts without expenses for retail customers who are unbanked or have restricted access to banking services	FN-CB-240a.3	In the territories where CaixaBank primarily operates (Spain and Portugal), the level of the company's banking service is very high, in excess of 90% (both in Spain and Portugal, World Bank data from 2017). For this reason, the unbanked are placed in other vulnerable groups with difficulties in accessing banking services. CaixaBank offers two products specifically designed for these groups, with the clear objective of facilitating access to all financial services, the social account and the insertion account. The **social account** consists of a free demand deposit account + free access to basic financial services. It is designed for people at risk of exclusion (individuals who receive a social security benefit): Minimum Subsistence Income, Guaranteed Income for communities that, according to electronic social bonus requirements, cannot access the requirements to obtain the free services. The **insertion account** consists of an account, a debit card and access to CaixaBankNow digital banking services with some operational limitations, all free of charge. It is intended for individuals without access to banking due to coming from high risk jurisdictions and not being able to provide proof of income. At 31 December 2021, the total number of social accounts and insertion accounts stood at 211,432, with a growth of more than 40% compared to 2020.
	Number of participants in financial education initiatives for customers who are unbanked or have limited banking coverage	FN-CB-240a.4	CaixaBank believes financial education is key for our customers and society in general to reach reasonable levels of financial well-being. For this reason it carries out various initiatives in the field of financial education, specific to each segment, as well as initiatives with far-reaching media coverage, with the aim of improving financial knowledge among all people. Through the **CaixaBank Volunteer** programme, the company holds talks and workshops on basic finance, in person and online, aimed at the most vulnerable groups. In 2021, more than 6,800 attendees (5,069 adults at risk of exclusion and 1,806 people with disabilities) attended. In addition, talks and workshops were held for young people and other groups, with a total of 19,758 attendees. **See further detail in the "Financial inclusion - Financial culture" section of CMR 2021**
Incorporation of environmental, social and governance factors in credit analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	**See Consolidated Annual Accounts of the Group Note 3. Risk Management - 3.4 Specific risks of the financial activity - 3.4.1 Credit risk - Concentration by economic sectors**
	Description of approach to incorporation of environmental, social, and governance factors in credit analysis	FN-CB-410a.2	**See further detail in the "Risk management" section of CMR 2021** **See further detail in the "Environmental Strategy" section of CMR 2021**

Material issue	SASB metrics	Code	Section or sub-section of the Consolidated Management Report 2021 (CMR 2021) / Other references / Direct response
Business ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	The following are the net allocations made in fiscal year 2021 related to the following areas: (i) **Customer privacy - €8.1 m** - related to two files submitted by the Spanish Data Protection Agency. (ii) **Marketing - €1.9 m** - arising from a Spanish National Securities Market Commission (CNMV - Comisión Nacional del Mercado de Valores) sanction for the company's failure to comply with its duty of surveillance and control in the distribution of structured bonds, which may constitute two serious breaches of the Securities Market Act. (iii) **Other contingencies - €297 m** - which mainly include legal proceedings arising from litigation associated with collective claims, mortgage expenses, mortgage loan benchmark (IRPH - Reference Index for Mortgage Loans), multi-currency mortgages, and others. **See further information in the Consolidated Annual Accounts of the Group - Note 23. Provisions**
	Description of whistleblower policies and procedures	FN-CB-510a.2	**See further in the "Ethical and responsible behaviour" section of CMR 2021**
Systemic risk management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	See the following link on CaixaBank's corporate website for the Group's information regarding the proposal by the Basel Committee on Banking Supervision's Prudential Macro-Supervision Group for the identification of global systemically important entities ("G-SIBs") as of December 31, 2020. https://www.caixabank.com/es/accionistas-inversores/informacion-economico-financiera/otra-informacion-financiera.html
	Description of the approach for incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	FN-CB-550a.2	**See Consolidated Annual Accounts of the Group - Note 3. Risk management - 3.3 Risks of the business model - 3.3.2 Own funds and solvency risk**

ACTIVITY METRICS

SASB metrics	Code	Section or sub-section of the Consolidated Management Report 2021 (CMR 2021) / Other references / Direct response
(1) Number and (2) Value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	**See Consolidated Annual Accounts of the Group Note 22. Financial liabilities - 22.2 Customers deposits**
(1) Number and (2) Value of loans by segment: (a) personal, (b) small businesses and (c) companies	FN-CB-000.B	**See Consolidated Annual Accounts of the Group Note 3. Risk Management - 3.4 Specific risks of the financial activity - 3.4.1 Credit risk - Concentration by economic sectors**

Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board (FSB) commissioned the TCFD (Task Force on Climate-related Financial Disclosures) to develop a reporting framework that will help the market assess the performance of companies with regard to climate change and contribute to the decision-making of stakeholders. The initiative recommends the disclosure of financial information related to climate change addresses 4 main categories.

The **Environmental Strategy** section of the 2021 Consolidated Management Report reflects CaixaBank's strategy and positioning in this area.

The following table shows the summary of progress of the initiative at 31 December 2021.

TCFD Recommendation	Summary response
1. GOVERNANCE Reporting on the governance of organisations around climate-related risks and opportunities.	– The CaixaBank Board of Directors is the senior body in charge of **Environmental Risk Management Policy** to be implemented within CaixaBank, S.A., approved in February 2019 by the same Board of Directors. – The highest management body with responsibility for managing sustainability risk, including climate and environmental risk, is the Sustainability Committee, which was set up and approved in April 2021. In March 2021, the Sustainability Office was created, whose director is a member of the Management Committee and leads the SC. – To enhance the oversight of climate risks, in January 2022 the Climate Risk Management was created within the Sustainability Office. – **The targets of the CEO, the Risk Director and the Corporate Director of Environmental Risk Management include the deployment of the Road Map for the Environmental Strategy and/or with the integration into the management of environmental and climate-related risks.**
2. STRATEGY Reporting on the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where this information is relevant	– In line with the Strategic Plan and as part of the Bank's Environmental Strategy, in 2019 CaixaBank established a **2019-2021 Road map** for managing environmental risk, focused on 6 lines of action: business opportunities, definition and deployment of governance, environmental risk management policy, taxonomy, risk metrics and external reporting. – Based on the assessments carried out, the management of ESG risks currently focuses on environmental risk and, more specifically, on climate risk. To this end, **detailed analyses have been conducted on climate risks** at the sector level and to the physical risk of the mortgage portfolio. – In January 2022, CaixaBank updated its Statement on climate change, in which CaixaBank undertakes to take the necessary measures to comply with the Paris Agreement. – In July 2021, CaixaBank joined the Partnership for Carbon Accounting Financials (PCAF) In April 2021, CaixaBank signed the Net Zero Banking Alliance (NZBA), promoted by the United Nations (UNEP FI), as a founding member. – In addition, VidaCaixa joined the *Net Zero Asset Owner Alliance*, committing to transitioning its portfolios toward "*Net Zero*" greenhouse gases emissions by 2050. – CaixaBank has begun preparing the climate stress exercise that the ECB will conduct during the first half of 2022. The exercise will be used as a basis for quantifying exposure to climate risks. – During 2021, CaixaBank has also analysed in depth the scenarios of transition climate risk. The quantitative analysis of the most relevant sectors was completed. – The Company continues to monitor the decarbonisation path of the main companies in the sectors analysed on the basis of their strategic plans to ensure the resilience of the Company's strategy, and there are also plans to extend the engagement process to the Company's major customers in the most relevant sectors from a climate risk perspective. – **In 2021, CaixaBank issued 3 green bonds**, on top of the inaugural green bond issued in 2020. In total, €2,582 m have been allocated to projects that promote two of the Sustainable Development Goals (SDGs): Goal 7 (Affordable and Clean Energy) and Goal 9 (Industry, Innovation and Infrastructure).

TCFD Recommendation | **Summary response**

3. RISK MANAGEMENT

Reporting on the processes used to identify, assess, and manage climate-related risks

- The Environmental Risk Management Policy establishes **general and sector exclusions**, whereby CaixaBank will not assume credit risk linked to activities that could have a significant environmental impact.
- **A questionnaire to assess and classify customers and operations forms part of the** environmental risk analysis **built into the credit process for business and corporate customers.**
- In 2007, CaixaBank adhered to the **Equator Principles**, through which a series of additional processes are established in relation to ESG risk assessment for certain services.
- **Climate risk was added to the Corporate Risk Catalogue** as a level-2 credit risk and operational risk.Environmental risk was added as a level-2 reputational risk.
- Environmentally sustainable activities have been defined internally, and the European Union taxonomy is being deployed.

4. METRICS AND TARGETS

Reporting the metrics and targets used to assess and manage relevant climate-related risks and opportunities

- Exposure in the environmentally sustainable portfolio.
- Operations financed under the Equator Principles framework.
- Estimate of the financed emissions (Scope 3, category 15 of the GHG Protocol). Progress has been made in estimating the financed emissions based on the PCAF methodology for mortgage portfolio assets, debt securities, equity instruments and corporate loans and advances.
- Opinions issued on the environmental risks of lending operations.
- Metric of portfolio exposure to carbon-intensive sectors.
- Signing the NZBA represents a higher ambition with respect to the previous commitments assumed by the Company, such as the *Collective Commitment to Climate Action*, as it requires aligning with the target of limiting the temperature increase by 1.5ºC with respect to pre-industrial levels.
- Operational carbon footprint of the CaixaBank Group.

UNEP FI, Principles for Responsible Banking

On 22 September 2019, CaixaBank ratified its adherence to the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI). The signing of and compliance with the Principles are in line with the commitment to "Setting the benchmark for responsible management and social commitment", a strategic line set down in the Bank's 2019-2021 Strategic Plan.

The objectives of the Principles for Responsible Banking are:

- To establish a sustainable finance framework for the 21st century.
- To bring the banking industry in line with the Sustainable Development Goals of the UN and the goals of the Paris Agreement.
- To allow banks to demonstrate and communicate their contribution to society.
- To promote ties with customers and establish specific goals and transparency through public reporting.

Signing the Principles implies aligning the Bank's strategy and management with the Sustainable Development Goals and the Paris Agreement, establishing objectives and reporting annually on the progress being made towards compliance. The degree of progress towards compliance with the Principles for Responsible Banking is reported below.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
1. **ALIGNMENT** We will align our business strategy to be coherent and contribute to the needs of people and the objectives of society, as expressed in the Sustainable Development Goals, the Paris Agreement and relevant national and regional frameworks.	1.1 ***Describe*** (high level) the bank's business model, including the main customer segments to which it is addressed, the types of products and services provided, the main sectors and types of activities and, where applicable, technologies financed in the main territorial areas in which the bank operates or provides products and services.	CaixaBank is a financial group with a socially-responsible model of universal banking and long-term vision, based on quality, close relationships and specialisation. The Company offers a value proposal for products and services adapted for each segment, with specialised centres for Business Banking, Private Banking and CIB and International Banking. The Group operates mainly in Spain and, through BPI, in Portugal. CaixaBank currently has 20.7 million customers. It is the leader in online banking, with a nearly 40% share of digital customers in Spain. MicroBank, the Group's social bank, is a leader in the field of social inclusion, using micro-loans and other forms of lending with a social impact. The Group's insurance activity is carried out through VidaCaixa, a leading insurance sector company in Spain, while CaixaBank Asset Management, with a market share of 24.5%, is the Group's asset management company.	"Our Identity - CaixaBank in 2021 and Business Model" section. Consolidated Management Report 2021 (CMR 2021)
	1.2 ***Describe*** how the bank has aligned or plans to align its business strategy to be coherent with and contribute to the objectives of society, as expressed in the Sustainable Development Goals, the Paris Agreement and relevant national and regional frameworks.	CaixaBank's mission is "to ensure the financial well-being of our customers while pursuing social progress". Accordingly, one of the five priority areas identified in the 2019-2021 Strategic Plan is "Setting the benchmark in responsible management and commitment to society". To move in this direction, the Company has a Corporate Responsibility Plan. Within this framework, the bank works to contribute to the achievement of all the SDGs, both directly, through its activity and that of its subsidiaries (such as MicroBank, the social bank dedicated to micro-loans and social impact financing), and through strategic alliances with entities such as the "la Caixa" Foundation. CaixaBank places special emphasis on four priority SDGs that are interconnected with the other goals (SDG1, SDG8, SDG12 and SDG17), with specific measures to contribute to their achievement. In addition, since 2021, it has been a signatory and founding member of the *Net Zero Banking Alliance* and, as such, has committed to achieving climate neutrality in its credit and investment portfolio by 2050. In this regard, the Company has an Environmental Strategy in place that will contribute to meeting the commitment and is in the process of developing a specific roadmap for the same purpose. Also in 2021, CaixaBank signed the Collective Commitment on Financial Health and Inclusion, which strengthens its commitment in this field and is channelled through MicroBank, as well as other initiatives such as the financial culture programme.	"Setting the benchmark for responsible management and social commitment" section of CME 2021 "Our identity - Sustainable Development Objectives" of CMR 2021 [1] CaixaBank Publication on Sustainability, Socio-Economic Impact and Contribution to the SDGs 2021 "Environmental Strategy" section of CMR 2021

[1] https://www.caixabank.com/en/about-us/publications.html

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. **IMPACT AND SETTING OF OBJECTIVES** We will continue increase our positive impacts while reducing negative impacts and managing the risks for people and the environment resulting from our activities, products and services. To do this, we will establish and publish objectives through which we can have the most significant impacts.	**2.1** Impact analysis ***Show*** that the bank has identified the areas in which it has its most significant positive and negative (potential) impacts through an impact analysis that complies with the following elements: **a.** Scope: The bank's main areas of business, the products and services provided in the main territorial areas in which the bank operates, as described in point 1.1, have been considered for the scope of the analysis. **b.** Exposure: By identifying its most significant impact areas, the bank has considered where its main business and its main activities are located in sectoral, technological and geographical terms. **c.** Context and relevance: The bank has taken into account the most significant challenges and priorities related to sustainable development in the countries and regions in which it operates. **d.** Magnitude, intensity and relevance of the impact: By identifying its most significant impact areas, the bank has considered the magnitude and intensity and relevance of the (potential) social, economic and environmental impacts resulting from the bank's activities and the provision of products and services. ***Demonstrate*** that, based on this analysis, the bank has: – Identified and disclosed its most significant (potential) positive and negative impact areas. – Identified strategic business opportunities in relation to increasing positive impacts and reducing negative impacts.	CaixaBank has identified 5 strategic areas in the domain of responsible management: (1) integrity, transparency and diversity; (2) governance; (3) environment; (4) financial inclusion; and (5) social action. Identified through a context study, an impact analysis according to the company's activity and geographical presence, and a process of internal debate, these priorities are included in the Socially Responsible Banking Plan approved by the Board of Directors. CaixaBank also conducts an annual Materiality Analysis with the aim of identifying priority financial, economic, social and environmental issues for its stakeholders and business. This analysis, which is based on multiple external and internal sources, is used to detect new priorities or changes in existing priorities. In 2021, the analysis accounted for the situation brought on by the pandemic and the integration of Bankia. Furthermore, as a new development, the materiality study included experts from the Group's main companies in addressing queries. Additionally, the number of customers consulted has increased by 11%. In addition, within the framework of the process of defining the new 2022-2024 Sustainability Master Plan, a comprehensive analysis has been performed on the environment and on stakeholders' expectations in order to determine the priorities to be addressed by the Company in terms of sustainability. A materiality analysis on Scope 3 of the carbon footprint of CaixaBank, S.A. and the rest of Group companies is expected in 2022, with the aim of defining the most relevant emission categories and entirely calculating them in subsequent years. The first report on the impact of green bonds was published in July 2021, and the second report on the impact of social bonds was published in December 2021. Both reports have been verified by an independent third party, with limited scope of guarantee.	"Business Model" CMR 2021 "Materiality" CMR 2021 "Setting the benchmark for responsible management and social commitment" section of CMR 2021 "Environmental Strategy" of CMR 2021

Provide the bank's conclusion/statement as to whether it has met the requirements related to the Impact Analysis.

CaixaBank has various mechanisms for analysing the environment, engagement with stakeholders (customers, investors and shareholders, employees, regulators, suppliers, etc.), and comprehensive internal tools that allow its sustainability priorities to be identified and updated on the basis of potential positive and negative impacts on the environment. Specifically, these include the Socially Responsible Banking Plan, the new Sustainability Master Plan, materiality analysis, relationship with stakeholders and participation in global and sectoral initiatives. As an example, the Company has joined the Partnership for Carbon Accounting Financials (PCAF) to develop and implement a framework for the measurement of financed emissions, and it participates in several working groups promoted by UNEP FI. These include a group dedicated to the development and application of the Impact Analysis Tool; another group linked to setting climate targets; and, lastly, a working group linked to the implementation of the recommendations of the *Task Force on Climate-Related Disclosures*, which seeks to make progress in measuring climate risks, both physical and transitional, among other objectives.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. **IMPACT AND SETTING OF OBJECTIVES** We will continue increase our positive impacts while reducing negative impacts and managing the risks for people and the environment resulting from our activities, products and services. To do this, we will establish and publish objectives through which we can have the most significant impacts.	**2.2** Setting objectives ***Demonstrate*** that the bank has established and published a minimum of two **S**pecific, **M**easureable (quantitative and qualitative) **A**chievable, **R**elevant and **T**ime-bound (SMART) objectives and has addressed at least two of the most significant impact areas resulting from the bank's activities and the provision of products and services. ***Demonstrate*** that these objectives are linked to and drive alignment with and a greater contribution to the corresponding Sustainable Development Goals, the objectives of the Paris Agreement and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed with regard to a particular year) and set targets with respect to it. ***Demonstrate*** that the bank has analysed and recognised significant (potential) negative impacts of the objectives established in other dimensions of the SDGs, with regard to climate change or social objectives, and that it has established the relevant measures to mitigate them as far as possible to maximise the net positive impact of the objectives established.	CaixaBank's objectives for 2021, which are reflected in the Strategic Plan for 2019-2021, reflect its commitment to being a model of socially responsible banking and contributing to the SDGs. During the first half of 2022, the new targets for the period 2022-2024 will be made public and, during the third quarter, the decarbonisation targets for 2030 and 2050 linked to the commitment undertaken upon joining the *Net Zero Banking Alliance*. **Social inclusion and governance objectives for 2021:** the bank has specific programmes and initiatives that help it to achieve its objectives, such as Wengage, which promotes diversity; MicroBank, a social bank specialising in microfinancing; and the corporate volunteering programme. Initiatives include: – €2,181 million in volume of new microloans awarded (2019-2021) – SDGs 1, 8 and 12. – Maintain CaixaBank's inclusion in the DJSI – SDG 1-17. – 43% of women in managerial positions in 2021 – SDG 5. **Objectives linked to sustainable finance and climate change:** CaixaBank has an Environmental Management Plan and a 2019-2021 Roadmap for its environmental strategy, with objectives such as: – 34% reduction in CO_2 emissions (2021 vs. 2015) – SDG 12. – 100% of emissions offset – SDGs 12 and 13. – 15% saving on energy consumption (2021 vs. 2015) – SDG 12. – €1,500 m in social, green or sustainable bonds linked to SDGs (2019-2021) – SDGs 8, 1, 12, 13 and 15. – Publication of objectives for aligning the bank's credit portfolio with the objectives of the Paris Agreement in Q4 2022 – SDGs 12 and 13.	"Diversity and equal opportunities" section (CMR 2021) "Strategy" section of CMR 2021 "Be leaders in responsible management and social commitment" CMR 2021

Provide the bank's conclusion/statement as to whether it has met the requirements related to setting objectives.

CaixaBank has defined sustainability targets in its 2019-2021 Strategic Plan, in the Socially Responsible Banking Plan, and in the programmes derived therefrom. These targets refer to the priority work areas defined by the company and are monitored to assess compliance and reviewed periodically to guarantee relevance.

During the first half of 2022, the new objectives linked to the 2022-2024 Sustainability Master Plan will be made public, and in October, the Company's decarbonisation objectives will be made public in accordance with the commitment taken on after joining the *Net Zero Banking Alliance*.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. **IMPACT AND SETTING OF OBJECTIVES** We will continue increase our positive impacts while reducing negative impacts and managing the risks for people and the environment resulting from our activities, products and services. To do this, we will establish and publish objectives through which we can have the most significant impacts.	**2.3** Plans for the Implementation and Monitoring of Objectives ***Demonstrate*** that the bank has defined actions and milestones to meet the objectives established. ***Demonstrate*** that the bank has implemented the means to measure and monitor its progress with respect to the objectives established. The definitions of key performance indicators, any changes in these definitions and any changes to the baseline must be transparent.	Monitoring of established programmes and targets is overseen by the Bank's governing bodies and committees defined by the bank. More specifically, the Sustainability Committee, a top-level committee which reports to the Management Committee and the Appointments and Sustainability Committee delegated by the Board of Directors. **In relation to social inclusion and governance objectives:** – MicroBank, the social bank dedicated to microfinancing and social impact financing, has set out its own strategic plan and has its own governing bodies. – CaixaBank has the Wengage programme, with objectives and actions to champion diversity both inside and outside the Company, the progress of which is monitored by the Equality Committee. – The teams that coordinate the Volunteering and Social Action Programmes have the Strategic Action Plan 2022-2024 as well as plans to engage with employees, working to detect the most urgent social needs and the entities with which to collaborate in order to help provide a response. – Digitisation and cybersecurity are included among the bank's priority actions, for which it has specialised teams and strategic partnerships. **Concerning the goals related to sustainable finance and the environment,** CaixaBank has defined an Environmental Strategy that is promoted through specialised teams and two major action plans: – 2019-2021 Road Map to deploy the Environmental Strategy. This roadmap seeks to promote sustainable business and to drive environmental and climate change risk management. – In 2021, CaixaBank joined the *Net Zero Banking Alliance* as a founding member, and, as a signatory, it has committed to making public its decarbonisation objectives for 2030 and 2050 and to regularly report on its progress. – In addition, CaixaBank's Climate Change Statement was updated in 2022, which establishes the Company's main lines of action in the area of climate change. – 2019-2021 Environmental Management Plan: Reducing energy consumption and offsetting the bank's carbon footprint. – Both VidaCaixa and CaixaBank Asset Management have their own strategic plans to promote socially responsible and impactful investment.	"Corporate Responsibility Governance" section of CMR 2021 "Financial inclusion - MicroBank" section of CMR 2021 "Diversity and equality of opportunity" section of CMR 2021 "Environmental strategy" section of CMR 2021 "Socially Responsible Investment" (CMR 2021) "Cybersecurity" section (CMR 2021) [1] MicroBank corporate website

Provide the bank's conclusion/statement as to whether it has met the requirements related to implementing and monitoring objectives.

CaixaBank has a governance framework and monitoring and supervision procedures for the Socially Responsible Banking Plan in order to guarantee regular monitoring of the actions and objectives established. These are made public in the Consolidated Management Report and are verified externally and independently, with corrective measures introduced in the event of deviation. Plans are also reviewed periodically by wide-ranging teams to guarantee their validity and relevance. Finally, the company has a three-line defence model which allows it to anticipate, identify and manage the risks it faces, including ESGs, and to promote the creation of sustainable value.

[1] https://www.microbank.com/conoce-microbank/gobierno-corporativo_en.htmll

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. **IMPACT AND SETTING OF OBJECTIVES** We will continue increase our positive impacts while reducing negative impacts and managing the risks for people and the environment resulting from our activities, products and services. To do this, we will establish and publish objectives through which we can have the most significant impacts.	**2.4** Progress in the Implementation of Objectives For each individual objective: ***Demonstrate*** that the bank has implemented the measures defined previously to meet the objective established. Or explain why the measures could not be implemented or needed to be changed and how the bank is adapting its plan to meet the objective set. ***Report*** on the bank's progress over the last 12 months (up to 18 months in its first report after becoming a signatory) towards achieving each of the objectives set and the impact of its progress.	**Progress in social inclusion and governance (in 2021):** – €953 million granted through MicroBank in the form of microloans and other financing with a social impact. – 211,432 social accounts and insertion accounts. – CaixaBank included in the DJSI for the tenth consecutive year. – 86% of branches are accessible, as are 100% of ATMs (CaixaBank Spain). – 41.3% women in managerial positions (CaixaBank, S.A., pre-merger). – Achievement of the A level of excellence of the family-friendly company certification. – Online adaptation of the "We Are Healthy" Programme initiatives – In 2021, the company received the ISO 37301 certification for its Compliance Management System. – 27,854 employees have completed ESG training (linked to remuneration) – More than €50 million invested in Information Security. – Accession to the *Collective Commitment to Financial Health and Inclusion* promoted by UNEP FI. – Issuance of a social bond and publication of an impact report on the eligible portfolio (externally certified) **With regard to the environment and sustainable finance (in 2021)**: – 64% reduction in CO_2 emissions (compared to 2015) and 100% of estimated emissions offset (forecast for 2022). – Reduction in electricity consumption by 24.4% compared to 2015. – Issuance of three green bonds tied to SDG 7 (clean energy) and SDG 9 (industry, innovation and infrastructure) for €2,582 million. – Completion of an analysis on the materiality of the impact of the ESG risks on the different prudential risks.	"Setting the benchmark for responsible management and social commitment" section of CMR 2021 "Financial inclusion" section of CMR 2021 "Diversity and equality of opportunity" section of CMR 2021 "Environmental strategy" section of CMR 2021 "Ethical and Responsible Behaviour" section of CMR 2021

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
2. **IMPACT AND SETTING OF OBJECTIVES** We will continue increase our positive impacts while reducing negative impacts and managing the risks for people and the environment resulting from our activities, products and services. To do this, we will establish and publish objectives through which we can have the most significant impacts.	**2.4** Progress in the Implementation of Objectives For each individual objective: ***Demonstrate*** that the bank has implemented the measures defined previously to meet the objective established. Or explain why the measures could not be implemented or needed to be changed and how the bank is adapting its plan to meet the objective set. ***Report*** on the bank's progress over the last 12 months (up to 18 months in its first report after becoming a signatory) towards achieving each of the objectives set and the impact of its progress.	– Participation in financing 29 renewable energy projects worth a total of €1,706 million. – 92 loan operations linked to sustainability variables signed for 10,832 million euros, and 38 green loans for 1,625 million euros. – Inclusion in the CDP A list. – Joining the Net Zero Banking Alliance as a founding member. – Commitment to PCAF. – First measurement of category 15 of Scope 3 of the carbon footprint. – Extension of the qualitative analysis of climate transition risk in the short, medium and long term (2025, 2030 and 2040) through the analysis of the energy, transport and construction sectors. First quantitative analysis of climate transition risk for the same time horizons and sectors in the SME portfolio and first quantitative analysis of the energy sector in the corporate portfolio – First qualitative analysis of physical risk (risk of forest fires, floods caused by extreme rainfall and sea level rise) in the short, medium and long term for the mortgage portfolio. – 47.2% of VidaCaixa equity and 62.5% of CaixaBank AM equity will have a high sustainability rating according to the SFDR (articles 8 and 9). – Achievement, by the CaixaBank Group, of the Sustainable Finance Certification under Aenor's ESG criteria regarding the integration of ESG into the investment decision-making processes.	"Financial Inclusion" section of CMR 2021 "Environmental strategy" section of CMR 2021 "Socially Responsible Investment" section of CMR 2021 "Environmental strategy" section of CMR 2021

Provide the bank's conclusion/statement as to whether it has met the requirements related to progress in implementing objectives.
Progress continued to be made throughout 2021 in meeting the objectives established in the 2019-2021 Strategic Plan and the Socially Responsible Banking Plan. Furthermore, the process of defining the new Sustainability Master Plan and its associated objectives has also begun.

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
3. **CUSTOMERS** We will work responsibly with our customers to promote sustainable practices and enable economic activities that generate prosperity for both current and future generations.	3.1 ***Provide a general description*** of the policies and practices that the bank has implemented or intends to implement to promote responsible relationships with its customers. High-level information should be included on the programmes and actions implemented (or planned), their scope and, where possible, their results.	The company has a Code of Ethics and Principles of Action and other policies to promote ethical and responsible conduct among all its members, including the Anti-Corruption Policy, the Corporate Sustainability/Corporate Social Responsibility Policy, the Human Rights Principles, the Environmental Risk Management Policy and the Defence Policy. These policies require mandatory training and are reviewed at least bi-annually. In 2022, the Company updated the content of the Human Rights Principles and the Declaration on Climate Change. In addition, in the first half of 2022, the company plans to update the Corporate Sustainability/Corporate Social Responsibility Policy, the Environmental Risk Management Policy and the Corporate Policy on relations with the Defence sector. In 2021, CaixaBank has updated the Corporate Credit Risk Policy, which provides for oversight of responsible lending principles when granting and monitoring of all types of financing (Bank of Spain Circular 5/2012 of 27 June). These principles are a set of measures aimed at protecting customers and are applied when granting financing operations, so that these operations are adapted to their financial capacity, needs and interests. In December 2021, CaixaBank joined the *Collective Commitment to Financial Health* and Inclusion, with the commitment to publicise objectives in this area within 18 months of joining. The bank also has a Product Committee, which is responsible for approving any new product or service that the company designs and/or markets and implements sustainability criteria. This Committee has analysed X products and services throughout 2021. Since 2018, CaixaBank has been developing the Transparent Contracts Project, to ensure transparent and responsible marketing and communication objectives and, more specifically, to simplify the language of contractual and pre-contractual documents for marketed products and services. In 2021, seven new contracts were put under review. CaixaBank also has a Financial Culture Plan with financial education initiatives aimed at all sectors of the public. It relies on specialised teams to promote the transition to a more sustainable and inclusive economy. These notably include sustainable finance teams in corporate and business banking; the environmental risk team; and the social value proposition team in Private Banking.	"Ethical and responsible behaviour" section of CMR 2021 "Business model" section of CMR 2021 "Responsible Marketing and Communication" section of CMR 2021 "Socially responsible investment" section of CMR 2021 [1] Corporate website, Sustainability section > Responsible Practices > Main Ethics and Integrity Policies

[1] https://www.caixabank.com/en/sustainability/responsible-practices/key-ethics-integrity-policies.html

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
3. CUSTOMERS We will work responsibly with our customers to promote sustainable practices and enable economic activities that generate prosperity for both current and future generations.	3.2 ***Describe*** how the bank has worked and aims to work with its customers to promote sustainable practices and enable sustainable economic activities. High-level information should be included on the measures planned or implemented, the products and services developed and, where possible, their impact.	CaixaBank has sustainable financing teams and other teams specialising in some of the most sensitive business segments from the point of view of climate and environmental risk, including real estate, hospitality, infrastructure, energy and agriculture. They work with customers to identify new sustainable business operations and to move forward in the transition to a carbon neutral economy. Throughout 2021, customers have been given access to a consultation tool on the calls for proposals linked to the Recovery, Transformation and Resilience Plan (through which the *Next Generation EU* funds will be disbursed) to make it easier to identify which are most suitable for the company's profile, as well as the option of contacting an advisor to speed up the application process. The products and services offered include green loans and loans linked to ESG indexes or sustainability goals; funding for renewable energy projects and energy-efficient buildings; participation in the green bond market; recycled plastic credit cards; and socially responsible investment funds. In January 2022, CaixaBank launched a new ESG (environmental, social and governance) advisory service to help its corporate and institutional clients analyse and establish their sustainable strategy and positioning through an engagement process. This practice has been included, through a case study prepared by the Company, in the best practices report prepared within the framework of the TCFD working group of the UNEP FI, "*Leadership Strategies for Client Engagement: Advancing climate-related assessments*", published on the UNEP FI website. Customers and operations with potential environmental, social and/or reputational risks are analysed to ensure they meet criteria set by the bank. Furthermore, the Environmental Risk Management Policy establishes criteria for accepting new customers and credit operations based on exclusions from certain activities that may have a significant environmental impact. The bank also applies the Equator Principles when assessing projects. Work will be done in this field to progressively include the customers' decarbonisation strategy in the analysis. Likewise, the investment policies of VidaCaixa and CaixaBank Asset Management include proxy voting and engagement with listed portfolio companies to promote ESG improvements in their management and disclosure. Imagin also stands out for its imaginPlanet and imaginChangers proposals, which encompass initiatives that have a positive impact on environmental and social sustainability at Imagin and in its community.	"Business model" section of CMR 2021 "Environmental strategy" section of 2021 "Customer experience and quality" section of CMR 2021 "Socially responsible investment" section of CMR 2021 "Offering customers the best experience" section of CMR 2021 [1] Press release on the launch of the new ESG advisory service

[1] https://www.caixabank.com/comunicacion/index_en.html

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
4. **STAKEHOLDERS** We will consult, establish relationships with and engage proactively and responsibly with relevant stakeholders to achieve the company's objectives.	4.1 ***Describe*** the stakeholders (groups or types of interest groups) that the bank has consulted and with whom it has established relationships, collaborated or associated in order to implement these Principles and improve the bank's impacts. A general high-level description should be included of how the bank has identified relevant stakeholders, what problems have been resolved and what results have been achieved.	CaixaBank actively takes into account the expectations of the main stakeholders set out in its materiality report and identified in the development and update of the Socially Responsible Banking Plan and the reputational risk roadmap. **Engagement and collaboration with the regulator, peers, NGOs and other entities:** – Participation in UNEPFI working groups to advance impact measurement; implementation of the sustainable taxonomy of banking products; financial inclusion and implementation of TCFD recommendations (focus on climate change scenario analysis, stress testing and customer engagement). – Regular meetings with other organisations and participation in think tanks and initiatives such as the Spanish Green Growth Group, Spainsif, Global Compact, CECA, WSBI, NAB, Forética and Seres to share knowledge about sustainability and advance its implementation. – Partnership with the "la Caixa" Foundation and the SDG Observatory to promote the implementation of the SDGs among Spanish companies. – Monitoring and participation in consultative processes for regulatory initiatives in financial stability and strengthening of the financial sector; sustainable finance; innovation and digitisation; consumer protection and transparency. **Engagement with customers, investors, employees and society in general:** – 2022 launch of a new ESG advisory service to help corporate and institutional clients to analyse and establish their sustainable strategy and positioning. This will also help it in its transition towards carbon neutrality. – Participation in ESG meetings with institutional investors, to share priorities and learn about their expectations, and with eminent sustainability analysts. – Processes of engagement related to ESG carried out by VidaCaixa and CaixaBank Asset Management. – Specific meetings to promote and accompany our minority shareholders and customers in increasing their knowledge of sustainable finance, as well as disseminating this knowledge through the chairs promoted by CaixaBank. – Mandatory sustainability course for CaixaBank staff and regular publication of related news on the corporate intranet. – Participation in events as speakers to disseminate the importance of sustainability, SDGs and the Paris Agreement. – Publications and dissemination activities by the CaixaBank Chair of Sustainability and Social Impact with IESE and the AgroBank Chair of Quality and Innovation in the Agri-Food Sector with the University of Lleida. – Consideration, as of 2020, of new certifications and sustainability criteria in the supplier registration-approval process.	"Dialogue with Interest Groups" section of CMR 2021 "Socially Responsible Investment" section of CMR 2021 "Accessions and Partnerships" section of CMR 2021 "Suppliers" section of CMR 2021 "AgroBank" section of CMR 2021

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
5. **GOVERNANCE AND CULTURE** We will fulfil our commitment to these principles through effective governance and a responsible banking culture.	5.1 ***Describe*** the relevant governance structures, policies and procedures that the bank has implemented or intends to implement to manage significant positive and negative (potential) impacts and to support the effective implementation of the Principles.	At CaixaBank, the definition, follow-up and monitoring of compliance with the Principles for Responsible Banking corresponds to the Board of Directors and Delegated Committees appointed by the company. More specifically, the Sustainability Committee, a top-level committee with the participation of the key areas and subsidiaries in sustainability matters, which reports to the Management Committee, the Appointments and Sustainability Committee and the Board of Directors. Other committees and bodies seek to increase the positive impacts and avoid, mitigate or reduce the negative impacts of certain issues that cut across the Bank's entire range of activities. These include the Diversity Committee, the Transparency Committee and the Product Committee. A new directorate has been created in 2021 within CaixaBank's Management Committee: the Sustainability Directorate is responsible for coordinating the definition, updating and monitoring of the Group's sustainability strategy, including the implementation of these Principles. The Bank also has teams specialising in matters such as microfinance, sustainable finance, social action and volunteering, socially responsible investment and environmental and climate risk management. We highlight in particular the integrity, social and environmental policies defined by the Bank and which govern its full range of activity. These policies are integrated, in turn, into the Socially Responsible Banking Plan, with five broad lines of action in corporate responsibility.	"Corporate Responsibility Governance" section of CMR 2021 "Environmental Strategy" section of CMR 2021

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
5. GOVERNANCE AND CULTURE We will fulfil our commitment to these principles through effective governance and a responsible banking culture.	5.2 ***Describe*** the initiatives and measures that the bank has implemented or intends to implement to promote a responsible banking culture among its employees. A general high-level description of skill development, inclusion in remuneration structures and performance management and leadership communication, among others, should be included.	With regard to culture and training, CaixaBank has a corporate culture programme, "We are CaixaBank", which aims to strengthen corporate principles and values, including social commitment and the promotion of actions with a positive impact on people and society; proximity; responsibility, high standards, and honesty and transparency. Similarly, and through CaixaBank Campus, it has developed a pedagogical model based on compulsory training; recommended training and voluntary self-training. Initiatives include: – Compulsory training in regulatory matters connected to variable remuneration. – In 2021, the Remuneration Policy was modified to reflect the connection between remuneration and ESG risks, which are already in place in CaixaBank. – The Sustainability School, with self-training modules on topics such as climate change and socially responsible investment. – Specific training modules to ensure compliance with responsible policies, including training sessions on ESG risk management. – Channel for enquiries and complaints regarding the Code of Ethics and action principles, the Anti-corruption Policy and other responsible policies. With regard to remuneration policies, CaixaBank establishes the policy for its directors on the basis of general remuneration policies, committed to a market position that enables it to attract and retain the talent necessary, while encouraging behaviour that ensures long-term value generation and the sustainability of results over time. The long-term remuneration component is also linked to the Global Reputation Index.	"Championing an agile and collaborative culture that puts people first" section of CMR 2021 "Corporate culture" section (CMR 2021) "Ethical and responsible behaviour" CMR 2021
	5.3 Governance Structure for Implementation of the Principles ***Demonstrate*** that the bank has a governance structure for the implementation of the PRB, including: **a.** establishment of objectives and actions to achieve the established objectives **b.** corrective action if targets or milestones are not achieved or unexpected negative impacts are detected	The implementation of these principles is one of the comprehensive axes of sustainability and the Socially Responsible Banking Plan, and is therefore subject to the same governance processes as corporate responsibility, described in section 2.3. The establishment, implementation and review of improvement plans, progress targets and remedial action have been integrated across the board among the existing teams and committees in the bank.	"Corporate Responsibility Governance" section of CMR 2021
	Provide the bank's conclusion/statement as to whether it has met the requirements related to governance structure for the implementation of the Principles.		
	The Group has defined a governance model with the objective of ensuring the definition, implementation and monitoring of policies, plans and objectives that contribute to the responsible and sustainable development of its activity, setting a benchmark in socially responsible banking, facing future challenges and contributing to the progress of the whole of society.		

Principles for Responsible Banking	Reporting and Evaluation Requirements	High-level summary of the bank's response	Reference(s) and link(s) to the bank's complete relevant replies and information
6. **TRANSPARENCY AND RESPONSIBILITY** We will periodically review our individual and collective implementation of these principles, and we will be transparent and responsible with regard to our positive and negative impacts and our contribution to the objectives of society.	**6.1** Progress in the implementation of Responsible Banking Processes D6.1 Demonstrate that the bank has made progress in implementing the six Principles over the last 12 months (up to 18 months in its first report after becoming a signatory) and that it has achieved objectives in at least two areas (see points 2.1 and 2.4). Demonstrate that the bank has considered existing international and regional good practices and those currently undergoing deployment relevant to the implementation of the six Principles for Responsible Banking. On this basis, it has defined priorities and objectives to align itself with good practice. Demonstrate that the bank has implemented or is working to implement changes in its current practices to reflect and align itself with existing international and regional good practices and those currently undergoing deployment and that it has made progress in implementing these Principles.	CaixaBank's ESG information is found in the Group's Consolidated Management Report, which is also aligned with the European non-financial information directive, the GRI, SASB and TCFD reporting guidelines. This report is submitted for approval by the Annual General Meeting and is verified by an independent external expert in accordance with standard ISAE3000. The report also complies with the UN Global Compact Progress Report requirements. CaixaBank and its subsidiaries also publish other annual reports that respond to internationally recognised good practices. They include the CDP and PRI questionnaires, the report on the application of the Equator Principles, the progress report on the *Collective Commitment on Climate Action* and, starting in 2022, the *Net Zero Banking Alliance*. The company also publishes a study on Sustainability and Socioeconomic Impact and contribution to SDGs, as well as details of its carbon footprint. This commitment to external accountability, as well as the accessions it has made, drive the continuous improvement of the Group's companies. The bank also incorporates good practices and recommendations from the main regulatory bodies, such as the CNMV and its Code of Good Governance for Listed Companies, the OECD and its Guiding Principles for Business and Human Rights, and the evaluation criteria established by the main sustainable rating agencies.	"GRI" section - CMR 2021 "Environmental strategy" section of CMR 2021 [1] CDP questionnaire in the section "Environmental Management" [2] Socio-economic impact and contribution to SDGs [3] Reporting section of the Equator Principles Association

Provide the bank's conclusion/statement as to whether it has met the requirements related to progress in implementing the Principles for Responsible Banking.

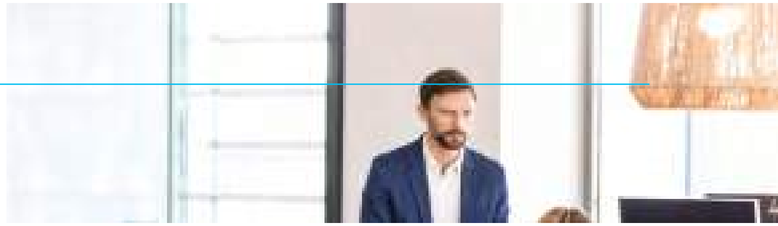
CaixaBank is committed to transparency and the utmost accountability to its stakeholders. To this end, it makes its progress public through externally verified reports that are aligned with the main standards in the field of non-financial reporting, both regulatory and voluntary.

[1] https://www.caixabank.com/en/sustainability/environment/environmental-management.html
[2] https://www.caixabank.com/en/about-us/publications.html
[3] https://equator-principles.com/members-reporting/

04

Glossary and Group Structure

Non-financial Information



This glossary contains definitions of the indicators and other terms related to the non-financial information presented in the consolidated management report.

Market shares (%) - As at December 2021, if no other period is specified

Spain

- **Market share in credit to companies:** data produced by CaixaBank based on official data (Bank of Spain). Total credit to non-financial resident companies.
- **Share of private customers in Spain:** percentage of the market dominated by CaixaBank in terms of customers. The universe comprises bank account holders over the age of 18 years living in towns of more than 2,000 inhabitants. Source: FRS Inmark.
- **Digital adoption rate:** 12-month average of digital customers divided by the total number of customers. Source: ComScore.
- **Trade share:** market share in trade (remittances, documentary credits, and guarantees). Source: Swift – Traffic Watch.
- **Market share in POS:** data produced by CaixaBank based on official data (Bank of Spain).

Portugal

- **Market share in consumer credit:** Accumulated contracts during the year according to instruction no. 14/2013 of the Bank of Portugal. Source: Bank of Portugal/Bank Customer Website. **Market share in deposits:** demand and term deposits. Source: Data produced by CaixaBank based on official data (Bank of Portugal - Monetary and Financial Statistics).
- **Market share in investment funds:** Source: APFIPP (Portuguese Association of Investment Funds, Pension Funds and Asset Management) - Mutual Funds.
- **Market share in mortgage loans:** total resident mortgage loans including securitised loans (estimate). Data produced by CaixaBank based on official data (Bank of Portugal - Monetary and Financial Statistics).
- **Market share in salary direct deposits:** number of salary direct deposits corrected by a factor of 95% due to unavailable information in the Portuguese market. It is considered that 95% of salaried employees receive their salary by direct deposit. Source: National Statistics Institute (INE).
- **Market share in insurance:** data based on official data. Source: APS (Portuguese Association of Insurers).

General

- **Contribution to Gross Domestic Product (%):** total contribution of CaixaBank (direct and indirect) to GDP is measured by dividing Gross Value Added (GVA) by GDP. The GVA of CaixaBank Group's businesses in Spain and Portugal is calculated as the gross income (excluding gains/losses on financial assets and liabilities and others) minus general expenses. The GVA for the businesses (excluding shareholdings) is multiplied by the fiscal multiplier to include indirect contributions. Source: CaixaBank Research.
- **Portfolio exposure to carbon-intensive sectors on financial instruments** ratio of credit exposure, fixed income and carbon-intensive equities to total CaixaBank Group financial instruments. Some exposures may contain a mix of power generation that includes renewable energies. Indicator aligned with the TCFD.
- **Citizens with a branch in their municipality:** percentage of population in Spain in municipalities where CaixaBank has a branch (retail office or dependent window).
- **Digital customers:** digital customers between the age of 20 and 74 years who have been active in the last 12 months. As a percentage of all customers and overall value. Spain Network.
- **Client:** any natural or legal person with a total position equal to or greater than €5 in the Entity that has made at least two non-automatic movements in the last two months.

- **Linked customers:** any person who meets the customer criterion and has more than 3 linking indicators (defined by products holdings with the Bank)**.**

- **Electricity consumption:** calculated for the network of branches and corporate centres of CaixaBank, S.A. in MWh. Consumption of data per employee is calculated over average staff for the year.

- **Paper consumption:** calculated for the network of branches and corporate centres of CaixaBank, S.A. in tonnes. Consumption of data per employee is calculated over average staff for the year.

- **Water consumption:** estimate based on a sample of corporate buildings and branches in the CaixaBank, S.A. corporate network.

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

- **Investment (business model context):** balance of managed loans excluding investments on a fee or commission basis, foreclosed assets and cash.

- **Investment in development and technology:** total amount invested in items identified as technology and computing, taking into account both current expenditure and activable elements, and including, among others, maintenance of infrastructure and software, development projects (digital channels, cybersecurity, business development, regulatory), telecommunications, acquisition of equipment and software, licences and rights of use.

- **Micro-credits:** collateral-free loans of up to €25,000 granted to individuals whose economic and social circumstances make access to traditional bank financing difficult. Its purpose is to promote productive activity, job creation and personal and family development. **Other financing with social impact:** loans that contribute to generating a positive and measurable social impact on society, aimed at sectors related to entrepreneurship and innovation, the social economy, education and health. Its aim is to contribute to maximising social impact in these sectors.

- **Businesses created thanks to support of entrepreneurs:** the start of business is considered when the operation is carried out between 6 months before and 2 years after the start of the activity.

- **Number of jobs created thanks to support of entrepreneurs:** this figure includes the number of jobs created by entrepreneurs who have received financing from MicroBank through microloans and loans (collateral-free loans, aimed at clients with difficulties accessing traditional bank financing).

- **Number of job positions generated through the multiplier effect of purchases from suppliers:** Indicator estimated based on the GVA of CaixaBank, Spanish and Portuguese GDP, the % of employment and productivity per worker according to National Accounting, and based on the input/output tables of the National Statistics Institutes (INE) of both countries with 4th-quarter data. Source: CaixaBank Research.

- **Branches:** number of total centres. It includes retail branches and other specialised segments. It does not include windows (public service centres that are displaced, lack a main manager and are dependent on another main branch). It does not include branches and offices outside Spain or virtual/digital offices.

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

- **Ofibuses:** mobile branches that offer services in different municipalities with different daily routes and, depending on the demand, visit the locations where they provide services once or several times a month. In addition to preventing the financial exclusion of rural areas, this service preserves the direct relationship with the customers who reside in these locations and upholds the company's commitment to the agricultural and livestock sectors.

- **Management suppliers:** a professional or company that establishes a commercial relationship with CaixaBank, regulated through a contract, to provide or supply everything necessary for a purpose related to the bank's activity. For management purposes, suppliers with an annual amount of over 30,000 euros are reported. Excluded are creditors whose entry into competition does not bring value to the company or is not possible, including municipalities, associations, owners' communities, notaries, etc. It is provided for subsidiaries included in the corporate purchasing model.

- **Resources and values managed (business model context):** balance of resources managed on the balance sheet and off-balance sheet.

- **Social housing:** portfolio of properties owned by the Group in which the tenant's **situation of vulnerability** is considered when setting the conditions of the lease

Customer experience and quality

- **Committed customers:** percentage of the total number of customers surveyed who assess experience, loyalty and recommendation with ratings of 9 or 10 across the board. Calculated for customers in Spain.

- **Customer Experience Index (IEX) - Global:** measures the overall customer experience of CaixaBank on a scale of 0 to 100. It is a synthetic index of the Experience Rates of the 8 main CaixaBank businesses: Individuals, Premier, Private, Business, BusinessBank, Companies, Institutions and Corporate. It is weighted on the basis of the contribution to the Bank's Ordinary Margin by each of these businesses, which is obtained monthly.

- **Net Promoter Score (NPS):** measures recommendations by CaixaBank customers on a scale of 0 to 10. The Index is the result of the difference between % Promoter customers (ratings 9-10) and Detractor customers (ratings 0-6). It is offered for the retail customer segment of CaixaBank Spain and for specific experiences.

Human Resources

- **Number of work-related accidents:** total number of accidents with and without sick leave occurring in the company during the whole year.

- **Serious accident:** injuries that pose a risk of death or could cause sequelae resulting in permanent disability with regard to carrying out the usual occupation (partial PD or total PD).

- **Wage gap (%):** estimates the impact of gender on salary (determined through a model of multiple linear regression of salary, calculated as the sum of fixed and variable remuneration, on gender and other relevant factors, including age, longevity, longevity in duty, professional duty and level) and average salary of the company. The sample excludes duties (homogenous groups) of fewer than 50 observations (people) in CaixaBank, S.A. due to the fact that there are insufficient samples to infer statistically solid conclusions, although this aspect has not been extended to the subsidiaries due to the model's loss of predictive power.

- **Number of employees with disabilities:** employees working at the Company with a recognised degree of disability equal to or greater than 33%.

- **Manageable absenteeism hours:** total hours of manageable absenteeism (illness and accidents).

- **Hours of training per employee:** total hours of training of all staff during the year divided by average staff.

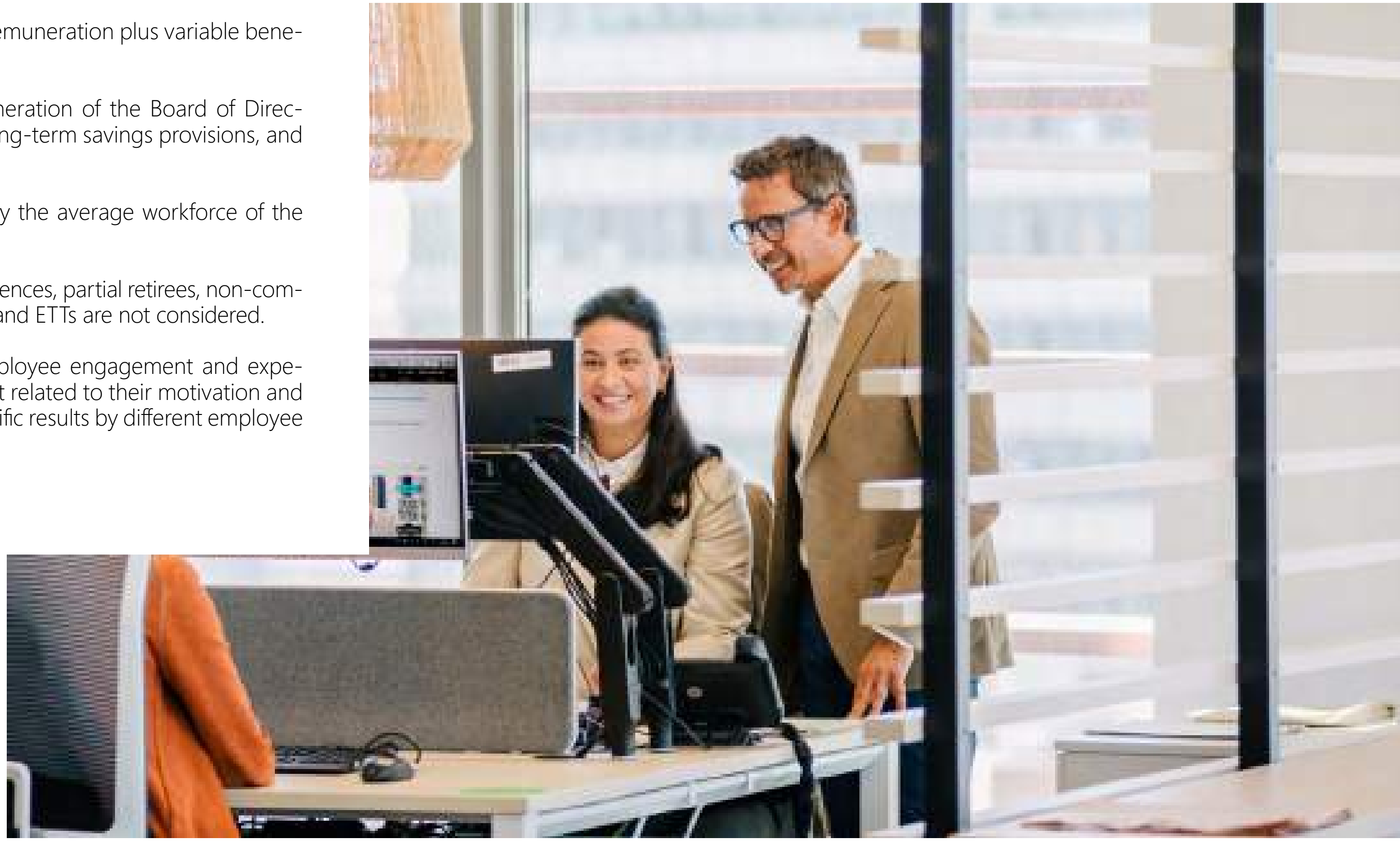
- **Investment in employee training (€):** total hours of training of all staff during the year divided by average staff.

- **Manageable absenteeism rate (%):** total hours of manageable absenteeism (illness and accidents) over total working hours.

- **Accident frequency index (Accident Rate):** number of accidents resulting in sick leave divided by the total hours worked, multiplied by 10 to the power of 6. The rate does not include accidents which happen on an employee's way to or from work, as they are outside of work hours. In addition, it includes all real hours of work and excludes any permitted forms of absence, holidays, and sick leave.

- **Women in managerial positions (%):** percentage of women in assistant management positions of A or B offices (or above) over the total number of employees in managerial positions. Data calculated for CaixaBank, S.A.

- **New hires:** total new hires during the year (even if no longer remaining in the company).
- **Number of certified professionals:** number of employees who have passed the Financial Advice Information Course (CIAF). Other related courses officially recognised by the National Securities Market Commission (CNMV) are also included in this calculation.
- **Certified professionals:** quotient between the number of certified employees and total employees that form part of the Premier and Private Banking group.
- **Average remuneration:** average total remuneration (annual remuneration plus variable benefits paid in the year), segmenting if applied as foreseen.
- **Average remuneration of board members:** average remuneration of the Board of Directors, including variable remuneration, allowances, severance, long-term savings provisions, and other income.
- **Undesired turnover:** ratio between total dismissals divided by the average workforce of the year multiplied by 100.
- **Total employees:** active or structural workforce at year-end. Absences, partial retirees, non-computable staff, staff in centres pending destination, grant holders and ETTs are not considered.
- **Commitment Study:** quantitative analysis of the level of employee engagement and experience in different dimensions of the organisational environment related to their motivation and effectiveness, considering trends, market comparisons and specific results by different employee segments (organisational area, generation, gender, etc.).



Taxonomy Regulation (EU) 2020/852 and Delegated Acts

In accordance with article 8 of the Taxonomy Regulation (EU) 2020/852 and the Delegated Regulation (EU) 2021/2178 for disclosure, CaixaBank is required to disclose the proportion of Taxonomy eligible and non-eligible activities related to the environmental targets for climate change mitigation and climate change adaptation. The Disclosures Delegated Act entered into force on 1 January 2022.

Given that the EU Taxonomy is still in development and that the eligibility and alignment information disclosed by counterparties is very limited (non-financial companies subject to the NFRD are not required to disclose the eligibility and alignment with the Taxonomy until 2022 and 2023, respectively), CaixaBank does not fully incorporate the alignment with the Taxonomy in its business strategy, setting of objectives, product and process design or commitments to customers and counterparties. However, it is considering compliance with the Taxonomy for the purpose of classifying the mortgage portfolio. Furthermore, the assets included in the 4 Green Bonds issued by CaixaBank between 2020 and 2021 comply with the technical criteria for mitigating climate change set out in the Taxonomy.

The information's preparation follows the Delegated Acts establishing the technical selection criteria (Delegated Regulation (EU) 2021/2800) and technical disclosure standards (Delegated Regulation (EU) 2021/2178). The FAQs issued by the European Commission on 20 December 2021 (FAQs:*How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act) and 2 February 2022 (Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets) were also considered.*

Information required under Article 10.2 of the Delegated Regulation (EU) 2021/2178

Definitions and reconciliations

1. Total **Assets Subject** to Taxonomy Regulation

The total reserved balance of the reported entities is considered, excluding the following balance sheet sections.

- Intangible assets
- Tax assets
- Tangible assets (if including real estate collateral obtained by taking possession in exchange for the cancellation of debts)
- Other assets
- Changes in fair value of hedged items in a portfolio hedged against interest rate risk
- Non-current assets and disposal groups classified as held for sale (if including real estate collateral obtained by taking possession in exchange for the cancellation of debts)

2. Total **Assets Covered by the GAR** ***(Green Asset Ratio)***

The following sections of the reserved balance sheet of the entities are considered, calculated excluding exposures to central governments and central banks.

- Cash, cash balances at central banks and other demand deposits
- Financial assets not held for trading compulsory fair value through profit or loss
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Financial assets at amortized cost
- Derivatives - hedge accounting

3. Eligibility

The Taxonomy-eligible economic activities only include information about the non-trading book with counterparties based in the EU. This includes information on financial companies, non-financial companies subject to the NFRD, households (only mortgages, home renewal loans and vehicle purchase loans) and local governments.

When reporting the proportions set out in the Delegated Act, there are limitations regarding the availability of the information of counterparties, given that the companies subject to the NFRD are not required to disclose information about Taxonomy eligible and non-eligible economic activities until 2022.

Due to the lack of data reported by the counterparties, only Climate Change Mitigation criteria have been considered, as without the information reported by the counterparties one cannot maintain that they have conducted a climate risk and vulnerability assessment and that they have established plans to implement adaptation solutions.

In order to determine eligibility for households, mortgage guarantee exposures, home renewal loans and vehicle purchase loans have been considered.

In order to determine eligibility for financial and non-financial companies, the purpose of the financed operations has been considered. These include specialised lending operations as per the description of the economic activity under the Taxonomy (Annex I of the Delegated Regulation (EU) 2021/2139).

The distinction between companies subject to the NFRD and those not subject to the NFRD is based on internal data on customer segmentation used for the purpose of FINREP. The local transposition of the NFRD in the different EU countries differs, and the classification may vary in the future.

The lack of data affects the presentation and accuracy of the proportions of Taxonomy eligible and non-eligible economic activities, as well as the segmentation of companies subject to the NFRD.

4. *Best effort*

The data as at 31 December 2021 have been prepared based on the best effort to adhere to the applicable regulations and will evolve in the future as further information becomes available from counterparties and new regulatory developments.

Financial information

In addition to the financial information prepared in accordance with International Financial Reporting Standards (IFRSs), this document includes certain Alternative Performance Measures (APMs) as defined in the guidelines on Alternative Performance Measures issued by the *European Securities and Markets Authority* on 30 June 2015 (ESMA/2015/1057) (the "ESMA Guidelines"). CaixaBank uses certain APMs, which have not been audited, for a better understanding of the Group's financial performance. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable.

ESMA guidelines define an APM as a financial measure of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

In accordance with these guidelines, following is a list of the APMs used, along with a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS. Figures are presented in millions of euros unless otherwise stated.

Alternative Performance Measures used by the Group

1. Profitability and cost-to-income

a. Customer spread:

Explanation: difference between:

Average rate of return on loans (income from loans and advances divided by the net average balance of loans and advances for the period).

Average rate for retail customer funds (annualised quarterly cost of retail customers divided by the average balance of those same retail customer funds, excluding subordinated liabilities that can be classified as retail).

N.B.: The average balances of the analysed period are calculated on the basis of the daily closing balances of said period, except in the case of some subsidiaries, for which the average balances are calculated as the arithmetic average of the closing balances of each month.

Purpose: allows the Bank to track the spread between interest income and costs for customers.

		2019	2020	2021
Numerator	Income from credit portfolio	4,788	4,448	5,189
Denominator	Net average balance of loans and advances to customers	213,298	223,864	309,767
(a)	**Average yield rate on loans (%)**	**2.24**	**1.99**	**1.68**
Numerator	Cost of customer funds on balance sheet	55	33	4
Denominator	Average balance of on-balance sheet retail customers funds	214,136	230,533	337,183
(b)	**Average cost rate of retail customer funds (%)**	**0.02**	**0.01**	**0.00**
Customer spread (%) (a - b)		**2.22**	**1.98**	**1.68**
Numerator	Income from credit portfolio		6,282	5,607
Denominator	Net average balance of loans and advances to customers		339,719	338,352
(a)	**Average yield rate on loans (%)**		**1.85**	**1.66**
Numerator	Cost of customer funds on balance sheet		47	7
Denominator	Average balance of on-balance sheet retail customers funds		346,928	366,291
(b)	**Average cost rate of retail customer funds (%)**		**0.01**	**0.00**
Proforma customer spread (%) (a - b)			**1.84**	**1.66**

b. Balance sheet spread:

Explanation: difference between:

Average rate of return on assets (interest income divided by total average assets for the period).

Average cost of funds (interest expenses divided by total average funds for the period).

N.B.: The average balances of the analysed period are calculated on the basis of the daily closing balances of said period, except in the case of some subsidiaries, for which the average balances are calculated as the arithmetic average of the closing balances of each month.

Purpose: allows the Group to track the spread between interest income and cost for its on-balance sheet assets and liabilities.

		2019	2020	2021
Numerator	Financial income	7,056	6,764	7,893
Denominator	Average total assets for the quarter	403,842	432,706	628,707
(a)	**Average return rate on assets (%)**	**1.75**	**1.56**	**1.26**
Numerator	Financial expenses	2,105	1,864	1,918
Denominator	Average total funds for the quarter	403,842	432,706	628,707
(b)	**Average cost of fund rate (%)**	**0.52**	**0.43**	**0.30**
Balance sheet spread (%) (a - b)		**1.23**	**1.13**	**0.96**
Numerator	Financial income		9,032	8,421
Denominator	Average total assets for the quarter		642,503	679,557
(a)	**Average return rate on assets (%)**		**1.41**	**1.24**
Numerator	Financial expenses		2,216	1,999
Denominator	Average total funds for the quarter		642,503	679,557
(b)	**Average cost of fund rate (%)**		**0.34**	**0.29**
Proforma balance sheet spread (%) (a - b)			**1.07**	**0.95**

c. ROE:

Explanation: Profit/(loss) attributable to the Group (adjusted by the amount of the *Additional Tier 1* coupon reported in equity) divided by average shareholder equity plus valuation adjustments for the last 12 months (calculated as the average value of the monthly average balances).

- ***ROE:***
  - ***Numerator:*** *Attributable profit/(loss) for the last 12 months, including impacts from the merger.*
  - ***Denominator:*** *Includes as of 31 March 2021 the increase of shareholder equity from the merger with Bankia.*
- ***ROE ex M&A impacts:***
  - *The impacts associated with the merger in the numerator are eliminated in 2021.*

Purpose: allows the Group to monitor the return on its equity.

		2019	2020	2021
(a)	Profit/(loss) attributable to the Group 12M	1,705	1,381	5,226
(b)	*Additional Tier 1* coupon	(133)	(143)	(244)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**1,572**	**1,238**	**4,981**
(a)	Average shareholder equity 12M	25,575	26,406	34,516
(b)	Average valuation adjustments 12M	(843)	(1,647)	(1,689)
Denominator	**Average shareholder equity + valuation adjustments 12M (c+d)**	**24,732**	**24,759**	**32,827**
ROE (%)		**6.4%**	**5.0%**	**15.2%**
(e)	Extraordinary income from the merger	-	-	2,867
Numerator	**Adjusted numerator 12M (a+b-e)**	**-**	**-**	**2,115**
ROE (%) ex M&A impacts		**-**	**-**	**6.4%**

d. ROTE:

Explanation: quotient between:

Profit/(loss) attributable to the Group (adjusted by the amount of the *Additional Tier 1* coupon reported in equity).

12-month average shareholder equity plus valuation adjustments (calculated as the average value of the monthly average balances) deducting intangible assets using management criteria (calculated as the value of intangible assets in the public balance sheet, plus the intangible assets and goodwill associated with investees, net of impairment allowances, recognised in Investments in joint ventures and associates in the public balance sheet).

- ***ROTE:***
  - ***Numerator:*** *Attributable profit/(loss) for the last 12 months, including impacts from the merger.*
  - ***Denominator:*** *Includes as of 31 March 2021 the increase of shareholder equity from the merger with Bankia.*
- ***ROTE ex M&A impacts:***
  - *The impacts associated with the merger in the numerator are eliminated in 2021.*

Purpose: metric used to measure the return on a company's tangible equity.

		2019	2020	2021
(a)	Profit/(loss) attributable to the Group 12M	1,705	1,381	5,226
(b)	*Additional Tier 1* coupon	(133)	(143)	(244)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**1,572**	**1,238**	**4,981**
(c)	Average shareholder equity 12M	25,575	26,406	34,516
(d)	Average valuation adjustments 12M	(843)	(1,647)	(1,689)
(e)	Average intangible assets 12M	(4,248)	(4,295)	(4,948)
Denominator	**Average shareholder equity + valuation adjustments excluding intangible assets 12M (c+d+e)**	**20,484**	**20,463**	**27,879**
ROTE (%)		**7.7%**	**6.1%**	**17.9%**
(f)	Extraordinary income from the merger	-	-	2,867
Numerator	**Adjusted numerator 12M (a+b-f)**	**-**	**-**	**2,115**
ROTE (%) ex M&A impacts		**-**	**-**	**7.6%**

e. ROA:

Explanation: Net profit (adjusted by the amount of the *Additional Tier 1* coupon reported in shareholder equity) divided by average total assets for the last 12 months (calculated as the average value of the daily balances of the analysed period).

- ***ROA:***
  - ***Numerator:*** *Attributable profit/(loss) for the last 12 months, including impacts from the merger.*
  - ***Denominator:*** *Includes as of 31 March 2021 the increase of average total assets from the merger with Bankia.*
- ***ROA ex M&A impacts:***
  - ***Numerator:*** *The extraordinary impacts associated with the merger are eliminated in 2021.*

Purpose: measures the level of return relative to assets.

		2019	2020	2021
(a)	Profit/(loss) for the period after tax and before minority interest 12M	1,708	1,382	5,229
(b)	*Additional Tier 1* coupon	(133)	(143)	(244)
Numerator	**Adjusted net profit 12M (a+b)**	**1,575**	**1,238**	**4,984**
Denominator	**Average total assets 12M**	**403,842**	**433,785**	**628,707**
ROA (%)		**0.4%**	**0.3%**	**0.8%**
(c)	Extraordinary income from the merger	-	-	2,867
Numerator	**Adjusted numerator 12M (a+b-c)**	**-**	**-**	**2,118**
ROA (%) ex M&A impacts		**-**	**-**	**0.3%**

f. RORWA:

Explanation: net profit (adjusted by the amount of the *Additional Tier 1* coupon reported in shareholder equity) divided by average total risk-weighted assets for the last 12 months (calculated as the average value of the quarterly average balances).

- ***RORWA:***
  - ***Numerator:*** *Attributable profit/(loss) for the last 12 months, including extraordinary impacts from the merger.*
  - ***Denominator:*** *Includes as of 31 March 2021 the increase of average risk-weighted assets from the merger with Bankia.*
- ***RORWA ex M&A impacts:***
  - ***Numerator:*** *The extraordinary impacts associated with the merger are eliminated in 2021.*

Purpose: measures the return based on risk weighted assets.

		2019	2020	2021
(a)	Profit/(loss) for the period after tax and before minority interest 12M	1,708	1,382	5,229
(b)	*Additional Tier 1* coupon	(133)	(143)	(244)
Numerator	**Adjusted net profit 12M (a+b)**	**1,575**	**1,238**	**4,984**
Denominator	**Risk-weighted assets (regulatory) 12M**	**148,114**	**146,709**	**200,869**
RORWA (%)		**1.1%**	**0.8%**	**2.5%**
(c)	Extraordinary income from the merger	-	-	2,867
Numerator	**Adjusted numerator 12M (a+b-c)**	**-**	**-**	**2,118**
RORWA (%) ex M&A impacts		**-**	**-**	**1.1%**

g. Core income:

Explanation: Sum of net interest income, fee and commission income, income from the life-risk insurance business, and income from insurance investees.

Purpose: measures the recurring income stemming from the traditional business of the Group (banking and insurance).

		2019	2020	2021
(a)	Net interest income	4,951	4,900	5,975
(b)	Equity method banking insurance	211	236	267
(c)	Net fee and commission income	2,598	2,576	3,705
(d)	Income and expense under insurance or reinsurance contracts	556	598	651
***Core* income (a+b+c+d)**		**8,316**	**8,310**	**10,597**
(a)	Net interest income		6,816	6,422
(b)	Equity method banking insurance		306	279
(c)	Net fee and commission income		3,736	3,987
(d)	Income and expense under insurance or reinsurance contracts		598	651
Proforma *Core* Income (a+b+c+d)			**11,456**	**11,339**

h. Cost-to-income ratio:

Explanation: operating expenses (administrative expenses, depreciation and amortisation) divided by gross income (or core income for the core efficiency ratio) for the last 12 months.

Purpose: metric widely used in the banking sector to compare the cost to income generated.

		2019	2020	2021
Numerator	Administrative expenses, depreciation and amortisation 12M	5,750	4,579	8,049
Denominator	Gross income 12M	8,605	8,409	10,274
Cost-to-income ratio		**66.8%**	**54.5%**	**78.3%**
Numerator	Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M	4,771	4,579	5,930
Denominator	Gross income 12M	8,605	8,409	10,274
Cost-to-income ratio stripping out extraordinary expenses		**55.4%**	**54.5%**	**57.7%**
Numerator	Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M	4,771	4,579	5,930
Denominator	Core income 12M	8,316	8,310	10,597
Core cost-to-income ratio		**57.4%**	**55.1%**	**56.0%**

		2020	2021
Numerator	Administrative expenses, depreciation and amortisation 12M	6,311	6,374
Denominator	Gross income 12M	11,311	10,985
Proforma cost-to-income ratio		**55.8%**	**58.0%**
Numerator	Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M	6,311	6,374
Denominator	Core income 12M	11,456	11,339
Proforma core cost-to-income ratio		**55.1%**	**56.2%**

2. Risk management

a. Cost of risk:

Explanation: total allowances for insolvency risk (12 months) divided by average of gross loans to customers plus contingent liabilities, using management criteria (calculated as the average value of the monthly closing balances).

- ***Cost of risk:***
  - ***Numerator:*** *Allowances for insolvency risk (12 months).*
  - ***Denominator:*** *Includes as of 31 March 2021 the increase of loans to customers plus contingent liabilities from the merger with Bankia.*

Purpose: indicator used to monitor and track the cost of insolvency allowances on the loan book.

		2019	2020	2021
Numerator	Allowances for insolvency risk 12M	376	1,915	838
Denominator	Average of gross loans + contingent liabilities 12M	243,143	255,548	363,368
Cost of risk (%)		**0.15%**	**0.75%**	**0.23%**
Numerator	Allowances for insolvency risk 12M		2,959	961
Denominator	Average of gross loans + contingent liabilities 12M		386,425	385,187
Proforma cost of risk (%)			**0.77%**	**0.25%**

b. Non-performing loan ratio:

Explanation: quotient between:

Non-performing loans and advances to customers and contingent liabilities, using management criteria.

Total gross loans and advances to customers and contingent liabilities, using management criteria.

Purpose: indicator used to monitor and track the change and quality of the loan portfolio.

		2019	2020	2021
Numerator	Non-performing loans and contingent liabilities	8,794	8,601	13,634
Denominator	Total gross loans and contingent liabilities	244,262	260,794	380,160
Non-performing loan ratio (%)		**3.6%**	**3.3%**	**3.6%**

c. Coverage ratio:

Explanation: quotient between:

Total credit loss provisions for loans and advances to customers and contingent liabilities, using management criteria.

Non-performing loans and advances to customers and contingent liabilities, using management criteria.

Purpose: indicator used to monitor NPL coverage via provisions.

		2019	2020	2021
Numerator	Provisions on loans and contingent liabilities	4,863	5,755	8,625
Denominator	Non-performing loans and contingent liabilities	8,794	8,601	13,634
Coverage ratio (%)		**55%**	**67%**	**63%**

d. Real estate available for sale coverage ratio:

Explanation: quotient between:

Gross debt cancelled at the foreclosure or surrender of the real estate asset **less the present net book value of** the real estate asset.

Gross debt cancelled at the foreclosure or surrender of the real estate asset.

Purpose: reflects the coverage level via write-downs and accounting provisions on foreclosed real estate assets available for sale.

		2019	2020	2021
(a)	Gross debt cancelled at the foreclosure	1,576	1,613	4,417
(b)	Net book value of the foreclosed asset	958	930	2,279
Numerator	**Total coverage of the foreclosed asset (a - b)**	**618**	**683**	**2,138**
Denominator	**Gross debt cancelled at the foreclosure**	**1,576**	**1,613**	**4,417**
Real estate available for sale coverage ratio (%)		**39%**	**42%**	**48%**

e. Real estate available for sale coverage ratio with accounting provisions:

Explanation: quotient between:

Accounting provision: charges to provisions of foreclosed assets.

Book value of the foreclosed asset: sum of net carrying amount and the accounting provision.

Purpose: indicator of accounting provisions covering foreclosed real estate assets available for sale.

		2019	2020	2021
Numerator	**Accounting provisions of the foreclosed assets**	**414**	**488**	**1,006**
(a)	Net book value of the foreclosed asset	958	930	2,279
(b)	Accounting provisions of the foreclosed assets	414	488	1,006
Denominator	**Gross book value of the foreclosed asset (a + b)**	**1,372**	**1,418**	**3,285**
Real estate available for sale accounting coverage ratio (%)		**30%**	**34%**	**31%**

3. Liquidity

a. Total liquid assets:

Explanation: sum of HQLAs (*High Quality Liquid Assets* within the meaning of Commission Delegated Regulation of 10 October 2014) plus the available balance under the facility with the European Central Bank (non-HQLA).

Purpose: shows the Bank's liquidity position.

		2019	2020	2021
(a)	High Quality Liquid Assets (HQLAs)	55,017	95,367	167,290
(b)	Available balance under the ECB facility (non-HQLAs)	34,410	19,084	1,059
Total liquid assets (a + b)		**89,427**	**114,451**	**168,349**

b. *Loan-to-deposits:*

Explanation: quotient between:

Net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions).

On-balance sheet **customer funds.**

Purpose: metric showing the retail funding structure (allows us to value the proportion of retail lending being funded by customer funds).

		2019	2020	2021
Numerator	**Loans and advances to customers, net (a-b-c)**	**218,420**	**234,877**	**340,948**
(a)	Loans and advances to customers, gross	227,406	243,924	352,951
(b)	Provisions for insolvency risk	4,704	5,620	8,265
(c)	Brokered loans	4,282	3,426	3,738
Denominator	**On-balance sheet customer funds**	**218,532**	**242,234**	**384,270**
***Loan to Deposits* (%)**		**100%**	**97%**	**89%**

4. Stock market ratios

a. EPS (Earnings per share):

Explanation: Profit/(loss) attributed to the Group (adjusted by the amount of the *Additional Tier 1* coupon, registered in shareholder equity) divided by the average number of shares outstanding.

N.B.: The average number of shares outstanding is calculated as average number of shares less the average number of treasury shares. The average is calculated as the average number of shares at the closing of each month of the analysed period. The impacts associated with the merger in the numerator are eliminated in 2021.

		2019	2020	2021
(a)	Profit/(loss) attributable to the Group 12M	1,705	1,381	5,226
(b)	*Additional Tier 1* coupon	(133)	(143)	(244)
Numerator	**Adjusted profit attributable to the Group (a+b)**	**1,572**	**1,238**	**4,981**
Denominator	**Average number of shares outstanding, net of treasury shares (c)**	**5,978**	**5,978**	**7,575**
EPS (Earnings per share)		**0.26**	**0.21**	**0.66**
(d)	Extraordinary income from the merger	-	-	2,867
Numerator	**Adjusted numerator (a+b-d)**	**-**	**-**	**2,115**
EPS (Earnings per share) ex M&A impacts		**-**	**-**	**0.28**

b. PER (Price-to-earnings ratio):

Explanation: share price at the closing of the analysed period divided by earnings per share (EPS).

		2019	2020	2021
Numerator	Share price at end of period	2.798	2.101	2.414
Denominator	Earnings per share (EPS)	0.26	0.21	0.66
PER *(Price-to-earnings ratio)*		**10.64**	**10.14**	**3.67**
Denominator	Earnings per share (EPS) ex M&A impacts			0.28
PER (Price-to-earnings ratio) ex M&A impacts				**8.65**

c. Dividend yield:

Explanation: dividends paid (in shares or cash) in the last year divided by the period-end share price.

		2019	2020	2021
Numerator	Dividends paid (in shares or cash) last year	0.17	0.07	0.03
Denominator	Share price at end of period	2.798	2.101	2.414
Dividend yield		**6.08%**	**3.33%**	**1.11%**

d. BVPS (Book value per share):

Explanation: equity less minority interests divided by the number of fully diluted shares outstanding at a specific date.

Fully-diluted outstanding shares equals shares issued (less treasury shares) plus the shares resulting from a theoretical redemption/conversion of the issued exchangeable debt instruments, at a specific date.

- ***TBVPS*** *(Tangible book value per share): quotient between:*
  - ***Equity*** *less minority interests and intangible assets.*
  - ***The number of fully-diluted shares*** *outstanding at a specific date.*
- ***P/BV:*** *share price at the close of the period divided by book value.*
- ***P/TBV:*** *share price at the close of the period divided by tangible book value.*

		2019	2020	2021
(a)	Equity	25,151	25,278	35,425
(b)	Minority interests	(28)	(26)	(31)
Numerator	**Adjusted equity (c = a+b)**	**25,123**	**25,252**	**35,394**
Denominator	**Shares outstanding, net of treasury shares (d)**	**5,978**	**5,977**	**8,053**
e= (c/d)	**Book value per share (€/share)**	**4.20**	**4.22**	**4.39**
(f)	Intangible assets (reduce adjusted equity)	(4,255)	(4,363)	(5,316)
g=((c+f)/d)	**Tangible book value per share (€/share)**	**3.49**	**3.49**	**3.73**
(h)	Share price at end of period	2.798	2.101	2.414
h/e	**P/BV (Share price divided by book value)**	**0.67**	**0.50**	**0.55**
h/g	**P/TBV tangible (Share price divided by tangible book value)**	**0.80**	**0.60**	**0.65**

Adapting the **public income statement to management format**

Net fee and commission income. Includes the following line items:

- Fee and commission income.
- Fee and commission expenses.

Trading income. Includes the following line items:

- Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss (net).
- Gains/(losses) on financial assets not designated for trading compulsorily measured fair value through profit or loss (net).
- Gains/(losses) on financial assets and liabilities held for trading, net.
- Gains/(losses) from hedge accounting, net.
- Exchange differences (net).

Administrative expenses, depreciation and amortisation. Includes the following line items:

- Administrative expenses.
- Depreciation and amortisation.

Pre-impairment income.

- **(+)** Gross income.
- **(-)** Operating expenses.

Impairment losses on financial assets and other provisions. Includes the following line items:

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss or gains/(losses) on adjustments.
- Provisions/(reversal) of provisions.

Of which: Allowances for insolvency risk.

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss corresponding to Loans and advances to customers, using management criteria.
- Provisions/(reversal) of provisions corresponding to Provisions for contingent liabilities, using management criteria.

Of which: Other charges to provisions.

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss, excluding balances corresponding to Loans and advances to customers, using management criteria.
- Provisions/(reversal) of provisions, excluding provisions corresponding to contingent liabilities using management criteria.

Gains/(losses) on derecognition of assets and others. Includes the following line items:

- Impairment or reversal of impairment on investments in joint ventures or associates.
- Impairment or reversal of impairment on non-financial assets.
- Gains/(losses) on derecognition of non-financial assets and investments, net.
- Negative goodwill recognised in profit or loss.
- Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net).

Profit/(loss) attributable to minority interests and others. Includes the following line items:

- Profit/(loss) for the period attributable to minority interests (non-controlling interests).
- Profit/(loss) after tax from discontinued operations.

Reconciliation of **activity indicators** using management criteria

Loans and advances to customers, gross

December 2021 *(€ million)*	
Financial assets at amortised cost - Customers (Public Balance Sheet)	**344,524**
Reverse repurchase agreements (public and private sector)	(863)
Clearing houses	(1,839)
Other, non-retail, financial assets	(315)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss- Loans and advances (Public Balance Sheet)	**67**
Fixed-income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Balance Sheet)	**2,980**
Fixed income bonds considered retail financing (Assets under the insurance business - Balance Sheet)	**133**
Provisions for insolvency risk	**8,265**
Loans and advances to customers (gross) using management criteria	**352,951**

Liabilities under the insurance business

December 2021 *(€ million)*	
Liabilities under the insurance business (Public Balance Sheet)	**79,834**
Capital gains/(losses) under the insurance business (excluding unit link and other)	(12,458)
Liabilities under the insurance business, using management criteria	**67,376**

Customer funds

December 2021 *(€ million)*	
Financial liabilities at amortised cost - Customers deposits (Public Balance Sheet)	**392,479**
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customer deposits)	**(6,272)**
Multi-issuer covered bonds and subordinated deposits	(5,671)
Counterparties and others	(602)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	**1,384**
Retail issues and other	1,384
Liabilities under insurance contracts under management criteria	**67,376**
Total on-balance sheet customer funds	**454,968**
Assets under management	**158,020**
Other accounts[1]	**6,983**
Total customer funds	**619,971**

[1] Includes mainly temporary funds associated with transfers and collections.

Institutional issuances for banking liquidity purposes

December 2021 *(€ million)*	
Financial liabilities at amortised cost - Debt securities issued (Public Balance Sheet)	**53,684**
Institutional financing not considered for the purpose of managing bank liquidity	**(5,255)**
Securitisation bonds	(1,628)
Value adjustments	(2,487)
Retail	(1,384)
Issues acquired by companies within the group and other	245
Customer deposits for the purpose of managing bank liquidity[2]	**5,671**
Institutional financing for the purpose of managing bank liquidity	**54,100**

[2] A total of €5,638 million in multi-issuer covered bonds (net of retained issues) and €33 million in subordinated deposits.

Foreclosed real estate assets (available for sale and held for rent)

December 2021 *(€ million)*	
Non-current assets and disposal groups classified as held for sale (Public Balance Sheet)	**3,038**
Other non-foreclosed assets	(805)
Inventories under the heading - Other assets (Public Balance Sheet)	**46**
Foreclosed available for sale real estate assets	**2,279**
Tangible assets (Public Balance Sheet)	8,264
Tangible assets for own use	(6,398)
Other assets	(250)
Foreclosed rental real estate assets	**1,616**

Group structure

CaixaBank Group >> CaixaBank, S.A. 41,602 | Credit institution Spain

GROUP ENTITIES

BUSINESS SUPPORT

- **745** CaixaBank Operational Services (100%) — Services for back office administration
- **341** CaixaBank Tech — Provision of IT services
- **244** Centro de Servicios Operativos Ingeniería de Procesos (100%) — Services for back office administration
- **194** CaixaBank Facilities Management (100%) — Project management, maintenance, logistics and procurement
- **117** CaixaBank Bussiness Intelligence (100%) — Development of digital projects

BUSINESS ACTIVITY

- **565** CaixaBank Payments & Consumer (100%) — Consumer finance and payment methods
  - **31** Wivai SelectPlace, S.A.U — Product marketing
  - **9** Telefónica Consumer Finance (50%) — Consumer finance
  - **8** CaixaBank Equipment Finance (100%) — Vehicle leasing and capital goods
- **165** Building Center (100%)[2] — Holder of property assets
  - Bankia Habitat (100%) — Real-estate administration, management and operation
  - Living Center (100%)
- **648** VidaCaixa (100%) — Life insurance and pension fund management[4]
  - **64** BPI Vida e Pensões (100%) — Life insurance and pension fund management
- **242** CaixaBank Asset Management (100%)[1] — Management of collective investment undertakings
  - **40** BPI Gestão de ativos (100%) — Management of collective investment undertakings
  - **6** CaixaBank AM Luxembourg (100%) — Management of collective investment undertakings
- **4,478** Banco BPI (100%) — Credit institution Portugal
- **48** Bankia Mediación (100%) — Bancassurance services operator
- **50** Imaginersgen (100%) — Management of the bank's youth segment
- **28** New MicroBank (100%) — Financing of microloans
- **14** CaixaBank Wealth Management Luxembourg (100%) — Credit institution Luxembourg
- **9** CaixaBank Titulización (100%) — Securitisation fund management
- **0** Bankia Vida, S.A. (100%)[3] — Life insurance and pension fund management

ASSOCIATES AND JOINT VENTURES

- IT Now (49%) — Technology and IT projects and services
- Comercia Global Payments Entidad de Pago, S.L. (20%) — Payment entity
- Servired (41%) — Spanish payment method company
- Global Payments Money To Pay, S.L. (49%) — Payment entity
- Redsys Servicios de Procesamiento (25%) — Payment methods
- Coral Homes (20%) — Real estate services
- Gramina Homes (20%) — Real-estate administration, management and operation
- SegurCaixa Adeslas (49.9%) — Non-life insurance
- Companhia de Seguros Allianz Portugal (35%) — Insurance
- Unicre (21%) — Payment methods
- Cosec (50%) — Credit insurance
- Banco comercial e de Investimentos (36%) — Credit institution in Mozambique
- Segurbankia, S.A.U., Correduría de Seguros del Grupo Bankia (100%) — Insurance

—— Company subgroups. (%) Percentage of stake at 31 December 2021

xx Number of employees.

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

[1] In July 2021, the takeover merger of Bankia Fondos by CaixaBank Asset Management took place.
[2] In November 2021, Building Center purchased Gramina Homes, Living Center and Bankia Habitat.
3 In December 2021, CaixaBank, S.A. acquired 51% of Bankia Mapfre Vida, S.A., currently holding 100% of its shares.
[4] In December 2021, the takeover merger of Bankia Pensiones by VidaCaixa took place.

A

Independent Verification Report

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the shareholders of CaixaBank, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the Consolidated Non-Financial Information Statement ('NFIS') for the year ended 31 December 2021 of CaixaBank, S.A. (Parent company) and subsidiaries (hereinafter 'CaixaBank' or the Group) which forms part of the accompanying CaixaBank's Consolidated Management Report.

The content of the Consolidated Management Report includes additional information to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in tables 'Table of contents Act 11/2018 and Taxonomy Regulation', 'Global Reporting Initiative (GRI)' and 'Sustainability Accounting Standards Board (SASB)' included in the accompanying Consolidated Management Report.

Responsibility of the directors of the Parent company

The preparation of the NFIS included in CaixaBank's Consolidated Management Report and the content thereof are the responsibility of the directors of CaixaBank, S.A. The NFIS has been drawn up in accordance with the provisions of current mercantile legislation and in accordance with the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) in accordance with the Exhaustive option as well as those other criteria described in accordance with the details provided for each matter in tables 'Table of contents Act 11/2018 and Taxonomy Regulation' and 'Global Reporting Initiative (GRI)' of the Consolidated Management Report. Additionally, the NFIS has been drawn up in accordance with the criteria of the Sustainability Accounting Standard for Commercial Banks sector of Sustainability Accounting Standards Board (SASB) in accordance with the details provided for each matter in table 'Sustainability Accounting Standards Board (SASB)' of the Consolidated Management Report.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the NFIS to be free of material misstatement due to fraud or error.

The directors of CaixaBank, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent verification report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements 3000 Revised, 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Non-Financial Information Statement issued by the Spanish Institute of Auditors (Instituto de Censores Jurados de Cuentas de España).

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of CaixaBank that were involved in the preparation of the NFIS, of the review of the processes for compiling and validating the information presented in the NFIS, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the CaixaBank personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.

- Analysis of the scope, relevance and integrity of the content of the NFIS for the year 2021, based on the materiality analysis carried out by CaixaBank and described in section 'Materiality', taking into account the content required by current mercantile legislation.

- Analysis of the procedures used to compile and validate the information presented in the NFIS for the year 2021.

- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the NFIS for the year 2021.

- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2021 and that it was adequately compiled using data provided by the sources of the information.

- Obtaining a management representation letter from the directors and management of Parent company.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that NFIS of CaixaBank for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and in accordance with the criteria of the GRI Standards in accordance with the Exhaustive option as well as those other criteria described in accordance with the details provided for each matter in tables 'Table of contents Act 11/2018 and Taxonomy Regulation' and 'Global Reporting Initiative (GRI)' of the Consolidated Management Report. Additionally, nothing has come to our attention that causes us to believe that NFIS of CaixaBank for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the criteria of the Sustainability Accounting Standard for Commercial Banks sector in accordance with the details provided for each matter in table 'Sustainability Accounting Standards Board (SASB)' of the Consolidated Management Report.

Emphasis of matter

The Regulation (EU) 2020/852 relating to the establishment of a framework to facilitate sustainable investments establishes, for the first time for the year 2021, the obligation to disclose information on the manner and extent to which the assets of the company are associated with economic activities eligible according to the Taxonomy. Consequently, comparative information on this matter has not been included in the NFIS of the accompanying Consolidated Management Report. In addition, information has been included upon which the directors of CaixaBank have applied the criteria that, in their opinion, best allow compliance with the new obligation and that are defined in sections 'Managing environmental risks and risks related to climate change - Taxonomy' and 'Glossary - Non-Financial Information - Taxonomy Regulation (EU) 2020/852 and Delegated Acts' of the accompanying Consolidated Management Report. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Juan Ignacio Marull Guasch

18 February 2022

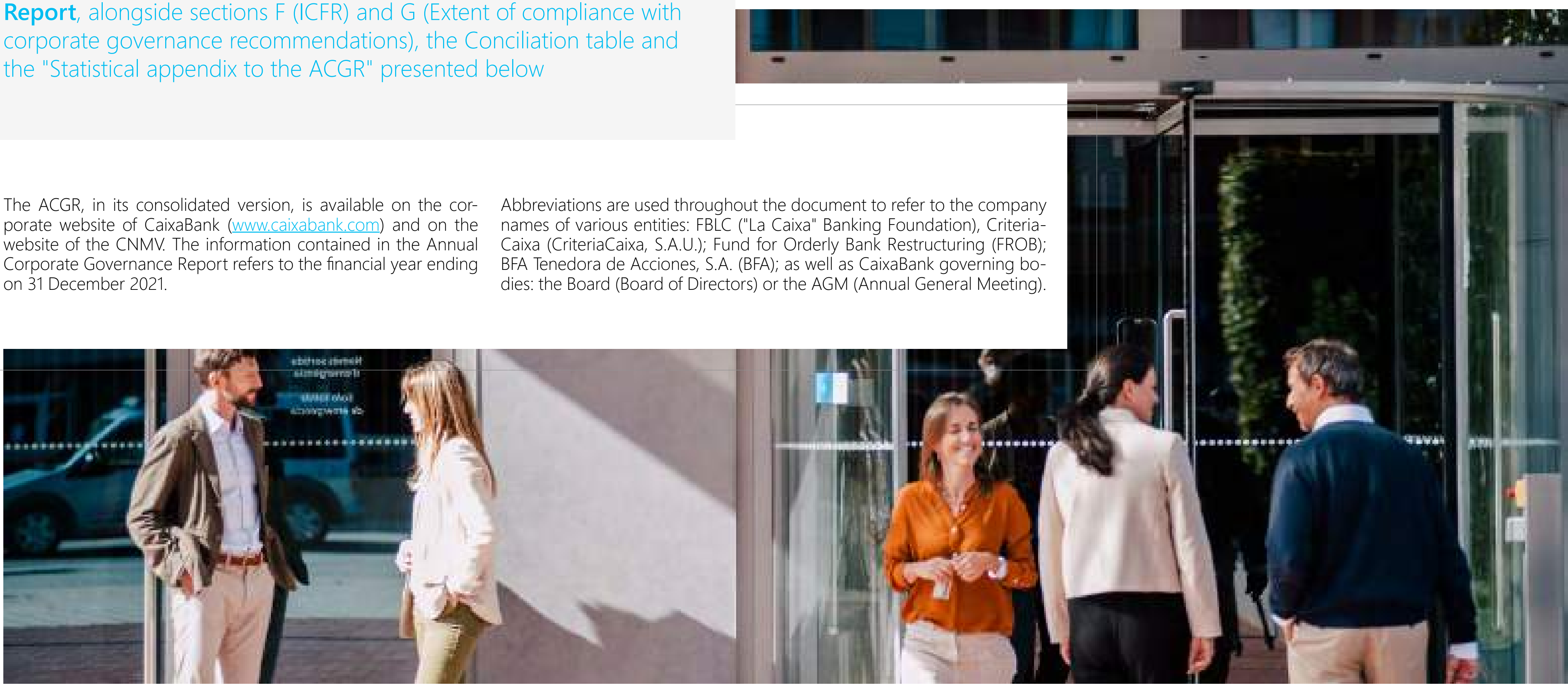
B

Annual Remuneration Governance Report

The following document is the free-format Annual Corporate Governance Report of Caixabank, S.A. (hereinafter, CaixaBank or the Company) for the 2021 financial year, and it comprises the chapter on "Corporate Governance" in the **Group Management Report**, alongside sections F (ICFR) and G (Extent of compliance with corporate governance recommendations), the Conciliation table and the "Statistical appendix to the ACGR" presented below

The ACGR, in its consolidated version, is available on the corporate website of CaixaBank (www.caixabank.com) and on the website of the CNMV. The information contained in the Annual Corporate Governance Report refers to the financial year ending on 31 December 2021.

Abbreviations are used throughout the document to refer to the company names of various entities: FBLC ("La Caixa" Banking Foundation), CriteriaCaixa (CriteriaCaixa, S.A.U.); Fund for Orderly Bank Restructuring (FROB); BFA Tenedora de Acciones, S.A. (BFA); as well as CaixaBank governing bodies: the Board (Board of Directors) or the AGM (Annual General Meeting).



Systems for Risk Management and Internal Control over related to financial reporting (ICFR)

Contents

Environment for internal control over financial reporting (F.1)

Governance and responsible bodies

GOVERNING BODIES

Board of Directors

Senior body responsible for the existence of adequate and effective ICFR.

Risk Committee

Advises the Board on the current and future overall risk appetite and its strategy, reporting on the risk appetite framework, assisting in the surveillance of the implementation of this strategy within this scope, ensuring that the Group's actions are consistent with the risk tolerance level set and monitoring the suitability of the risks with regard to the established risk profile.

Audit and Control Committee

It is entrusted with overseeing and assessing the process of preparing and submitting the regulated financial information and the effectiveness of the internal financial information control system, concluding on its level of trust and reliability.

COMMITTEES

Management Committee

Acts as the communications channel between the Board of Directors and Senior Management. It is responsible for drafting the consolidated Strategic Plan and Budget, which are approved by the Board of Directors.
In CaixaBank's own sphere of action, the Management Committee adopts resolutions affecting the Company's organisational activity. It also approves structural changes, appointments and expense lines.

Global Risk Committee

Responsible for the overall management, control and monitoring of risks that may affect CaixaBank Group, together with assessing their implications for liquidity and solvency management, and regulatory and economic capital. The Committee therefore will analyse the Group's global risk position and establish policies to optimise the management, monitoring and control of the risks within the framework of its strategic objectives.

FUNCTIONAL AREAS

Financial Reporting Areas

The Executive Directorate of Financial Accounting, Control and Capital is the body that provides most financial reporting and requests the necessary collaboration from the other functional areas of the Company and its Group in order to obtain the level of detail deemed suitable for this information. However, other Directorates are also involved, both in the coordination and the creation of financial reporting.

Reliability of the information

Information Reliability Management, who report to the Internal Control and Validation Management, are responsible for identifying, measuring, monitoring and reporting on the reliability of financial information, establishing management policies and oversight procedures. They are also responsible for reviewing the implementation of these policies by the financial reporting areas.

CaixaBank has **two policies** in place that establish the governance framework, management and review of the reliability risk of financial information:

1. **Information Governance and Data Quality Policy.**

2. **Corporate Policy on the management of the Financial Information Reliability Risk,** which brings together the necessary content for the management and control of the Financial Information Reliability Risk as a whole. The objective of this Policy is to establish and define:

   – A **reference framework** that enables the management of Financial Information Reliability risk in relation to the information to be disclosed regarding the Company and its Group which is generated at CaixaBank, standardising the control and verification criteria;

   – The **scope** of the Financial information to be disclosed;

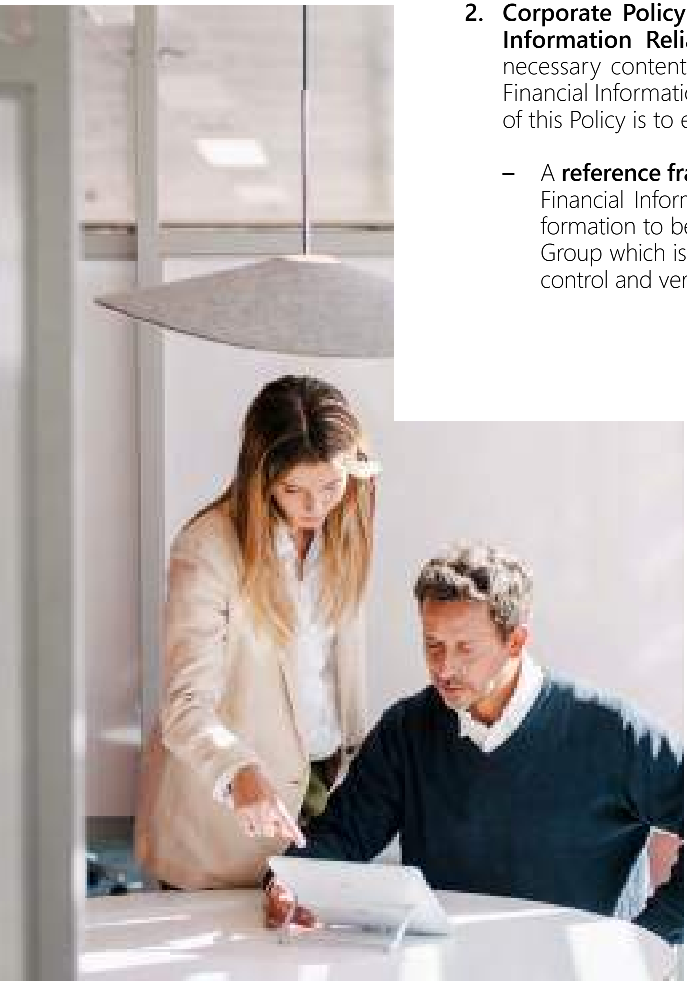
   – The **governance framework** to be followed for both information to be disclosed and for the verification of this documentation and;

   – The criteria related to the **control and verification of the information** to be disclosed in order to guarantee the existence, design, implementation and correct operation of ICFR, making it possible to mitigate the Financial Information Reliability risk.

Three specific standards derive from this policy, which further describe the activities undertaken:

i) ICFR standard, ii) Pillar III disclosure regulation and iii) Disclosure regulation for financial statements, explanatory notes and the management report.

The purpose of the **ICFR standard** is to develop the provisions on ICFR in the "Corporate Policy on the management of the Financial Information Reliability Risk", with the following objectives:



01
>> **DEVELOP THE METHODOLOGY** APPLIED FOR THE MANAGEMENT OF ICFR AS A WHOLE

02
>> **ESTABLISH THE COORDINATION PROCESS** WITH THE GROUP COMPANIES

03
>> **ESTABLISH THE ACTIVITIES** OF THE INFORMATION RELIABILITY FUNCTION

04
>> **SPECIFY THE MORE FUNCTIONAL ASPECTS** OF ICFR

Organisational structure and Functions

The review and approval of the organisational structure and the lines of responsibility and authority is carried out by the CaixaBank **Board of Directors**, through the **Management Committee** and the **Appointments and Sustainability Committee**.

The **Organisation** department designs the organisational structure of CaixaBank, and proposes the necessary organisational changes to the Company's bodies. Subsequently, the **Human Resources Division** proposes the people to be appointed to carry out the duties defined.

The **lines of authority** and responsibility are defined in the preparation of the financial information, as set out in the 3 lines of defence (LoD) corporate internal control model explained in Note 3.2.4 of the accompanying consolidated financial statements. It also has a comprehensive plan which includes, among other issues, the allocation of tasks, key dates and the various revisions to be carried out by each of the hierarchical levels. Both the lines of authority and responsibility and the above-mentioned planning are documented and have been distributed among all people involved in the financial reporting process.

Code of Ethics and Principles of Action and other internal policies

CaixaBank has established a series of values, principles and standards inspired by the highest standards of responsibility detailed below:

The **CaixaBank Code of Ethics and Principles of Action** (hereinafter, the "Code of Ethics") is the basis for guiding the actions of the people comprising the company, that is, the employees, directors and members of the Governing Bodies, and it affects all levels: in their internal professional relationships with the Company and in their external relationships with customers, suppliers and wider society. By means of the Code of Ethics, CaixaBank aligns itself with the highest national and international standards and takes an active stance against any type of unethical practices and any practices that are contrary to the general principles of action set out in its text.

The Code of Ethics is a **company-wide** document that serves as a reference for all companies in the Group. These companies' Governing and Management Bodies are tasked with making the necessary decisions to integrate its provisions, by either approving their own Code or adhering to CaixaBank's Code.

CaixaBank's Board of Directors, as the body responsible for establishing the Company's general policies and strategies, is responsible for approving the Code of Ethics, which was last reviewed on March 2021.

CaixaBank bases its corporate and social actions on the Code of Ethic's following **corporate values**:

- **Quality:** understood as its will to serve customers, providing them with excellent service and offering them the products and services that most suit their needs.
- **Trust:** understood as the combination of integrity and professionalism, which is nurtured with empathy, communication, a close relationship and being accessible.
- **Social engagement:** understood as the commitment to not only adding value for customers, shareholders and employees, but also contributing to developing a fairer society with greater equal opportunities. It is CaixaBank's heritage, its founding essence, that which distinguishes it and makes it unique.

Furthermore, its **principles of action**, developed from the corporate values, are as follows:

- Compliance with current laws and standards.
- Respect.
- Integrity.
- Transparency.
- Excellence and Professionalism.
- Confidentiality.
- Social responsibility.

The values and principles of the Code of Ethics are passed on to CaixaBank Group's suppliers through the **Code of Conduct for Suppliers**, a mandatory standard that aims to disseminate and promote the values and principles in the suppliers' activities. This is a vital aspect in achieving the services' targets for growth and quality, and its alignment with CaixaBank's position and vocation is essential.

The following content set out in the principles is worth highlighting:

- CaixaBank's mission is to fully meet the financial needs of the largest number of customers through an **appropriate and comprehensive product and service offering** and excellent service quality, while committing to adding value for customers, shareholders, employees and society as a whole.
- CaixaBank undertakes to **provide its customers with accurate, truthful and understandable information on its operations**, the terms and conditions of products and services, fees and procedures for filing claims and resolving incidents. Integrity and transparency in the marketing of products and the provision of services is a key aspect for CaixaBank to ensure that they are tailored to the customers' needs. With the aim of customers better understanding the characteristics of the marketed products and services, CaixaBank will employ a clear, simple and understandable language when drafting contractual documentation for customers.
- CaixaBank provides its shareholders and institutional investors with **all relevant financial and corporate information**, in accordance with current regulations and in compliance with the developing internal and external regulations.

Based on the principles and values of the Code of Ethics, CaixaBank has put in place a company-wide **Code of Conduct**, that is, it is applicable to all the companies comprising CaixaBank Group. This Code of Conduct was approved by its Governing Bodies. The following points of this Code of Conduct are particularly relevant:

POLICIES AND CODE OF CONDUCT[1]

CORPORATE POLICY ON CRIMINAL COMPLIANCE

This policy aims to prevent and avoid crimes within the organisation, in accordance with the provisions of the Criminal Code in relation to the criminal liability of legal persons. This Policy establishes and lays out the CaixaBank Group Crime Prevention Model.

CORPORATE POLICY AGAINST CORRUPTION

Its purpose is to prevent both the Company and its external partners, directly or through third-parties, from engaging in conduct that may be contrary to the law or to the basic principles of CaixaBank's activity.

GENERAL CORPORATE POLICY ON CONFLICTS OF INTEREST OF CAIXABANK GROUP

It provides a global and harmonised framework of general principles and procedures of action to be taken to manage any real or potential conflicts of interest arising in the course of their respective activities and services.

INTERNAL CODE OF CONDUCT IN SECURITIES MARKETS (ICC)

It fosters transparency in markets and uphold the interests of investors in accordance with the investor protection and securities market regulations.

CODE OF CONDUCT REGARDING DATA COMMUNICATION

It guarantees the proper use of the resources provided by CaixaBank and raises awareness of the importance of information security among employees. The scope of application extends to all employees and partners with access to the CaixaBank Group IT systems.

CODE OF CONDUCT FOR SUPPLIERS

It establishes the values and ethical principles that will govern the activity of CaixaBank's suppliers of goods and services, subcontractors and third-party collaborators. The Code is applicable to the suppliers of CaixaBank and Group companies with which it shares a procurement management model.

CORPORATE POLICY OF REGULATORY COMPLIANCE

It establishes and develops the nature of the Regulatory Compliance Function as the component responsible for promoting the ethical business principles, reaffirming a corporate culture of respect for the law and regularly verifying and assessing the effectiveness of controls related to the risk of non-compliance with the obligations contained therein.

Finally, and in relation to certain specific areas, there is a **range of internal standards and procedures** in place that develop the control environment for the main risks of the taxonomy of the Regulatory Compliance Function:

- *Customer Protection*
- *Markets and integrity*
- *Tax Compliance*
- *Data Protection, Privacy and Regulatory Compliance Reporting*
- *Internal Governance*
- *Prevention of Money Laundering and Sanctions*

[1] Except for the Code of Conduct regarding Data Communication, all the aforementioned standards of conduct are available on the corporate website in its public version ("http://www.caixabank.com"); and internally, they are all accessible via the corporate intranet.

With regard to **spreading/providing training on** this regulation, the following milestones are worth noting:

- Annual **regulatory training courses**, mandatory for all employees. This training is linked to the receipt of variable remuneration. It is carried out through CaixaBank's own e-learning platform, which includes a final test. This guarantees CaixaBank's continual monitoring of the completion of the courses by employees, as well as their results. The regulatory courses for 2021 were related to Crime Risk Prevention, Transparency in the marketing of social welfare products and insurance, Anti-Money Laundering and Terrorist Funding (with a special focus on Admission and Analysis) and ESG (environmental, social and governance factors).
- **Microtraining** aimed at a specific audience or at the entire workforce. These courses are designed as training pills with specific content that are launched when the need to focus on a specific aspect has been detected. In 2021 the New Knowledge and Experience Test and Conflicts of Interest in the Securities Market courses were delivered.
- **Training for new employees**, who upon joining the company take a package of compulsory courses that include those on the main standards of conduct.
- **Training for new Business Area Directors** (BADs) **and other groups** (Private Banking Centres, Business Centres, Business Control and Corporate Investment Banking -CIB-) on an annual basis. Training sessions are held on *Compliance*, bringing together the main aspects of the risks overseen by *Compliance*: Integrity, Conduct/Markets, Prevention of Money Laundering/Sanctions. 47 meetings were held during 2021.
- In addition to the above and framed within the context of the takeover merger of Bankia by CaixaBank, a training package was exceptionally provided to **employees from Bankia** aimed at their adaptation to CaixaBank's regulatory environment.
- **Notices and briefing notes** are sent out to disseminate CaixaBank's values and principles.
- Employees working in the **Compliance area** complete a **Postgraduate in CaixaBank Compliance - UPF**, the objective of which is to continue with their professional development, which is continuously developing and adaptating to the environment. In 2021, the second and third sessions were launched.

The **degree of implementation of the Code of Ethics and Code of Conduct** is universal within CaixaBank, and it includes the members of the Governing and Management Bodies. In addition, all **new employees** are provided the following:

- an explanatory document of the aforementioned regulations in which they state that they have read, understood and accepted it in all its terms, and
- a survey on the compliance of the high ethical standards in hiring employees, where aspects relating to potential breaches of similar regulations are contrasted.

Among the main **bodies responsible for monitoring compliance with the regulations,** the following stand out:

- **Corporate Criminal Management Committee,** responsible for overseeing the performance of and compliance with the Criminal Prevention Model. It is a Committee with autonomous powers of initiative and control, with the capacity to raise consultations, request information, propose measures, begin investigations or carry out any process required in relation to crime prevention and managing the Crime Prevention Model.

  It is a multidisciplinary committee that reports to the CaixaBank Global Risk Committee, to which it provides reports at least every six months and, in any event, whenever the Corporate Criminal Management Committee deems it appropriate. It also informs the Management Committee and Governing Bodies through the Board's Risk Committee (notwithstanding the functions of the Audit and Control Committee in overseeing the internal control system and CaixaBank Group's Query and Whistleblowing Channel) when the Corporate Criminal Management Committee submits matters to the Board of Directors.
- **ICC Committee**, a collegiate body responsible for overseeing potential breaches of the Internal Code of Conduct.

  All potential incidents detected will be reported to the internal committee responsible for applying, where applicable, the disciplinary authority following the opening, analysis, debate and resolution of the cases raised.

Query and Whistleblowing Channel

CaixaBank Group has made the **Query and Whistleblowing Channel** available to the users defined in CaixaBank and the Group companies. For CaixaBank, the users are the following: Directors, employees, temporary staff, agents and suppliers.

Through this channel, it is possible to send reports on acts or behaviour, past or present, related to the scope of the Code of Ethics, the Corporate Anti-Corruption Policy, the Corporate Policy on Criminal Compliance, the CaixaBank Group Corporate Conflict of Interest Policy, the Internal Code of Conduct in Securities Markets, the Code of Conduct for Suppliers, the Code of Conduct regarding Data Communication or any other policy or internal standards in CaixaBank. If complaints are put forward by customers, they will be submitted to the customer service channels established by CaixaBank for this purpose. The same is applied to harassment situations, given the importance that CaixaBank Group attaches to handling it, for which there is a specific channel managed by a team of specialised managers.

The Query and Whistleblowing Channel, constituted in the Code of Ethics, is based around an internal standard and an operating protocol.

There are two types of reports:

- **Queries**, understood as requests for clarification of specific questions, as a result of the application or interpretation of the texts mentioned above.
- **Complaints**, understood as reports of possible irregularities that may involve offences.

Among the categories/ types provided for in the Query and Whistleblowing Channel, there is a category for reporting possible **financial and accounting irregularities** in transactions or financial reporting. This is understood to be financial information that does not reflect the rights and obligations through the corresponding assets and liabilities in accordance with applicable regulations, as well as transactions, occurrences or events that:

- Are included in the financial information but which do not exist or which have not been documented at the corresponding time.
- Have not been fully included in the financial information and in which the Company is the party concerned.
- Are not recorded or evaluated in accordance with applicable regulations.
- Are not classified, presented or disclosed in the financial information in accordance with regulations.

The Query and Whistleblowing Channel was implemented in the Group's most relevant subsidiaries throughout 2020 and 2021, where the complaints are managed on a corporate basis by CaixaBank Regulatory Compliance. The following Group companies have access to the corporate channel:

01. VIDACAIXA S.A.U. DE SEGUROS Y REASEGUROS
02. CAIXABANK ASSET MANAGEMENT S.G.I.I.C. S.A.
03. BUILDINGCENTER S.A.
04. CAIXABANK PAYMENTS & CONSUMER, E.F.C., E.P., S.A.
05. TELEFÓNICA CONSUMER FINANCE, E.F.C., S.A.
06. CAIXABANK EQUIPMENT FINANCE, S.A.
07. WIVAI SELECTPLACE, S.A.
08. BANCO PORTUGUÉS DE INVESTIMENTO ("BPI").
09. CAIXABANK WEALTH MANAGEMENT LUXEMBOURG, S.A.
10. CAIXABANK OPERATIONAL SERVICES, S.A.
11. CAIXABANK BUSINESS INTELLIGENCE, S.A.U.
12. CAIXABANK FACILITIES MANAGEMENT, S.A.
13. NUEVO MICRO BANK, S.A.U.
14. CAIXABANK TITULIZACION S.G.F.T., S.A.
15. IMAGINERSGEN, S.A.
16. CAIXABANK TECH, S.L.U.
17. CREDIFIMO E.F.C. SAU

The **main characteristics** of the Channel are as follows:

- **Accessibility** 24 hours a day, 365 days a year, via the internet, intranet, Financial Terminal and Corporate Purchasing tool, and corporate or personal devices. Considering CaixaBank Group's international presence, the Channel's platform allows submitting queries and complaints in Spanish, Catalan, English and Portuguese.

- **Possible anonymity** in complaints, which can be made anonymously or otherwise.

- **Partial outsourcing** of the complaint handling process. Part of the handling process -the reception and pre-admission- is carried out by external experts in order to bolster the independence, objectivity and respect for the guarantees offered by the Channel.

Confidentiality (prohibition of disclosing to third parties any kind of information concerning the content of complaints or queries, which is known only by the strictly necessary people), the **protection of the reporting party's identity** and the **prohibition on reprisals** are among **the main guarantees** provided by the Query and Whistleblowing Channel**.**

Finally, in terms of ***Governance:***

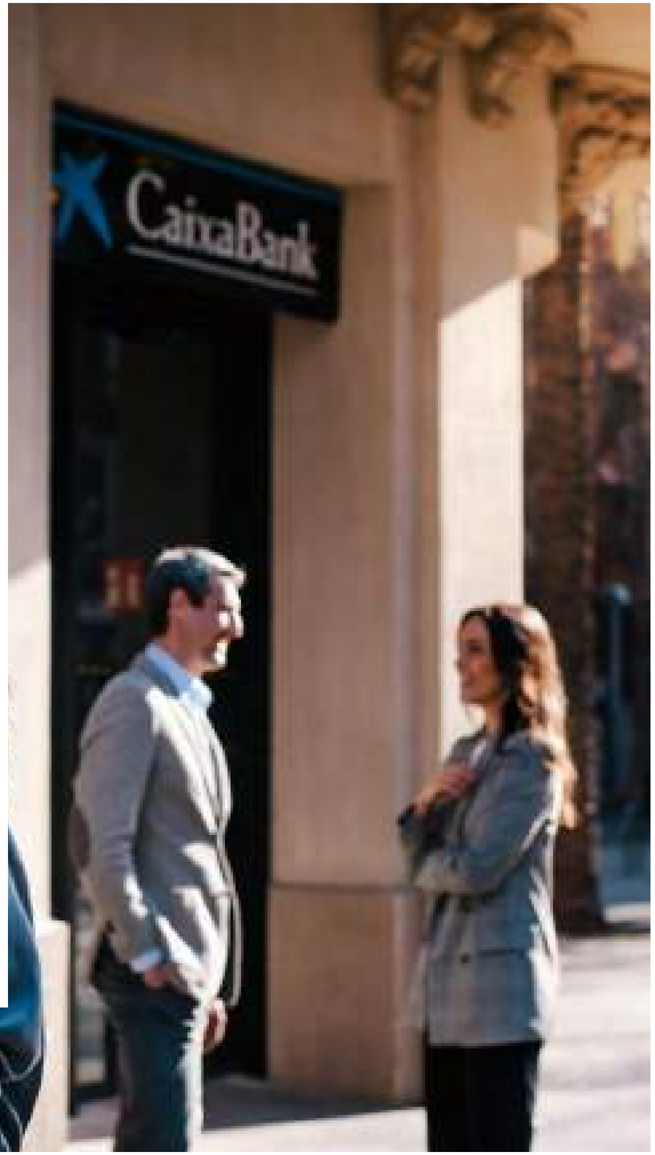
- The CaixaBank Group Query and Whistleblowing Channel is managed by the Regulatory Compliance function (Group and Regulatory Risk Management).

- The Regulatory Compliance's functions include raising queries, requesting information, requiring investigations and any other measure or procedure for the proper management of the complaints process. It also resolves complaints, estimating and documenting compliance/non-compliance with regulations on the basis of the events/conducts subject of the complaint. If non-compliance is observed, it submits the relevant information to the bodies responsible for taking the appropriate measures.

- For any complaints in which, according to Regulatory Compliance, there are indications of criminal offences, Regulatory Compliance will inform the Corporate Criminal Management Committee of the reported offence and keep this Committee informed of the procedural milestones and the internal strategy to follow in relation to the investigation. The Corporate Criminal Management Committee may propose such aspects as it deems appropriate.

- CaixaBank's Regulatory Compliance provides Group subsidiaries with a general advisory and management service that covers aspects such as implementation, training, support and handling of complaints.

- Regulatory Compliance continuously oversees the Channel and, at least every six months, reports to the Management and Governance Bodies on the main traffic indicators and volumes, observing strict confidentiality regarding the content and, where required, the reporting party's identity.

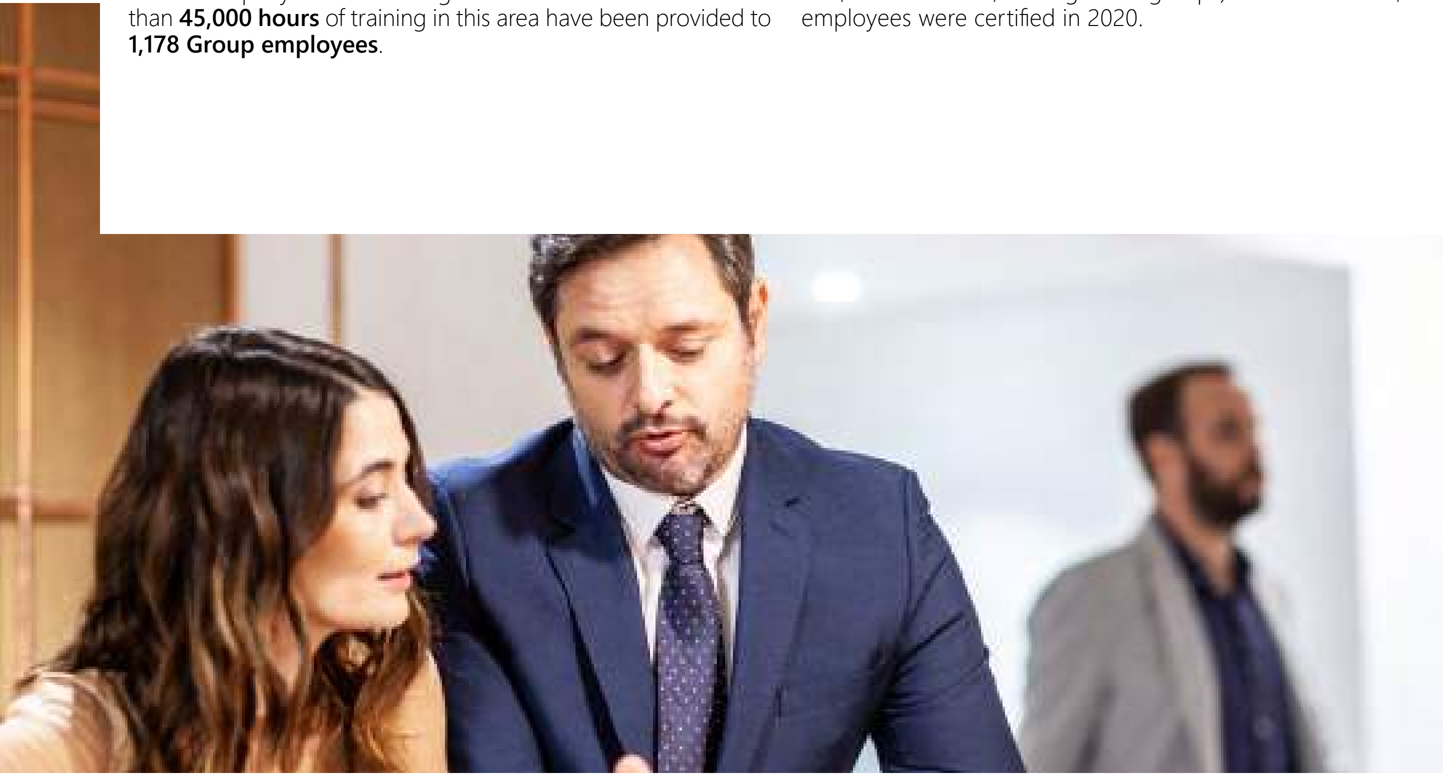


Training

CaixaBank Group ensures the provision of **ongoing training plans** adapted to the different positions and responsibilities of the staff involved in preparing and reviewing financial reporting, with a focus on accounting, audits, internal control (including ICFR), risk management, regulatory compliance and remaining up to date on legal/ tax matters.

These training programmes are used by members of the Directorate of Financial Accounting, Control and Capital, the Internal Audit, Compliance and Control Division, the Non-performing Loans, Recoveries and Assets Division, as well as the members of the Company's Senior Management. It is estimated that more than **45,000 hours** of training in this area have been provided to **1,178 Group employees**.

In particular, in terms of ICFR, an **online course** is launched each year with the following objectives: promote an **internal control culture** in the organisation, based on the principles and best practices recommended by the CNMV; inform about the ICFR implemented in the Company; and promote the establishment of mechanisms that contribute to guaranteeing the reliability of the financial information, as well as the duty to ensure compliance with the applicable regulations. In 2021, **154** CaixaBank **employees** that directly or indirectly intervene in the process of preparing the financial information (Financial Accounting, Control and Capital, Internal Control and Validation, Internal Audit, among other groups) took the course; 341 employees were certified in 2020.



Furthermore, the Directorate of Financial Accounting, Control and Capital is also active, alongside other areas of the Group, in sector-specific working groups on both the national and international levels. These groups address topics relating to accounting standards and financial matters.

In terms of **training carried out for Company Directors**, in 2021, a training plan was designed with 8 sessions that analysed different subjects, such as the various businesses, sustainability and cybersecurity. An off-site work session devoted to analysing the variety of strategic areas for the Company was held. In addition, members of the Board of Directors receive up-to-date information on economic and financial developments on a recurring basis.

Furthermore, the **Risk Committee** included **11 single-topic presentations** into the agenda at its ordinary meetings. These presentations looked in detail at relevant risks, such as reputational risk, environmental risk, business return risk, market risk, legal and regulatory risk, structural interest rate risk, risk management in outsourcing and cybersecurity, among others.

The **Audit and Control Committee** also included a total of 4 single-topic presentations in the agenda of its meetings, covering matters relating to audit, supervision and control of integration and cybersecurity. Moreover, members of the Audit and Control Committee received 6 training sessions on different topics, such as the actions related to COVID carried out by internal audit, the role of the internal audit in cybersecurity risks, IFRS17 and DTAs, among others.

Risk assessment in financial reporting (F.2)

The Group's Internal Control of Financial Reporting function adheres to the international standards established by the ***Committee of Sponsoring Organizations of the Treadway Commission*** **(COSO)** in its COSO II Model published in 2013, which covers the control objectives regarding: the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with applicable laws and the safekeeping of assets.

The Group has its own methodology for **identifying the risks**, which is implemented in the Group's main subsidiaries in a homogeneous manner, with regard to (i) the responsibility and implementation and updating; (ii) criteria to be followed and information sources to be used; and (iii) criteria to identify the significant components with regard to ICFR, as reflected in the following process:

- **Determining the scope**, including a selection of the financial information, relevant headings and entities of the Group generating it, on the basis of quantitative and qualitative criteria.
- **Identifying the key Group entities** and classifying them to determine the required standard of control for each one.
- **Identification of the Group's material processes** which are involved, either directly or indirectly, in preparing financial information.
- **Identification of the risks** associated with each process.
- Documentation of **existing controls** to mitigate the identified risks.
- **Continuous assessment of the effectiveness of Internal Control** over Financial Reporting.
- Reporting **to Governing Bodies.**

Risks are those that when they materialise cause possible errors with a potential material impact, including error and fraud, on the achievement of the following objectives:

- Transactions and events included in the financial information genuinely exist, and were documented at the right time (existence and occurrence).
- The information includes all transactions and events in which the Company is the party concerned (completeness).
- Transactions and events are recorded and assessed in accordance with regulations in force (valuation).
- The transactions and events are classified, presented and disclosed in the financial information in accordance with applicable regulations (presentation, disclosure and comparability).
- On the corresponding date, the financial information reflects rights and obligations through the corresponding assets and liabilities, in accordance with applicable regulations (rights and obligations).

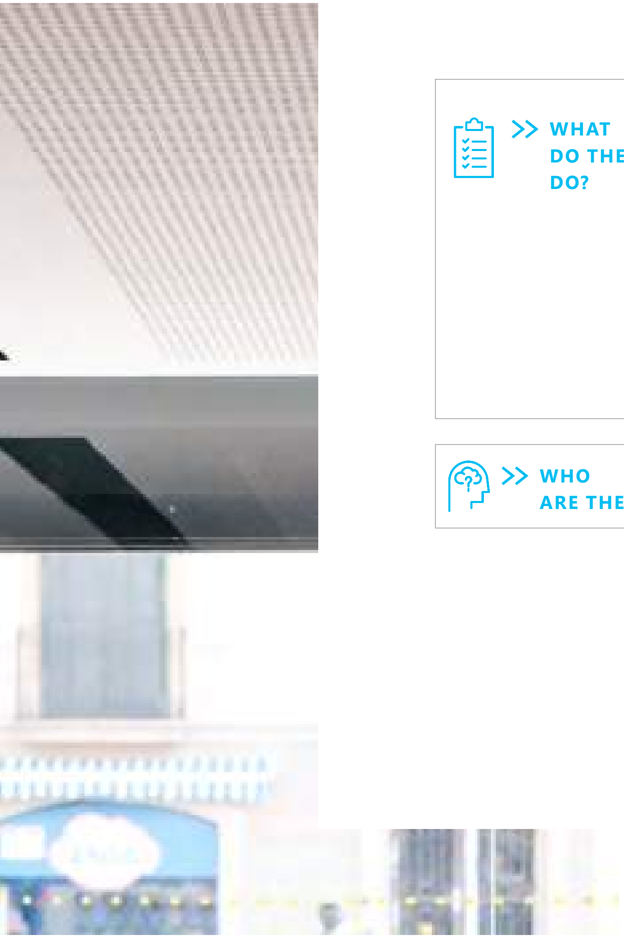
The risk identification process takes into account both routine transactions and less frequent transactions which are potentially more complex, as well as the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.). The entity also has an analysis procedure in place implemented by the various business areas involved in corporate transactions and non-recurring or special transactions, with all accounting and financial impacts being studied and duly reported.

At least once a year, Information Reliability Management reviews the risks within its scope and the oversight activities designed to mitigate these. If, during the course of the year, circumstances arise that could affect the preparation of financial information, the Management must evaluate the need of incorporating new risks to those already identified.

Finally, the Audit and Control Committee is tasked with overseeing the process for preparing the regulated financial reporting process of the Group and ICFR, supported by the work of the Internal Audit function and the conclusions of the external auditor.

Procedures and activities for control over financial reporting (F.3)

In line with regulatory guidelines and best practices in the industry, the **Internal Control Framework** applicable to CaixaBank Group's ICFR is structured around the three **Lines of Defence model.**



	1st LoD	2nd LoD	3rd LoD
WHAT DO THEY DO?	Responsible for developing and maintaining effective controls over their businesses, and for identifying, managing and measuring, controlling, mitigating and reporting the main risks regarding the Reliability of Financial Reporting. Collaborating with Information Reliability Management in identifying the risks and controls, as well as the formalisation and descriptive documentation of the activities and controls over the processes that affect the generation of financial information.	Responsible for identifying, measuring, monitoring and reporting risks, establishing the management policies and control procedures and reviewing their implementation by the 1st LoD, from which it is independent. The periodic compliance review is carried out on the basis of certifications (incorporated into the ICFR process).	Responsible for overseeing the activities of the first and second lines of defence so as to provide reasonable certainty to Senior Management and the Governing Bodies.
WHO ARE THEY?	Business units and their support functions.	Information Reliability.	Internal audit.

Coordination of the process for preparing and submitting financial reporting

Reporting of conclusions of the control certification process

Reporting of conclusions

Directorate of Financial Accounting, Control and Capital

Management Committee

Audit and Control Committee

Board of Directors

Review and authorisation procedures for financial reporting

The professional profile of the personnel involved in reviewing and authorising the financial information is of a suitable standard, **with knowledge and experience in accounting, audit and/or risk management.**

The preparation and review of financial information is carried out by the various areas of the **Directorate of Financial Accounting, Control and Capital**, which requests collaboration from the business units and support functions, as well as companies within the Group, in order to obtain the level of detail it deems necessary for this information. Financial reporting is monitored by the various hierarchical levels within this Directorate and other areas within the Company. Finally, the relevant financial information to be disclosed to the market is presented by the Directorate to the responsible Governing Bodies and to the Management Committee, where the information is examined and, if appropriate, approved. The Internal Control and Validation Management presents the conclusions of the ICFR certification to the same responsible Governing Bodies and to the Management Committee for examination and approval.

CaixaBank has in place a **process whereby it constantly revises all documentation concerning the activities carried out,** any risks inherent in reporting the financial information and the controls needed to mitigate critical risks:

>> DOCUMENTATION WORKFLOW

01. >> PROCESSES/ SUB-PROCESSES

02. >> RISKS / ASSERTIONS ASSOCIATED FINANCIAL

- Existence and Occurrence
- Completeness
- Valuation
- Rights and Obligations
- Presentation, Disclosure and Comparability

03. >> CONTROL ACTIVITIES

- Importance (key/standard)
- Automation
- Evidence
- System (linked computer applications)
- Purpose (preventive, detective, corrective)
- Frequency
- Certification
- COSO Component
- Executor
- Validator

>> Certification of effectiveness of key controls

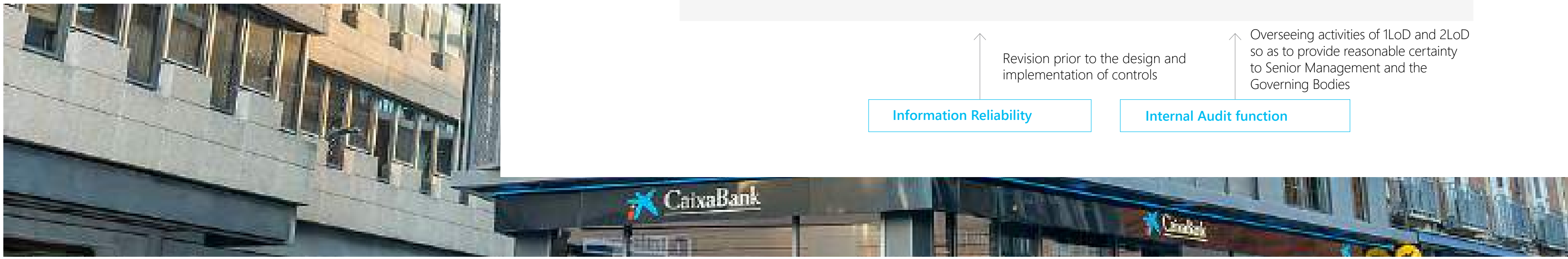
04. >> *REPORTING TO SENIOR MANAGEMENT AND GOVERNING BODIES*

Revision prior to the design and implementation of controls

Information Reliability

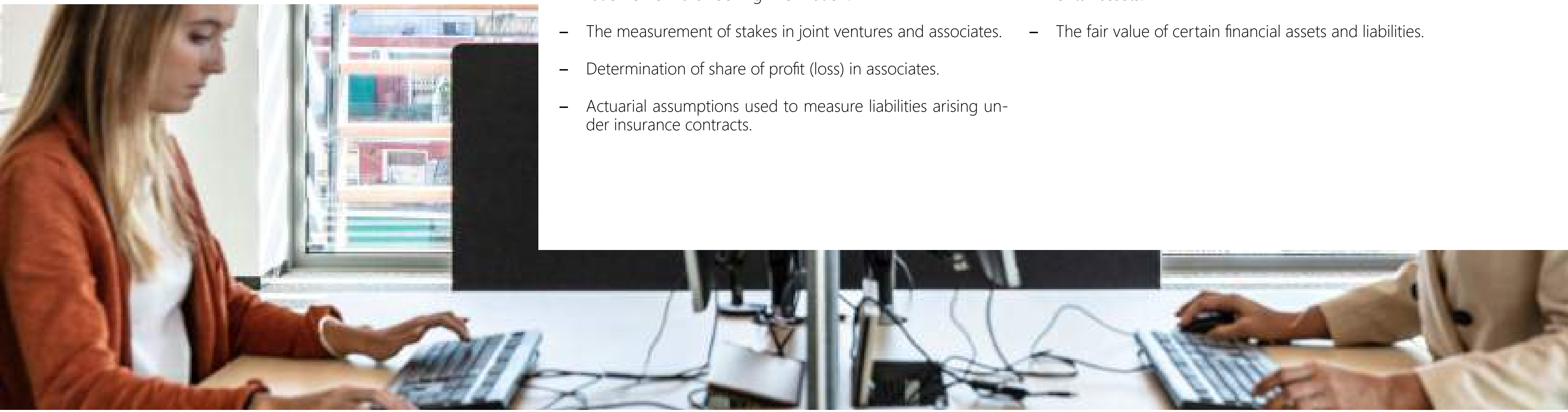
Overseeing activities of 1LoD and 2LoD so as to provide reasonable certainty to Senior Management and the Governing Bodies

Internal Audit function



With respect to the systems used for **ICFR management**, the Company has the **SAP Fiori** tool (GRC tool) in place. This allows for a comprehensive management of the risks and process controls related to the preparation of financial information and relevant documentation and evidence. The tool can be accessed by employees with different levels of responsibility in the assessment and certification process for the Group's internal financial information control system.

In 2021, the certification process was carried out on a quarterly basis, as well as other specific certification processes at different intervals, and no material weaknesses were detected in the certifications conducted. In addition, for certain financial information to be disclosed to the markets, further certifications were carried out beyond those conducted at the end of the quarter as standard. In this case, no material weaknesses were detected in any of the certifications conducted.



The preparation of the financial statements requires senior executives to make certain **judgments, estimates and assumptions** in order to quantify assets, liabilities, income, expenses and obligations. These estimates are based on the best information available at the date the financial statements are prepared, using generally-accepted methods and techniques and observable and tested data and assumptions. In accordance with the provisions of internal regulations, the Board and the Management Committee are responsible for approving these judgments and estimates, described in Note 1.3 to the Consolidated Financial Statements, mainly in relation to:

- The measurement of goodwill and intangible assets.
- The term of the lease agreements used in the assessment of the lease liabilities.
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations.
- Impairment losses on financial assets, and of the fair value of guarantees associated thereto, according to their classification in accounts, which entail the need to make judgements regarding: i) the consideration of 'a significant increase in credit risk' (SICR), ii) the definition of default; and iii) the incorporation of forward-looking information.
- The measurement of stakes in joint ventures and associates.
- Determination of share of profit (loss) in associates.
- Actuarial assumptions used to measure liabilities arising under insurance contracts.
- The classification, useful life and impairment losses on tangible and intangible assets.
- Impairment losses on non-current assets and disposal groups classified as held for sale.
- Actuarial assumptions used to measure post-employment liabilities and commitments.
- The measurement of the provisions required to cover labour, legal and tax contingencies.
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets.
- The fair value of certain financial assets and liabilities.

Procedures for **IT systems**

The **IT systems** which give support to processes regarding the preparation of financial information are subject to internal control **policies and procedures** which guarantee completeness when preparing and publishing financial information.

Specifically, CaixaBank's IT systems guarantee security by adhering to the requirements defined in **international best practices** for information security, such as the ISO/IEC 27000 standards, NIST, CSA, etc. These standards, alongside the obligations established in various laws and regulations and the requirements of local and sector-specific supervisory bodies, form part of the CaixaBank Group Regulations on Information Security. Compliance with these Regulations is monitored at all times and reports are shared with key players both within and outside the organisation.

The main activities are certified, of which the following stand out:

- CaixaBank Group's corporate cybersecurity activities, carried out at headquarters in Barcelona, Madrid and Porto are certified by **ISO 27001:2013** (BSI).
- The official **CERT** accreditation (Computer Emergency Response Team) recognises the Company's ability to manage information security.

In addition, with regard to operational and business continuity, the Company has in place an **IT Contingency Plan** to deal with serious situations to guarantee its IT services are not interrupted. It also has strategies in place to enable it to recover information in the shortest time possible. This IT Contingency Plan has been designed and operates according to **ISO 27031:2011**. Ernst&Young has certified that the CaixaBank's Technological Contingency governance regulations have been designed, developed and are operating in accordance with this Standard.

Furthermore, the BSI has certified the CaixaBank's Business Continuity Management Plan is compliant with **ISO 22301:2012**, which certifies:

- The **commitment** of CaixaBank's senior management with respect to Business Continuity and Technological Contingency.
- The implementation of Business Continuity and Technological Contingency management **best practices**.
- A cyclical process based on **continuous improvement.**
- That CaixaBank has deployed and operates **Business Continuity and Technological Contingency Management Systems** which are compliant with international standards.

Which offer:

Assurance to our customers, investors, employees and society in general that the Company is able to respond to serious events that may affect business operations.

Compliance with the recommendations of regulators, the Bank of Spain, MiFID and Basel III.

Advantages in terms of the Company's image and reputation.

Annual audits, both internal and external, which ensure we keep our management systems up to date.

In terms of **IT Governance**, CaixaBank's information and technology (IT) governance model ensures that its IT services are aligned with the Organisation's business strategy and comply with all regulatory, operational and business requirements. IT governance is an essential part of overall governance and encompasses organisational structures and guidelines to ensure that the IT services support and facilitate the fulfilment of strategic objectives.

CaixaBank's IT Governance Regulations are developed on the basis of requirements specified in the standard **ISO 38500:2008.**

CaixaBank's IT services have been designed to meet the business' needs, guaranteeing the following:

- Segregation of duties.
- Change management.
- Incident management.
- IT Quality Management.
- Risk management: operational, reliability of financial reporting, etc.
- Identification, definition and monitoring of indicators (scorecard).
- Existence of governance, management and monitoring committees.
- Periodic reporting to management.
- Rigorous internal controls which include annual internal and external audits in addition to a comprehensive Technological Risk control framework.

Procedures for managing **outsourced activities and independent experts**

CaixaBank Group has a **Cost, Budget Management and Purchasing Policy**, approved by the Management Committee on 18 June 2018, which defines the global reference framework for the companies of the Group, and details the general principles and procedures regarding the definition, management, execution and control of the budget for CaixaBank's operational and investment costs.

This policy is detailed in the **internal regulations of the Group** which mainly regulate processes regarding:

- **Budget** drafting and approval.
- Budget execution and **demand management.**
- Purchases and contracting **services.**
- Payment of invoices to **suppliers.**

Most of the processes carried out between Group entities and suppliers are managed and recorded by programs which include all activities. The Efficiency Committee is responsible for ensuring that the budget is applied in accordance with internal regulations.

To ensure correct management of costs and engagement of suppliers, the CaixaBank Efficiency Committee has delegated duties to two committees:

- **Expenses and Investments Committee (EIC):** reviews and ratifies all expenses and investment proposed by the various areas and subsidiaries in projects. It queries the need and reasonableness for expenditure by means of a profitability and/or efficiency analysis from the standpoint of the Company.
- **Purchasing Panel:** ensures the proper implementation of the purchasing/engagement policies and procedures defined in the regulations, encouraging equal opportunities among suppliers. The Company's Code of Business Conduct and Ethics stipulates that goods must be purchased and services engaged objectively and transparently, avoiding situations that could affect the objectiveness of the people involved. Therefore, all purchases must have minimum of 3 competing bids submitted by different suppliers. Purchases above a certain threshold must be managed by the specialised team of buyers for the given purchase category: IT, Professional Services, Marketing, Facilities and Building Works.

CaixaBank manages purchases under the following Procurement Principles: Efficiency, Sustainability, Integrity and Transparency, Compliance, Proximity and Monitoring.

The procurement model includes the registration and approval of suppliers, bidding, awarding, communication of the resolution of the Procurement process to the participating suppliers, signing of the contract with the awarded supplier, provision of the service, and monitoring.

Purchases above a certain threshold are managed centrally through the Procurement Department, which has a professional team of buyers specialised by purchase category or nature: IT, Professional Services, Marketing-Communication, Facilities and Building Works. Purchases are managed through a corporate electronic bidding tool in which a minimum of three (3) bids from different suppliers must be submitted. When selecting suppliers, criteria of participation, objectivity, professionalism, transparency and equal opportunities are applied.

CaixaBank Group has a **Corporate Purchasing tool** called SAP Ariba offering a quick and easy communication channel that provides access to the comprehensive purchasing management tool, including the approval of suppliers. Through this channel, suppliers register accepting the Procurement Principles and the Code of Conduct for Suppliers and submit all the necessary documentation and certifications when bidding for contracts and processing their standard-approval for eligibility.

CaixaBank has an **Outsourcing Policy** approved by the Board of Directors in September 2021. It is primarily based on the European Banking Authority Guidelines on Outsourcing Arrangements EBA/GL/2019/02. The Outsourcing Policy establishes the corporate principles and premises that regulate the outsourcing process from start to finish. In addition, the Policy establishes the scope, governance, management framework and risk control framework of CaixaBank Group, on which the actions to be carried out in the full life cycle of outsourcing must be based.

The Corporate Outsourcing Risk Management Policy, updated in 2021 and prepared by the Directorate of Non-Financial Risk Control in collaboration with Outsourcing Governance, ensures:

- CaixaBank Senior Management's **commitment** to outsourcing governance.
- The existence of outsourcing management initiative **best practices**.
- A cyclical process based on **continuous improvement.** to ensure that it is in line with the relevant standards and best practices of the national and international banking sector.

Formalisation of this Policy means:

- Our customers, investors, employees and other stakeholders **trust** in the decision-making and control process for outsourcing initiatives.
- **Compliance** with the recommendations of regulators, such as the Bank of Spain, ABE, MiFID and Basel III.
- **Advantages** in terms of the Company's image and reputation.

CaixaBank continues to increase its control efforts, ensuring that future outsourcing does not represent a loss of supervision, analysis and enforcement capacities of the service or activity in question.

The following procedure is followed when there is a new outsourcing initiative:

- **Analysis** of the applicability of the outsourcing model to the service to be outsourced.
- **Assessment** of the outsourcing decision by measuring criticality, risks and the associated outsourcing model.
- **Approval** of the risk inherent in the initiative by a collegial internal body.
- **Engagement** of the supplier
- **Transfer** of the service to the external supplier.
- **Oversight and monitoring** of the activity or service rendered.

All outsourced activities are subject to controls, largely based on service **performance indicators and mitigation measures** included in the contract. These help mitigate the risks detected in the outsourcing decision assessment. Each person in charge of an outsourced activity shall request that the supplier report all indicators and keep these up-to-date. These are then reviewed internally on a periodical basis.

In **2021**, the **activities** outsourced to third parties in relation to valuations and calculations of independent experts mainly concerned the following:

- Certain internal audit and technology services.
- Certain financial consultancy and business intelligence services.
- Certain marketing and various procurement services.
- Certain IT and technology services.
- Certain financial services.
- Certain financial, fiscal and legal advisory services.
- Certain processes related to Human Resources and various procurement services.
- Certain processes related to Information Systems.

Reporting and communication (F.4)

Accounting policies

Sole responsibility for specifying and communicating the Group's accounting criteria falls to the **Accounting Control and Information Management Division**, specifically the Accounting Policies and Regulation Department, which is integrated into the Directorate of Financial Accounting, Control and Capital.

Its responsibilities include **monitoring and analysing regulations** relating to financial reporting applicable to the Group, for their interpretation and subsequent application in financial reporting, uniformly across all companies that comprise the Group; it also **continually updates** accounting criteria applied for any new kind of contract or operation, or any regulatory change.

The monitoring of new regulations in relation to **non-financial reporting** is also included among the duties of the Accounting Policies and Regulation Department. In particular, it carries out a **continuous analysis** of the new information requirements and the trends in national, European and international regulations in terms of sustainability and non-financial reporting. Alongside the other relevant areas in CaixaBank Group, it analyses the resulting implications and works to ensure that these implications are managed and incorporated into the Group's working practices.

Furthermore, this Department analyses and studies the **accounting implications of individual transactions**, to anticipate impacts and ensure the correct accounting process is applied in the consolidated financial statements, and resolves any questions or conflicts surroundings accounting matters that are not included in a cost sheet, or where there are any doubts regarding their interpretation. Accounting queries that have been concluded by the Department are shared with the rest of the Accounting Control and Information Management Division at least once per month, with an explanation of the technical arguments that support them or the interpretations made, as well as issues currently being analysed.

In the process of **creating new products**, through their participation in the Group's Product Committee, they analyse the **accounting implications** of the products on the basis of their characteristics, whereby this analysis leads to the creation or update of a cost sheet, detailing all the potential events that a contract or transaction may involve. In addition, the main characteristics of the administrative operation, tax regulations, accounting criteria and applicable standards are described. Additions and amendments to the accounting circuits are notified immediately to the Organisation and most can be consulted on the Company's intranet.

This department also participates in and supports the **Regulation Committee of CaixaBank Group** in terms of regulations on financial and non-financial reporting. In the event of any applicable regulatory change that must be implemented in the Group, the Department communicates this to the Departments or Group subsidiaries affected, and participates or leads the implementation projects for such changes where relevant. With regard to the Audit and Control Committee, it coordinates and prepares all the documentation relating to the Directorate of Financial Accounting, Control and Capital, and it is responsible for reporting on a quarterly basis the judgments and estimates made during the period that have impacted the consolidated financial statements.

The Accounting Policies and Regulation Department is also involved in individual projects related to **sustainability and non-financial reporting**, be it in transversal Group projects, internal and external training courses, or through its participation in working groups with peers and external stakeholders.

The previous activities in relation to financial reporting are materialised in the existence and maintenance of a **Manual on accounting policies**, which establishes the standards, principles and accounting criteria adopted by the Group. This manual guarantees the comparability and quality of the financial information of all companies of the Group, and is complemented by the queries received by the Department. Communication with operation managers is permanent and fluid.

Additionally, the Policies and Regulation Department is responsible for developing **training activities** on accounting developments and amendments in the organisation's relevant business departments.

Mechanisms for **financial reporting**

CaixaBank has internal IT tools that ensure the completeness and homogeneity in the **preparation processes for financial information.** All the applications have IT contingency mechanisms, to ensure the conservation and accessibility of information under any circumstances.

The Company is currently undergoing a project to improve the **architecture of accounting information**, with a view to increase quality, completeness, immediacy and access to data provided by business applications. The various IT applications are gradually being included in the scope of the project, which currently includes a very significant materiality of balances.

For the purposes of elaborating **consolidated information**, both CaixaBank and the companies that comprise the Group use specialised tools to employ information capturing, analysis and preparation mechanisms with homogeneous formats. The accounts plan, which is incorporated in the consolidation application, has been defined to comply with requirements of the various regulators.

With respect to the Systems used for **ICFR management**, as previously mentioned, the Company has the **SAP Fiori** tool in place, in order to guarantee its completeness, reflecting the existing risks and controls. The tool also supports the Corporate Risks Catalogue and the Key Risk Indicators (KRIs).

Oversight of the operation of the system for Internal Control over Financial Reporting (F.5)

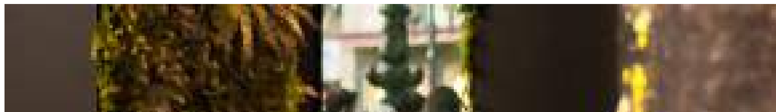
The **Audit and Control Committee** is entrusted with overseeing the preparation and submission process for regulated financial information and the effectiveness of the internal control and risk management systems in place at the Company. These duties are explained in detail in the section "The Administration –The Board Committees – Audit and Control Committee". In addition, the Audit and Control Committee also oversees the ICFR through the statements signed by its managers and the bottom-up certification carried out by Information Reliability Management.

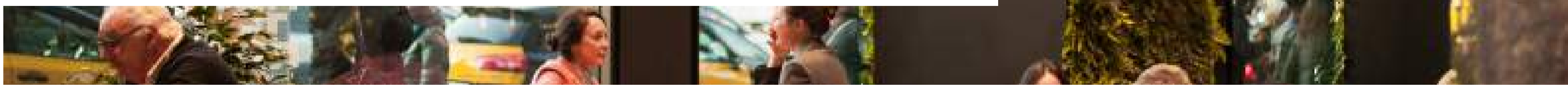
The **Internal Audit** function, represented in the Management Committee, is governed by the principles contained in the CaixaBank Group Internal Audit Regulations, approved by the CaixaBank Board of Directors. It is an **independent and objective function** that offers a systematic approach to the assessment of risk management processes and controls, as well as corporate governance. Its purpose is to support the Audit and Control Committee in its supervisory role. In order to establish and ensure this independence, Internal Audit reports to the Chair of the Audit and Control Committee, without prejudice to obligation to report to the Chair of the Board of Directors for the proper performance of its duties.

Internal Audit has **237 auditors working in various teams specialising in certain fields**. These include a group tasked with coordinating the oversight of processes relating to CaixaBank Group's financial reporting, which is attached to the Directorate of Accounting, Solvency and Human Resources Auditing.

The activities of the internal audit function are periodically reported to the Audit and Control Committee, which, in turn, reviews the following within the scope of the financial information reliability risk: (i) internal audit planning and the adequacy of its scope; (ii) the conclusions of the audits carried out and the impact on financial reporting; and (iii) monitoring corrective action.

Internal Auditing develops **a specific work programme to review ICFR**, which is focused on the relevant processes (transversal and business-based) defined by Information Reliability Management, along with the review of existing controls in the audits of other processes.





Currently, this work programme is completed by **reviewing the proper certification and evidence of effective execution** of a sample of controls, selected according to continual auditing indicators. Based on this, the Internal Audit function publishes an annual global report which includes an assessment of the performance of ICFR during the year. The 2021 assessment focused on:

- Review of the **application of the reference framework** defined in the document "Internal Control over Financial Reporting in Listed Companies" published by the CNMV.
- Verification of application of the **Corporate Policy on the Financial Information Reliability Risk** and the **ICFR Standard** to ensure that ICFR across the group is adequate.
- Assessment of the **internal bottom-up certification** of key controls, especially focusing on the controls executed prior to Bankia's technological integration.
- Evaluation of the **specifications of the relevant processes, risks and controls in financial reporting.**

Furthermore, in 2021, Internal Audit carried out a range of reviews of processes that affect the generation, preparation and presentation of financial information, focused on financial and accounting areas, corporate risk management, financial instruments, information systems and the insurance business, among other matters.

The Company also has **procedures for regular discussions with its external auditor**, which assists the Audit and Control Committee and reports on its audit planning and the conclusions reached before publishing the results, as well as any weaknesses found in the internal control system.

External auditor's report

In accordance with the recommendation concerning the Auditor's Report included in the guidelines on the information relating to Internal Control over Financial Reporting in Listed Companies published by the National Securities Market Commission on its website, the **auditor of the financial statements of CaixaBank has reviewed** the information on Internal Control over Financial Reporting System. The final report concludes that, as a result of the procedures applied regarding information on ICFR, there are no relevant inconsistencies or incidents.

This report is attached as an Appendix to the Annual Corporate Governance Report.

Degree of compliance with Corporate Governance recommendations **(G)**

Cross-reference table for compliance or explanation of **Corporate Governance recommendations**

	RECOMMENDATION 1	RECOMMENDATION 2	RECOMMENDATION 3	RECOMMENDATION 4
DESCRIPTION	The By-laws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.	When a dominant and a subsidiary company are both listed, they should provide detailed disclosure on: **a.** The activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies. **b.** The mechanisms in place to resolve possible conflicts of interest.	During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's Corporate Governance, supplementing the written information circulated in the Annual Corporate Governance Report. In particular: **a.** Changes taking place since the previous annual general meeting. **b.** The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.	The company should draw up and implement a policy of communication and contacts with shareholders and institutional investors, in the context of their involvement in the company, as well as proxy advisors, which complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation. Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.
COMPLIANT	Yes	Not applicable	Yes	Yes
COMMENTS		This Recommendation is not deemed to be applicable as CaixaBank is not a company controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code.		

DESCRIPTION

RECOMMENDATION 5

The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

COMPLIANT

Partial compliance

COMMENTS

As of 3 May 2021, the Law includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions the possibility of not applying this 20% limit to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

Therefore, CaixaBank, by its nature as a credit institution, is expressly authorised by law to not apply the 20% limit to the convertible bond issues it carries out, provided that these issues comply with the requirements set out in Regulation (EU) 575/2013.

In this regard and in line with what is currently set out in the regulations, already in 2020, the General Meeting of Shareholders of the Company on 22 May 2020 approved the authorisation of the Board of Directors to increase the share capital on one or more occasions and at any time, within a period of five years from that date, by the maximum nominal amount of 2,990,719,015 euros (equivalent to 50% of the share capital at the time of the authorisation), by issuing new shares –with or without premium and with our without voting rights–, the consideration for the new shares to be issued consisting of cash contributions, with the power to set the terms and conditions of the capital increase. This authorisation replaced and rendered ineffective, for the unused part, the previous delegation approved at the General Meeting of 23 April 2015.

The authorisation of the General Meeting of Shareholders of 22 May 2020, currently in force, provides for the delegation to the Board of the power to exclude, in whole or in part, pre-emptive subscription rights, although in this case, the amount of the capital increases will be limited, in general terms, to a maximum of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation). As an exception, the resolution of 22 May 2020 provides that this limit shall not apply to the increases in share capital that the Board may approve, with suppression of pre-emptive subscription rights, to cover the conversion of convertible securities that the Board of Directors resolves to issue pursuant to the authorisation of the General Meeting of Shareholders, with the general limit of 2,990,719,015 euros applying to such capital increases.

In this regard, the General Meeting of Shareholders held on 14 May 2021 approved the authorisation of the Board of Directors to issue convertible securities that allow or are intended to meet regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments up to a maximum aggregate amount of EUR 3,500,000,000 for a period of three years, with the power to exclude pre-emptive subscription rights if the corporate interest so justifies. Details of the instruments issued under this agreement are presented in Note 22.3 to the Annual Financial Statements. In accordance with the foregoing, the capital increases agreed by the Board of Directors to cover the conversion of these securities shall not be subject to the limit of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation).

Please note that as of 3 May 2021, the Capital Companies Act expressly stipulates that the 20% limit will not apply to convertible bond issues by credit institutions, provided that these issues comply with the requirements set out in Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms in order for the convertible bonds issued to qualify as additional Tier 1 capital instruments of the issuing credit institution, as is the case of the securities authorised for issue by the General Meeting of Shareholders of 14 May, in which case the general limit of 50% for capital increases applies.

	RECOMMENDATION 6	RECOMMENDATION 7	RECOMMENDATION 8	RECOMMENDATION 9
DESCRIPTION	Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory: **a.** Report on auditor independence. **b.** Reviews of the operation of the Audit Committee and the Appointments and Remuneration Committee. **c.** Audit Committee report on third-party transactions.	The company should broadcast its general meetings live on the corporate website. The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the general shareholders' meeting.	The Audit Committee should strive to ensure that the financial statements that the Board of Directors presents to the general shareholders' meeting are drawn up in accordance to accounting legislation. And in those cases where the auditor includes any qualification in its report, the chairman of the Audit Committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.	The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website. Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.
COMPLIANT	Yes	Yes	Yes	Yes
COMMENTS				

	RECOMMENDATION 10	RECOMMENDATION 11	RECOMMENDATION 12
DESCRIPTION	When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should: **a.** Immediately circulate the supplementary items and new proposals. **b.** Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors. **c.** Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes. **d.** After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.	In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.	The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value. In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.
COMPLIANT	Partial compliance	Yes	Yes
COMMENTS	With regard to section c), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal). Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising voting rights.		

	RECOMMENDATION 13	RECOMMENDATION 14	RECOMMENDATION 15	RECOMMENDATION 16	RECOMMENDATION 17
DESCRIPTION	The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.	The Board of Directors should approve a policy aimed at promoting an appropriate composition of the board that: **a.** Is concrete and verifiable. **b.** Ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board. **c.** Favours a diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity. The results of the prior analysis of competences required by the board should be written up in the Appointments Committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director. The Appointments Committee should run an annual check on compliance with this policy and set out its findings in the Annual Corporate Governance Report.	Proprietary and independent Directors should constitute an ample majority on the Board of Directors, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control. The number of female directors should represent at least 40% of the total number of members of the board of directors before the end of 2022 and not being below 30% before that time.	The percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital. This criterion can be relaxed: **a.** In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings. **b.** In companies with a plurality of shareholders represented on the board but not otherwise related.	Independent Directors should be at least half of all Board members. However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent Directors should occupy, at least, a third of Board places.
COMPLIANT	Yes	Yes	Yes	Yes	Yes
COMMENTS					

	RECOMMENDATION 18	RECOMMENDATION 19	RECOMMENDATION 20	RECOMMENDATION 21	RECOMMENDATION 22
DESCRIPTION	Companies should post the following Director particulars on their websites, and keep them permanently updated: **a.** Professional experience and background. **b.** Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature. **c.** Statement of the Director class to which they belong, in the case of proprietary Directors indicating the shareholder they represent or have links with. **d.** Dates of their first appointment as a board member and subsequent re-elections. **e.** Shares held in the company, and any options on the same.	Following verification by the Appointments Committee, the Annual Corporate Governance Report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.	Proprietary Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Directors, the latter's number should be reduced accordingly.	The Board of Directors should not propose the removal of independent Directors before the expiry of their tenure as mandated by the By-laws, except where they find just cause, based on a proposal from the Appointments Committee. In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation. The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in Recommendation 16.	Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, related or not to their actions within the company, and tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial. When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. The board should give a reasoned account of all such determinations in the Annual Corporate Governance Report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, at the time it adopts the corresponding measures.
COMPLIANT	Yes	Yes	Yes	Yes	Yes
COMMENTS					

	RECOMMENDATION 23	RECOMMENDATION 24	RECOMMENDATION 25	RECOMMENDATION 26
DESCRIPTION	Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other Directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation. When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation. The terms of this Recommendation also apply to the Secretary of the Board, even if he or she is not a Director.	Directors who give up their position before their tenure expires, through resignation or resolution of the general meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter to be sent to all members of the board. This should all be reported in the Annual Corporate Governance Report, and if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.	The Appointments Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively. The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.	The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.
COMPLIANT	Yes	Yes	Yes	Yes
COMMENTS				

	RECOMMENDATION 27	RECOMMENDATION 28	RECOMMENDATION 29	RECOMMENDATION 30
DESCRIPTION	Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.	The Appointments Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively. The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.	The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.	Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.
COMPLIANT	Partial compliance	Yes	Yes	Yes
COMMENTS	In the event of unavoidable absences, in order to prevent de facto changes to the balance of the Board of Directors, legislation allows for delegation to another director (non-executives only to other non-executives) - this is established in Principle 14 of the Good Governance Code and also envisaged in By-laws (article 37), as well as the Board's Regulations (article 17), which determine that Directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. Non-executive Directors may only delegate a proxy who is another non-executive Director, while independent Directors may only delegate to another independent Director. It should also be noted that CaixaBank's Corporate Governance Policy states that in relation to the duty of directors to attend Board meetings, if they cannot attend in person for justified reasons, they shall endeavour to grant their proxy in writing, and separately for each meeting, to a fellow Board member. Every attempt must be made to ensure that each and every director attends at least 80% of Board meetings. As such, proxies are a comparative rarity at CaixaBank. The Board of Directors considers, as good corporate governance practice, that when directors are unable to attend meetings, proxies are not generally delegated with specific instructions. This does not amend, de facto, the balance of the Board given that delegations may only be made by non-executive directors to other non-executive directors, and independent directors may only delegate to other independent directors, while directors are always required to defend the company's corporate interest regardless of their director status. Moreover, and reflecting the freedom of each director who may also delegate with the appropriate instructions as suggested in the Board's Regulations, the decision to delegate without instructions represents each director's freedom to consider what provides most value to their proxy, and they may finally decide on the grounds that they want to give their proxy freedom to adapt to the result of the Board meeting debate. This, in addition, is in line with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all directors, safeguarding their right to adopt any position or stance they see fit. Therefore, the freedom to appoint proxies with or without specific instructions, at the discretion of each director, is considered good practice and, specifically, the absence of instructions is seen as facilitating the proxy's ability to adapt to the content of the debate.			

	RECOMMENDATION 31	RECOMMENDATION 32	RECOMMENDATION 33	RECOMMENDATION 34	RECOMMENDATION 35
DESCRIPTION	The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need. For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.	Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.	The Chairman, as the person responsible for the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's By-laws, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so dictate.	When a coordinating director has been appointed, the By-laws or Regulations of the Board of Directors should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Vice-Chairmen; give voice to the concerns of non-executive directors; maintain contact with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance; and coordinate the Chairman's succession plan.	The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.
COMPLIANT	Yes	Yes	Yes	Yes	Yes
COMMENTS					

	RECOMMENDATION 36	RECOMMENDATION 37	RECOMMENDATION 38	RECOMMENDATION 39	RECOMMENDATION 40
DESCRIPTION	The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in: **a.** The quality and efficiency of the Board's operation. **b.** The performance and membership of its committees. **c.** The diversity of Board membership and competences. **d.** The performance of the Chairman of the Board of Directors and the company's Chief Executive. **e.** The performance and contribution of individual directors, with particular attention to the chairs of Board committees. The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee. Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointments Committee. Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report. The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.	When there is an Executive Committee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the Board of Directors.	The Board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all Board members should receive a copy of the committee's minutes.	All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.	Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's Non-Executive Chairman or the Chairman of the Audit Committee.
COMPLIANT	Partial compliance	Yes	Yes	Yes	Yes
COMMENTS	With respect to the 2021 financial year, the Board of Directors has carried out the self-assessment of its operation internally after ruling out the benefit of the assistance of an external advisor, as given the partial renewal process the Board will undertake once the merger of CaixaBank with Bankia takes effect, and given the short period of time the current Board had been constituted after the merger, it was more advisable and reasonable to postpone the external collaboration to the next self-assessment exercise. As a result, the self-assessment process was carried out along the same lines as the previous year with the assistance of the General Secretary and Secretary of the Board.				

RECOMMENDATION 41

DESCRIPTION

The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

COMPLIANT

Yes

RECOMMENDATION 42

DESCRIPTION

The Audit Committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a. Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b. Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c. Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

d. In general, ensure that the internal control policies and systems established are applied effectively in practice.

2. With respect to the external auditor:

a. Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b. Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c. Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d. Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e. Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

COMPLIANT

Yes

RECOMMENDATION 43

DESCRIPTION

The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

COMPLIANT

Yes

RECOMMENDATION 44

DESCRIPTION

The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

COMPLIANT

Yes

	RECOMMENDATION 45	RECOMMENDATION 46	RECOMMENDATION 47	RECOMMENDATION 48	RECOMMENDATION 49	RECOMMENDATION 50
DESCRIPTION	The risk control and management policy should identify or establish at least: **a.** The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks. **b.** A risk control and management model based on different levels, of which a specialised risk committee will form part when sector regulations provide or the company deems it appropriate. **c.** The level of risk that the company considers acceptable. **d.** Measures in place to mitigate the impact of risk events should they occur. **e.** The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.	Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities: **a.** Ensure that risk control and management systems are functioning correctly and, specifically, that the major risks the company is exposed to are correctly identified, managed and quantified. **b.** Participate actively in the preparation of risk strategies and in key decisions about their management. **c.** Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.	Appointees to the Appointments and Remuneration Committee - or of the Appointments Committee and Remuneration Committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent Directors.	Large cap companies should operate separately constituted Appointments and Remuneration Committees.	The Appointments Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors. When there are vacancies on the Board, any Director may approach the Appointments Committee to propose candidates that it might consider suitable.	The Remuneration Committee should operate independently and have the following functions in addition to those assigned by law: **a.** Propose to the Board the standard conditions for senior officer contracts. **b.** Monitor compliance with the remuneration policy set by the company. **c.** Periodically review the remuneration policy for Directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior officers in the company. **d.** Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages. **e.** Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.
COMPLIANT	Yes	Yes	Yes	Yes	Yes	Yes

	RECOMMENDATION 51	RECOMMENDATION 52	RECOMMENDATION 53	RECOMMENDATION 54	RECOMMENDATION 55
DESCRIPTION	The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive Directors and senior officers.	The rules of performance and membership of supervision and control committees should be set out in the board of directors' regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include: **a.** Committees should be formed exclusively by non-executive Directors, with a majority of independents. **b.** Committees should be chaired by an independent Director. **c.** The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's missions, discuss their proposal sand reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting. **d.** They may engage external advice, when they feel it necessary for the discharge of their functions. **e.** Meeting proceedings should be minuted and a copy made available to all Board members.	The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the Audit Committee, the Appointments Committee, a committee specialising in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.	The minimum functions referred to in the previous recommendation are as follows: **a.** Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values. **b.** Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored. **c.** Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders. **d.** Ensure the company's environmental and social practices are in accordance with the established strategy and policy. **e.** Monitor and evaluate the company's interaction with its stakeholder groups.	Environmental and social sustainability policies should identify and include at least: **a.** The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts. **b.** The methods or systems for monitoring compliance with policies, associated risks and their management. **c.** The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct. **d.** Channels for stakeholder communication, participation and dialogue. **e.** Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.
COMPLIANT	Yes	Yes	Yes	Yes	Yes

	RECOMMENDATION 56	RECOMMENDATION 57	RECOMMENDATION 58	RECOMMENDATION 59	RECOMMENDATION 60
DESCRIPTION	Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.	Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive Directors. The company may consider the share-based remuneration of non-executive Directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.	In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind. In particular, variable remuneration items should meet the following conditions: **a.** Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome. **b.** Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies. **c.** Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.	The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component. Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.	In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.
COMPLIANT	Yes	Yes	Yes	Yes	Yes

	RECOMMENDATION 61	RECOMMENDATION 62	RECOMMENDATION 63
DESCRIPTION	A major part of executive Directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.	Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed. Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments. The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favourable assessment of the Appointments and Remuneration Committee, to address an extraordinary situation.	Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.
COMPLIANT	Yes	No	Yes
COMMENTS		The prohibition on directors transferring ownership (or exercising them as the case may be) of the shares, options or financial instruments corresponding to the remuneration schemes until a period of at least three years has elapsed is not applied as such at CaixaBank. There is no provision governing this matter, although executive directors (who are the only directors entitled to receive share-based remuneration) are expressly prohibited from transferring shares received under their remuneration package, no matter the amount, until one year has elapsed since receiving them. The purpose established in Principle 25 that director remuneration be conducive to achieving business objectives and the company's best interests is also achieved through the existence of malus and clawback clauses, and via the remuneration structure for executive directors, whose remuneration in shares (corresponding to half their variable remuneration and in relation to long-term incentive plans) is not only subject to a lock-up period but is also deferred. Moreover, this variable remuneration constitutes a limited part of their total remuneration, thus complying fully with the prudential principles of not providing incentives for risk-taking while being suitably aligned with the Company's objectives and its sustainable growth. The General Meeting of Shareholders held on 14 May 2021 approved the amendment of the Remuneration Policy for the members of the Board of Directors from 2020 to 2022, both inclusive. The amended text of this policy replaces in its entirety the text approved by the Annual General Meeting of CaixaBank on 22 May 2020, without prejudice to the effects produced and consolidated under its validity. The proposed amendment to the Remuneration Policy approved on 22 May 2020 is justified, among others, by the following reasons: the change in the Chairman of the Board, following the merger by absorption of Bankia, S.A. by CaixaBank, who has become an executive director; the modification of the maximum annual amount of directors' remuneration in their capacity as such; the definition of the maximum number of shares that executive directors may receive in the event that all the objectives corresponding to the third cycle of the Conditional Annual Incentive Plan linked to the 2019-2021 Strategic Plan are met; the introduction of a new paragraph on "purpose and scope of application of the Policy"; the modification of the paragraph on "Instrument-based long-term incentives"; the introduction of a new sub-section with the procedure and criteria to be followed for the approval of the contract of an executive director; and the adaptation to best practices regarding remuneration in credit institutions. Furthermore, it is important to note that the Board of Directors is expected to submit to the next Ordinary General Meeting a proposal to amend its Remuneration Policy extending the limitation period for executive directors (who are the only directors entitled to receive share-based remuneration) to transfer the shares received under their remuneration package to 3 years, according to the terms of this Recommendation.	

RECOMMENDATION 64

DESCRIPTION

Termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the Director with the company, including previously unconsolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

COMPLIANT

Partial compliance

COMMENTS

Payments for termination or expiry of the Chairman's and CEO's contracts, including severance pay in the event of termination or expiry of the relationship in certain cases and the post-contractual non-competition agreement, do not exceed the amount equivalent to two years of the total annual remuneration for each of them.

In addition, the Bank has recognised a social security supplement for the CEO to cover retirement, death and permanent total, absolute or severe disability, and for the Chairman to cover death and permanent total, absolute or severe disability.

In the case of the commitment to cover the retirement contingency, this is a system established under a defined contribution plan, for which the annual contributions to be made are fixed in advance.

By virtue of this commitment, the CEO is entitled to receive a retirement benefit when he/she reaches the legally established retirement age. This benefit will be the result of the sum of the contributions made by the Bank and their corresponding returns up to that date, provided that he/she is not terminated for just cause, and without prejudice to the applicable treatment of discretionary pension benefits in accordance with the remuneration regulations applicable to credit institutions.

With the termination of the CEO's contract, the contributions would be consolidated (except in the event of termination for just cause attributable to the CEO) but in no case is there any provision for the possibility of receiving an early retirement benefit, since its accrual and payment would occur only on the occasion and at the time of retirement (or the occurrence of the other contingencies covered) and not on the occasion of the termination of the contract.

The nature of these savings systems is not to indemnify or compensate for the loss of rights to the assumption of non-competition obligations, as they are configured as a savings system that is endowed over time with periodic contributions and which form part of the fixed components of the usual remuneration package of the Executive Directors; unlike indemnities or compensations for not competing, it grows over time and is not set in absolute terms.

Therefore, the institution would only be in breach of recommendation 64 if the mere consolidation of savings scheme entitlements, without actual accrual or payment at the time of termination, were to be included in the concept of termination payments or termination of contract payments as defined therein.

This Annual Corporate Governance Report has been approved by the company's Board of Directors on **17 February 2022**

TABLE RECONCILING THE CONTENTS WITH THE TEMPLATE OF THE CNMV ANNUAL CORPORATE GOVERNANCE REPORT

A. Ownership structure

CNMV template section	Included in the statistical report	Comments
A.1	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Share performance – Share Capital" Section CMR Section "Our Identity – Corporate Governance – Ownership – Share performance – Share increase authorisation"
A.2	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Significant shareholders"
A.3	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
A.4	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"
A.5	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"
A.6	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
A.7	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Significant shareholders – Shareholders' agreements"
A.8	Yes	Not applicable
A.9	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Treasury shares"
A.10	No	CMR Section "Our Identity – Corporate Governance – Ownership – Treasury shares"
A.11	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Share information – Share Capital"
A.12	No	CMR Section "Our Identity – Corporate Governance – Ownership – Shareholder rights"
A.13	No	CMR Section "Our Identity – Corporate Governance – Ownership – Shareholder rights"
A.14	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Share performance – Markets"

B. General shareholders' meeting

CNMV template section	Included in the statistical report	Comments
B.1	No	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"
B.2	No	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"
B.3	No	CMR Section "Our Identity – Corporate Governance – Ownership – Shareholder rights"
B.4	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"
B.5	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"
B.6	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Shareholder rights"
B.7	No	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"
B.8	No	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"

C. Company administration structure

C.1 Board of Directors

CNMV template section	Included in the statistical report	Comments
C.1.1	Yes	CMR Section "Our Identity – Corporate Governance – Changes in the composition of the Board and its Committees in 2020" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
C.1.2	Yes	CMR Section "Our Identity – Corporate Governance – Changes in the composition of the Board and its Committees in 2020" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
C.1.3	Yes	CMR Section "Our Identity – Corporate Governance – Changes in the composition of the Board and its Committees in 2020" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
C.1.4	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Diversity of the Board of Directors"
C.1.5	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Diversity of the Board of Directors"
C.1.6	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Diversity of the Board of Directors"
C.1.7	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Diversity of the Board of Directors"
C.1.8	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
C.1.9	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Executive Committee"
C.1.10	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
C.1.11	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
C.1.12	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
C.1.13	Yes	CMR Section "Our Identity – Corporate Governance – Remuneration"
C.1.14	Yes	CMR Section "Our Identity – Corporate Governance – Senior Management"
C.1.15	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors – Regulations of the Board"
C.1.16	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Principles of proportionality between categories of Board members" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Selection and Appointment" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Re-election and time in the role"
C.1.17	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Assessment of Board activities"
C.1.18	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Assessment of Board activities"

C.1.19	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Termination"
C.1.20	No	CMR Section "Our Identity– Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors - Decision-making"
C.1.21	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Other limitations to the role of directors"
C.1.22	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Other limitations to the role of directors"
C.1.23	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Other limitations to the role of directors"
C.1.24	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors - Proxy Voting"
C.1.25	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors" CMR Section "Our Identity– Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors - Decision-making" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Executive Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Appointments and Sustainability Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Risk Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Remuneration Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Innovation, Technology and Digital Transformation Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee"
C.1.26	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors"
C.1.27	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Supervision of financial reporting" CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Procedure and activities for control over financial reporting"
C.1.28	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Supervision of financial reporting" CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Procedure and activities for control over financial reporting" CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Oversight of the operation of the internal control system"
C.1.29	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
C.1.30	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the independence of the external auditor" and "Relations with the market"
C.1.31	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the independence of the external auditor"
C.1.32	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the independence of the external auditor"
C.1.33	Yes	Not applicable

C.1.34	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the independence of the external auditor"
C.1.35	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors - Information"
C.1.36	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Termination"
C.1.37	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Termination"
C.1.38	No	CMR Section "Our Identity– Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors - Decision-making"
C.1.39	Yes	**Recipient number:** 39 **Type of beneficiary:** Chairman, CEO and 4 members of the Management Committee, 5 Executives // 28 Middle Managers **Description of the agreement:** Chairman and CEO: One annual payment of the fixed components of his remuneration. Members of the Management Committee: indemnity clause equivalent to one annual payment of the fixed components of their remuneration, or the amount payable by law, whichever is higher. There are currently four members of the committee for whom the indemnity to which they are legally entitled is still less than one year of their salary. Further, the Chairman, CEO and members of the Management Committee are entitled to one annual payment of their fixed remuneration, paid in monthly instalments, as consideration for their non-compete undertaking. This payment would be discontinued were this covenant to be breached. Executives and middle managers: 33 Executives and middle managers between 0.1 and 2 annual payments of fixed remuneration above that provided by law. Executives and middle managers of Group companies are included in the calculation.

C.2 Committees of the Board of Directors

CNMV template section	Included in the statistical report	Comments
C.2.1	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees"
C.2.2	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees"
C.2.3	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees"

D. Related-party and Intragroup transactions

CNMV template section	Included in the statistical report	Comments
D.1	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"
D.2	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"
D.3	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"
D.4	Yes	Not applicable
D.5	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"
D.6	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"
D.7	No	CaixaBank is not controlled by another entity in the sense of Article 42 of the Commercial Code

E. Risk Control and Management Systems

CNMV template section	Included in the statistical report	Comments
E.1	No	See section 3.2. Risk governance, management and control in Note 3 to the CFS.
E.2	No	See section 3.2. Risk governance, management and control - 3.2.1. Governance and Organisation in Note 3 to the CFS; section C.2. Committees of the Board of Directors in this document; and the section on Responsible and ethical behaviour – Tax transparency in the CMR.
E.3	No	See section 3.2. Risk governance, management and control - 3.2.2. Strategic risk management processes - Corporate Risk Catalogue in Note 3 to the CFS and the sections on Ethics and integrity, Tax transparency and Risk Management in the CMR.
E.4	No	See section 3.2. Risk governance, management and control - 3.2.2. Strategic risk management processes - Risk Appetite Framework in Note 3 to the CFS.
E.5	No	See section on Risk management - Main milestones in 2020 in the CMR; sections 3.3, 3.4 and 3.5 (description of each risk in the Corporate Risk Catalogue) in Note 3; and section 23.3. Provisions for pending legal issues and tax litigation in Note 23 to the CFS.
E.6	No	See section 3.2. Risk governance, management and control - 3.2.4. Internal Control Framework and sections 3.3, 3.4 and 3.5 (description of each risk in the Corporate Risk Catalogue) in Note 3 to the CFS and the sections on Corporate Governance and Responsible behaviour and ethics in the CMR.

F. Internal Control over Financial Reporting

CNMV template section	Included in the statistical report	Comments
F.1	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Control environment"
F.2	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Risk assessment in financial reporting"
F.3	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Procedure and activities for control over financial reporting"
F.4	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Reporting and communication"
F.5	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Oversight of the operation of the internal control system"
F.6	No	Not applicable
F.7	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – External auditor report"

G. Degree of Compliance with Corporate Governance Recommendations

CNMV template section	Included in the statistical report	Comments
G.	Yes	CMR Section "Annual Corporate Governance Report for 2020 – Extent of compliance with corporate governance recommendations"

H. Other Information of Interest

CNMV template section	Included in the statistical report	Comments
H.	No	CMR Section "Strategic lines – Setting the benchmark for responsible management and social commitment – Principal alliances and affiliations"

CFS - Consolidated Financial Statements of the Group for 2020.
CMR - Consolidated Management Report of the Group for 2020.

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER'S PARTICULARS

Financial year-end: 31/12/2021

Tax code: A08663619

Corporate name:

CAIXABANK, S.A.

Registered office:

CL. PINTOR SOROLLA N.2-4 (VALENCIA)

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Specify if the Company's By-laws contain the provision of shares with double loyalty voting:

[ ] Yes
[√] No

Date of last amendment	Share capital (€)	Number of shares	Number of voting rights
26/03/2021	8,060,647,033.00	8,060,647,033	8,060,647,033

State whether different types of shares exist with different associated rights:

[ ] Yes
[√] No

A.2. Details of direct and indirect owners of significant holdings at the end of the financial year, excluding directors with a significant shareholding:

Name or corporate name of shareholder	% of voting rights attributed to shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
BLACKROCK, INC	0.00	3.00	0.00	0.21	3.21
LA CAIXA BANKING FOUNDATION	0.00	30.01	0.00	0.00	30.01
FUND FOR ORDERLY BANK RESTRUCTURING	0.00	16.11	0.00	0.00	16.11

Details of indirect holding:

Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total voting rights
BLACKROCK, INC	OTHER CONTROLLED ENTITIES BELONGING TO THE BLACKROCK GROUP, INC	3.00	0.21	3.21

Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total voting rights
LA CAIXA BANKING FOUNDATION	CRITERIA CAIXA, SAU	30.01	0.00	30.01
FUND FOR ORDERLY BANK RESTRUCTURING	BFA TENEDORA DE ACCIONES, S.A.	16.11	0.00	16.11

A.3. Give details of the participation at the close of the fiscal year-end closing of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A.2 above:

Name or corporate name of Director	% of voting rights attributed to the shares		% of voting rights through financial instruments		% total voting rights	% of voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOMÁS MUNIESA ARANTEGUI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOHN S. REED	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOAQUIN AYUSO GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FRANCISCO JAVIER CAMPO GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EVA CASTILLO SANZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FERNANDO MARÍA COSTA DUARTE ULRICH	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARÍA VERÓNICA FISAS VERGÉS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRISTINA GARMENDIA MENDIZÁBAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Name or corporate name of Director	% of voting rights attributed to the shares		% of voting rights through financial instruments		% total voting rights	% of voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MARÍA AMPARO MORALEDA MARTÍNEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EDUARDO JAVIER SANCHIZ IRAZU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARÍA TERESA SANTERO QUINTILLÁ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOSÉ SERNA MASIÁ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KORO USARRAGA UNSAIN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GONZALO GORTAZAR ROTAECHE	0.01	0.00	0.00	0.00	0.02	0.00	0.00

% of total voting rights held by members of the Board of Directors	0.03

Details of indirect holding:

Name or corporate name of Director	Name or corporate name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total voting rights	% of voting rights that can be transferred through financial instruments
JOSÉ SERNA MASIÁ	MARÍA SOLEDAD GARCÍA CONDE ANGOSO	0.00	0.00	0.00	0.00

Detail the percentage of total voting rights represented on the Board:

% of total voting rights represented on the Board of Directors	0.03

A.7. State whether the company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Corporate Enterprises Act ("CEA"). Provide a brief description and list the shareholders bound by the agreement, as applicable:

[ ] Yes
[√] No

State whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable.

[ ] Yes
[√] No

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Spanish Securities Market Act. If so, identify them:

[ ] Yes
[√] No

A.9. Complete the following tables on the company's treasury stock: At

year end:

Number of shares held directly	Number of shares held indirectly(*)	% of total share capital
6,797,987	428,039	0.09

(*) Through:

Name or corporate name of direct shareholder	Number of shares held directly
BANCO BPI, S.A.	376,021
CAIXABANK PAYMENT & CONSUMER	14,598
VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	9,194
MICROBANK	10,913
CAIXABANK WEALTH MANAGEMENT, S.A.	17,313
Total	428,039

A.11. Estimated floating capital:

	%
Estimated floating capital	50.54

A.14. State if the company has issued shares that are not traded on a regulated EU market.

[√] Yes
[ ] No

B. GENERAL SHAREHOLDERS' MEETING

B.4. Give details of attendance at General Shareholders' Meetings held during the year of this report and the two previous years:

Date of general meeting	Attendance data				
	% attending in person	% by proxy	% remote voting: Electronic means	% remote voting: Other	Total
06/04/2018	41.48	23.27	0.03	0.23	65.01
Of which, free float	3.78	19.57	0.03	0.23	23.61
05/04/2019	43.67	20.00	0.09	1.86	65.62
Of which, free float	3.02	15.96	0.09	1.86	20.93
22/05/2020	40.94	24.92	0.11	0.30	66.27
Of which, free float	0.28	16.90	0.11	0.30	17.59
03/12/2020	43.05	25.85	1.17	0.27	70.34
Of which, free float	2.36	15.90	1.17	0.27	19.70
14/05/2021	46.18	26.94	1.24	1.07	75.43
Of which, free float	0.01	23.96	1.24	1.07	26.28

B.5. State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason:

[ ] Yes
[√] No

B.6. State whether the Company's by-laws contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

[√] Yes
[ ] No

Number of shares required to attend the General Meetings	1,000
Number of shares required for distance voting	1

C. COMPANY ADMINISTRATIVE STRUCTURE

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of Directors	22
Minimum number of Directors	12
Number of directors set by the general meeting	15

C.1.2 Complete the following table with Board members' details.

Name or corporate name of Director	Representative	Director category	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
JOSÉ SERNA MASIÁ		Proprietary	DIRECTOR	30/06/2016	14/05/2021	AGM RESOLUTION
KORO USARRAGA UNSAIN		Independent	DIRECTOR	30/06/2016	14/05/2021	AGM RESOLUTION
CRISTINA GARMENDIA MENDIZÁBAL		Independent	DIRECTOR	05/04/2019	05/04/2019	AGM RESOLUTION
EDUARDO JAVIER SANCHIZ IRAZU		Independent	DIRECTOR	21/09/2017	06/04/2018	AGM RESOLUTION
MARÍA VERÓNICA FISAS VERGÉS		Independent	DIRECTOR	25/02/2016	22/05/2020	AGM RESOLUTION
TOMÁS MUNIESA ARANTEGUI		Proprietary	VICE-CHAIRMAN	01/01/2018	06/04/2018	AGM RESOLUTION

Name or corporate name of Director	Representative	Director category	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MARÍA AMPARO MORALEDA MARTÍNEZ		Independent	DIRECTOR	24/04/2014	05/04/2019	AGM RESOLUTION
GONZALO GORTAZAR ROTAECHE		Executive	CEO	30/06/2014	05/04/2019	AGM RESOLUTION
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE		Executive	CHAIRMAN	03/12/2020	03/12/2020	AGM RESOLUTION
JOHN S. REED		Independent	LEAD INDEPENDENT DIRECTOR	03/11/2011	05/04/2019	AGM RESOLUTION
JOAQUIN AYUSO GARCÍA		Independent	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
FRANCISCO JAVIER CAMPO GARCÍA		Independent	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
EVA CASTILLO SANZ		Independent	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
FERNANDO MARÍA COSTA DUARTE ULRICH		Other External	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
MARÍA TERESA SANTERO QUINTILLÁ		Proprietary	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTIO N

Total number of Directors	15

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or corporate name of Director	Category of the Director at the time of termination	Date of last appointment	Date director left	Specialised committees of which s/he was a member	State whether the director left before the end of the mandate
JORDI GUAL SOLÉ	Proprietary	06/04/2017	26/03/2021	Executive Committee and Innovation, Technology and Digital Transformation Committee	YES
MARÍA TERESA BASSONS BONCOMPTE	Proprietary	05/04/2019	26/03/2021	Appointments and Sustainability Committe	YES
ALEJANDRO GARCÍA-BRAGADO DALMAU	Proprietary	06/04/2017	26/03/2021	Remuneration Committee	YES
IGNACIO GARRALDA RUIZ DE VELASCO	Proprietary	06/04/2017	26/03/2021		YES
FUNDACIÓN CAJACANARIAS	Proprietary	06/04/2017	26/03/2021	Risk Committee	YES

C.1.3 Complete the following tables on Board members and their respective categories:

EXECUTIVE DIRECTORS		
Name or corporate name of Director	Position held in the company	Profile
GONZALO GORTAZAR ROTAECHE	CEO	Born in Madrid in 1965, he has been the CEO of CaixaBank since June 2014. Gonzalo Gortazar holds a degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA with distinction from the INSEAD Business School. He is currently also Director of Banco BPI. He was the Chief Financial Officer of CaixaBank until his appointment of CEO in June 2014. He was formerly the Director-General Manager of Criteria CaixaCorp from 2009 to June 2011. From 1993 to 2009, he worked at Morgan Stanley in London and Madrid, where he held various positions in the investment banking division, heading up the European Financial Institutions Group until mid-2009, when he joined Criteria. Previously, he held various corporate banking and investment banking positions at Bank of America.

EXECUTIVE DIRECTORS		
Name or corporate name of Director	Position held in the company	Profile
		He was the VidaCaixa Chairman, First Vice-Chairman of Repsol, and Director of the Ibursa Financial Group, Erste Bank, SegurCaixa Adeslas, Abertis, Port Aventura and Saba.
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	CHAIRMAN	José Ignacio Goirigolzarri, was born in Bilbao in 1954. He has been the Executive Chairman of CaixaBank since 2021. He holds a degree in Economics and Business Science from the University of Deusto (Bilbao). He holds a diploma in Finance and Strategic Planning from the University of Leeds (UK). He is also currently the Vice-Chairman of the Spanish Confederation of Savings Banks (CECA). Furthermore, he is a Trustee of CEDE, Fundación Pro Real Academia Española, Honorary Board Member of the Fundación Consejo España-Estados Unidos, Chairman of Deusto Business School, Chairman of the Advisory Board of the Benjamin Franklin American Institute of Research, and Chairman of the Garum Foundation. He is also Chairman of the CaixaBank Dualiza Foundation. Before assuming CaixaBank's Chairmanship and since 9 May 2012, he has been Executive Chairman of the Board of Directors of Bankia, Chairman of its Committee on Technology and Innovation and Chairman of the Board of Directors of BFA, Tenedora de Acciones, S.A.U. He began his professional career at Banco de Bilbao, where he was Director General of BBV and member of the bank's Management Committee, with responsibilities in Commercial Banking in Spain and in operations in Latin America. He was responsible for BBVA's Retail Banking and CEO of the bank until 2009. During this period, he was also a Director of BBVA-Bancomer (Mexico), Citic Bank (China) and CIFH (Hong Kong). He was also the Vice Chairman of Telefónica and Repsol and the Spanish Chairman of the Fundación Consejo España-Estados Unidos.

Total number of executive Directors	2
% of the Board	13.33

EXTERNAL PROPRIETARY DIRECTORS		
Name or corporate name of Director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
TOMÁS MUNIESA ARANTEGUI	LA CAIXA BANKING FOUNDATION	Tomás Muniesa, born in Barcelona in 1952; he has been the Vice-Chairman of CaixaBank since April 2018. He holds a degree in Business Studies and a Master of Business Administration from the ESADE Business School.

EXTERNAL PROPRIETARY DIRECTORS		
Name or corporate name of Director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
		He joined 'La Caixa' in 1976, and was appointed Assistant Managing Director in 1992. In 2011, he was appointed Managing Director of CaixaBank's Insurance and Asset Management Group, where he remained until November 2018. He was the Executive Vice-Chairman and CEO of VidaCaixa from 1997 to November 2018. He currently holds the positions of Vice-Chairman of CaixaBank, VidaCaixa and SegurCaixa Adeslas. He is also a member of the Trust of the ESADE Foundation and Director of Allianz Portugal. Prior to this, he was Chairman of MEFF (Sociedad Rectora de Productos Derivados), Vice-chairman of BME (Bolsas y Mercados Españoles), 2nd Vice-chairman of UNESPA, Director and Chairman of the Audit Committee of the Insurance Compensation Consortium, Director of Vithas Sanidad SL and Alternate Director of the Inbursa Financial Group in Mexico.
JOSÉ SERNA MASIÁ	LA CAIXA BANKING FOUNDATION	José Serna Masiá (Albacete, 1942) has been a member of CaixaBank's Board of Directors since July 2016. He graduated in Law at the Complutense University of Madrid in 1964, and began his career in legal counselling with Butano, S.A. (1969/70). In 1971, he became a State Attorney, providing services at the State Attorney's Office for Salamanca and at the Ministries for Education and Science and Finance. He then joined the Adversary Proceedings Department of the State at the Audiencia Territorial de Madrid (now the Tribunal Superior de Justicia - High Court of Justice), before taking leave of absence in 1983. From 1983 to 1987 he was legal counsel to the Madrid Stock Exchange. In 1987, he became a stockbroker at Barcelona Stock Exchange and was appointed secretary of its Governing Body. He took part in the stock market reform of 1988 as Chairman of the company that developed the new Barcelona Stock Exchange and also as a member of the Advisory Committee to the recently created Comisión Nacional del Mercado de Valores, the Spanish securities market regulator. In 1989, he was elected Chairman of the Barcelona Stock Exchange, a role that he held for two consecutive terms until 1993. From 1991 to 1992, he was Chairman of the Spanish Sociedad de Bolsas (Stock Exchange Company), which groups the four Spanish stock exchanges together, and Deputy Chairman of the Spanish Financial Futures Market, in Barcelona. He was also Deputy Chairman of Fundación Barcelona Centro Financiero and of Sociedad de Valores y Bolsa Interdealers, S.A. In 1994, he became a stockbroker and member of the Association of Chartered Trade Brokers of Barcelona. He was on the Board of Directors of ENDESA from 2000 to 2007. He was also a member of the Control and Auditing Committee, chairing it from 2006 to 2007. He was also a director of the companies ENDESA Diversificación and ENDESA Europa. He worked as a notary in Barcelona from 2000 through to 2013.

EXTERNAL PROPRIETARY DIRECTORS		
Name or corporate name of Director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
MARÍA TERESA SANTERO QUINTILLÁ	FUND FOR ORDERLY BANK RESTRUCTURING	Teresa Santero was born in Camporrells (Huesca) in 1959. She has been a member of the CaixaBank Board of Directors since 2021. She holds a degree in Business Administration from the University of Zaragoza and a doctorate in Economics from the University of Illinois Chicago (USA). She has been a lecturer at the IE Business School in Madrid since 2012. Previously, she held management positions in the Central Administration (General Secretary for Industry in the Ministry of Industry, Trade and Tourism from 2008 to 2011), and in Provincial Administration, in the Government of the Autonomous Community of Aragon (Director of Economic Policy in the Department of Economy and the Treasury, from 2003 to 2007, and General Secretary for the Department of Social Services from 2007 to 2008). She previously worked for 10 years as an economist at the Economics Department of the OECD in Paris. She has been a visiting lecturer at the Economics Department of the Complutense University in Madrid and associate professor and research aide at the University of Illinois Chicago (USA). She has been on various Boards of Directors, was an independent member of the General Board of the Spanish Official Credit Institute, ICO (2018-2020), a director of the Spanish Industrial Holding Company, SEPI (2008-2011) and Navantia (2010-2011), a member of the Executive Committee and Board of the Consortium of the Zona Franca of Barcelona (2008-2011), and a director of the Technological Institute of Aragon (2004-2007). She has also been a Trust member of various foundations: the Zaragoza Logistics Center, ZLC Foundation (2005-2007), the Foundation for the Development of Hydrogen Technologies (2005-2007), and the Observatory of Prospective Industrial Technology Foresight Foundation (2008-2011).

Total number of proprietary Directors	3
% of the Board	20.00

INDEPENDENT EXTERNAL DIRECTORS	
Name or corporate name of Director	Profile
JOHN S. REED	John Reed, born in Chicago in 1939, has been a member of CaixaBank's Board of Directors since 2011 and Coordinating Director since 2020. He was raised in Argentina and Brazil. completed his university studies in the United States. In 1961, he earned a degree in Philosophy and Arts and Sciences from Washington and Jefferson College and the Massachusetts Institute of Technology under a double degree programme.

INDEPENDENT EXTERNAL DIRECTORS	
Name or corporate name of Director	Profile
	He was a lieutenant in the US Army Corps of Engineers from 1962 to 1964 and again enrolled at MIT to study a Master in Science. John Reed worked in Citibank/Citicorp and Citigroup for 35 years, the last 16 of which as Chairman, retiring in April 2000. From September 2003 to April 2005, he began working again as Chairman of the New York Stock Exchange, and was Chairman of the MIT Corporation from 2010 to 2014. He was appointed Chairman of the Board of American Cash Exchange in February 2016. He is the Chairman of the Boston Athenaeum and a trustee of the NBER. He is a Fellow of the American Academy of Arts and Sciences and of the American Philosophical Society.
JOAQUIN AYUSO GARCÍA	Joaquín Ayuso was born in Madrid in 1955. He has been a member of the CaixaBank Board of Directors since 2021. He is a graduate in Civil Engineering from the Technical University of Madrid. He is currently the Chairman of Adriano Care Socimi, S.A. and a member of the Advisory Board of the Benjamin Franklin Institute of the University of Alcalá de Henares and the Advisory Board of Kearney. He is also Chairman of the Board of Directors of the Real Sociedad Hípica Española Club de Campo. He was previously on the Board of Directors of Bankia, where he held the roles of Independent Director and Coordinator, a member of the Audit and Compliance Committee and the Remuneration Committee, Chairman and member of the Appointments and Responsible Management Committee, and Chairman and member of the Bankia Risk Advisory Committee. He has pursued his professional career in Ferrovial, S.A., where he was CEO and Vice-Chairman of its Board of Directors. He has been a Director of National Express Group, PLC. and of Hispania Activos Inmobiliarios and Chairman of Autopista del Sol Concesionaria Española. He was awarded the Medal of Honour by the Spanish Association of Civil Engineers in 2006.
FRANCISCO JAVIER CAMPO GARCÍA	Francisco Javier Campo was born in Madrid in 1955. He has been a member of the CaixaBank Board Directors since 2021. He has a degree in Industrial Engineering from the Polytechnic University of He is currently a member of the Board of Directors of Meliá Hotels International, S.A., Chairman of its Audit and Compliance Committee, and a member of its Appointments, Remuneration and Corporate Social Responsibility Committee. He is Vice-Chairman of the Spanish Commercial Coding Association (AECOC), a member of the Advisory Board (senior advisor) AT Kearney, the Palacios Food Group and IPA Capital, S.L. (Pastas Gallo). He is a Director of the Spanish Association for the Advancement of Leadership (APD) and Trustee of the CaixaBank Dualiza Foundation, the F. Campo Foundation and the Iter Foundation. He was previously on the Board of Directors of Bankia, was Chairman of the Audit and Compliance Committee and the Risk Advisory Committee, and a member of the Appointments and Responsible Committee, the Technology and Innovation Committee and the Delegated Risk Committee. He started his career in Arthur Andersen, was the global Chairman of the Dia Group and a member of the Global Executive Committee of the Carrefour Group, and Chairman of the Zena Cortefiel. He was awarded the National Order of Merit of the French Republic in 2007.
EVA CASTILLO SANZ	Eva Castillo was born in Madrid in 1962. She has been a member of the CaixaBank Board of Directors since 2021. She holds a degree in Law and Business from Comillas Pontifical University (E-3) in Madrid. She is currently an independent Director of Zardoya Otis, S.A., Chairwoman of the Audit Committee and a member of the Appointments and Remuneration Committee. She is also an Independent Director of International Consolidated Airlines Group, S.A. (IAG) and a member of the

INDEPENDENT EXTERNAL DIRECTORS	
Name or corporate name of Director	Profile
	of the Appointments and Compliance Committee and the Remuneration Committee. She is also a member of the Board of Trustees of the Comillas-ICAI Foundation and the Board of Trustees of the Entreculturas Foundation. Recently, she has become a member of the Council for the Economy of the Holy See and a member of the A.I.E Advantere School of Management. Formerly, she was a member of the Board of Directors of Bankia, S.A., having previously served as Lead Independent Director, Chair of the Appointments and Responsible Management Committee and the Remuneration Committee, and a member of the Technology and Innovation Committee, the Risk Delegate Committee, and the Risk Advisory Committee. She formerly served as a Director of Telefónica, S.A. and Chair of the Supervisory Board of Telefónica Deutschland, AG, as well as a member of the Board of Trustees of the Telefónica Foundation. Previously, she was an Independent Director of Visa Europe Limited and Director of old Mutual, PLC. She was the Chair and CEO of Telefónica Europe and held various positions at Merrill Lynch, where she became the Chairwoman of its Spanish subsidiary Merrill Lynch Capital Markets España, Chairwoman and CEO of Merrill Lynch Wealth Management for EMEA, and a member of the Executive Committee of Merrill Lynch International for EMEA.
MARÍA VERÓNICA FISAS VERGÉS	Born in Barcelona in 1964, Verónica Fisas has served on the Board of Directors of CaixaBank since February 2016. She holds a degree in Law and a Master in Business Administration. She joined Natura Bissé very early in her career, thus acquiring extensive knowledge of the company and of all its departments. She has been the Executive Officer of the Board of Directors of Natura Bissé and General Director of the Natura Bissé Group since 2007. Since 2008, she is also a trustee of the Fundación Ricardo Fisas Natura Bissé. In 2001, as the CEO of the United States subsidiary of Natura Bissé, she was responsible for the expansion and consolidation of the business, and obtained outstanding results in product distribution and brand positioning. In 2009, she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética, becoming Chair of Stanpa in 2019 and, in turn, Chair of Fundación Stanpa. She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWEC Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014. In November 2017, Emprendedores magazine named Verónica Fisas as 'Executive of the Year'.
CRISTINA GARMENDIA MENDIZÁBAL	Cristina Garmendia Mendiazábal, born in San Sebastián in 1962. She has been a member of the CaixaBank Board of Directors since June 2019. She holds a degree in Biological Sciences, specialising in Genetics, an MBA from the IESE Business School of the University of Navarra and a PhD in Molecular Biology from the Severo Ochoa Molecular Biology Centre of the Autonomous Community of Madrid. She currently sits on the boards of Compañía de Distribución Integral Logista Holdings, S.A., Mediaset and Ysios Capital. She has previously been Executive Deputy Chair and Financial Director of the Amasua Group, President of the Association of Biotechnology Companies (ASEBIO) and member of the Governing Board of the Spanish Confederation of Business Organisations (CEOE). She has also been a member of the governing bodies of, among other companies, Science & Innovation Link Office, S.L., Naturgy Energy Group, S.A. (formerly Gas Natural S.A.), Corporación Financiera Alba and Pelayo Mutua de Seguros, Chair of the Spanish-American company Satlantic Microsats and Chair of Genetrix S.L. She also served as Minister of Science and Innovation of the Spanish Government during the entire XI Legislature, running from April 2008 through to December 2011. She is also the Chair of the COTEC Foundation, a member of the España Constitucional Foundation, SEPI and member of the Advisory Council of the Women for Africa Foundation.

INDEPENDENT EXTERNAL DIRECTORS	
Name or corporate name of Director	Profile
MARÍA AMPARO MORALEDA MARTÍNEZ	María Amparo Moraleda (Madrid, 1964) has been a member of CaixaBank's Board of Directors since 2014. She graduated in Industrial Engineering from the ICAI and holds an MBA from the IESE Business School. She is an independent director at several companies: Airbus Group, S.E. (since 2015), Vodafone Vodafone Group (since 2017) and A.P. Møller-Mærsk A/S A.P. (since 2021). She is also a member of the Board of the Spanish High Council for Scientific Research (since 2011) and a member of the Advisory Boards of SAP Ibérica (since 2017) and of Spencer Stuart (since 2017). Between 2012 and 2017, she was a member of the Board of Directors of Faurecia, S.A. and member of the Advisory Board of KPMG España (since 2012). Between 2013 and 2021, she was a member of the Board of Directors of Solvay, S.A. Between January 2009 and February 2012, she was Chief Operating Officer of Iberdrola SA's International Division with responsibility for the United Kingdom and the United States. She also headed Iberdrola Engineering and Construction from January 2009 to January 2011. She was General Manager of IBM for Spain and Portugal between July 2001 and January 2009, responsible for Greece, Israel and Turkey from July 2005 to January 2009. Between June 2000 and 2001 she was assistant executive to the President of IBM Corporation. From 1998 to 2000 she was General Manager at INSA (a subsidiary of IBM Global Services). From 1995 to she was Head of HR for EMEA at IBM Global Services and from 1988 to 1995 she held various offices and management positions at IBM España. She is also a member of various boards and trusts of different institutions and bodies including the Academy of Social Sciences and the Environment of Andalusia, the Board of Trustees of the MD Anderson Cancer Centre in Madrid, the Vodafone Foundation and the Airbus Foundation. In December 2015 she was named a full academic member of the Royal Academy of Economic and Financial Science. In 2005 she was inducted into the Women in Technology International (WITI) organisation's Hall of Fame, established to recognise people in enterprises and related to technology who have most contributed in the world to the incorporation and contribution of women to technological development, while her numerous distinctions include: the Values Leadership Award (FIGEVA Foundation – 2008), the Javier Benjumea Award (Engineering Association of the ICAI – 2003) and the Award for Excellence (Spanish Federation of Female Directors, Executives, Professionals and Entrepreneurs – Fedepe – 2002).
EDUARDO JAVIER IRAZU	Eduardo Javier Sanchiz Irazu was born in Vitoria in 1956. He has been a member of the CaixaBank Board of Directors since 2017. He holds a degree in Economics and Business Science from the University of Deusto, San Sebastián campus, and a Master's Degree in from the Instituto Empresa in Madrid. He was CEO of Almirall from July 2011 until 30 September 2017. During this period, the company underwent a significant strategic transformation with the aim of becoming a global leader in skin treatment. Previously, after joining Almirall in May 2004, he was Executive Director of Corporate Development and Finance and Chief Financial Officer. In both positions, Eduardo led the company's international expansion through a number of alliances with other companies, and through licensing of external products, in addition to five acquisitions of companies and product portfolios. products. He also coordinated the IPO process in 2007. Has has been a member of the Almirall Board of Directors since January 2005 and member of the Dermatology Committee

INDEPENDENT EXTERNAL DIRECTORS	
Name or corporate name of Director	Profile
	since its creation in 2015. Prior to joining Almirall, he worked for 22 years (17 outside Spain) at Eli Lilly & Co, an American pharmaceutical company, in finance, marketing, sales and general management positions. He was able to live in six different countries and some of his significant positions include General Manager in Belgium, General Manager in Mexico and, in his last position in the company, Executive Officer for the business area that encompasses countries in the centre, north, east and south of Europe. He was a member of the American Chamber of Commerce in Mexico and of the Association of Pharmaceutical Industries in a number of countries in Europe and Latin America. He is currently a member of the Strategic Committee of the French Laboratory Pierre Fabre, and he has been a director of this company since May 2019.
KORO USARRAGA UNSAIN	Koro Usarraga Unsain (San Sebastián, 1957) has been a member of CaixaBank's Board of Directors since 2016. She has a degree in Business Administration and a Master's in Business Management from ESADE, took the PADE (Senior Management Programme) at IESE and is a qualified chartered accountant. She was an independent Director of NH Hotel Group from 2015 to October 2017. She worked at Arthur Andersen for 20 years and in 1993 was appointed partner of the audit division. In 2001, she assumed responsibility for the General Corporate Management of Occidental Hotels & Resorts, a group with significant international presence and specialising in the holiday sector. She was responsible for the finance, administration and management control departments, as well as IT and human resources. She was General Manager of Renta Corporación, a real estate group specialising in the purchase, refurbishment and sale of properties. She has been a Director at Vocento, S.A. since 2019. She is currently a shareholder and administrator of the company 2005 KP Inversiones, S.L., which is dedicated to investing in companies and management consultancy. She is also an Administrator of Vehicle Testing Equipment, S.L.

Total number of independent Directors	9
% of the Board	60.00

List any independent Directors who receive from the company or group any amount or payment other than standard Director remuneration or who maintain or have maintained during the last year a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained the said relationship.

If applicable, include a statement from the Board detailing the reasons why the said Director may carry out their duties as an independent Director.

Name or corporate name of Director	Description of the relationship	Reasons
CRISTINA GARMENDIA MENDIZÁBAL	Member of the CaixaBank Private Banking Advisory Board.	Cristina Garmendia Mendiazábal is a member of the CaixaBank Private Banking Advisory Board. Remuneration received for membership of Advisory

Name or corporate name of Director	Description of the relationship	Reasons
		Board in 2021 amounts to 15 thousand euros, not considered significant.

OTHER EXTERNAL DIRECTORS			
Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:			
Name or corporate name of Director	**Reason**	**Company, executive or shareholder with whom the relationship is maintained**	**Profile**
FERNANDO MARÍA COSTA DUARTE ULRICH	Fernando Maria Costa Duarte Ulrich, was classified as another external director, neither proprietary nor independent, in accordance with the provisions of section 2 of article 529 duodecies of the Corporate Enterprises Act and article 19.5 of the Regulations of the Board of Directors. He has been the Non-Executive Chairman of Banco BPI, S.A. since 2017.	BANCO BPI, S.A.	Fernando Maria Costa Duarte Ulrich, born in Lisbon in 1952. He has been a member of the CaixaBank Board of Directors since 2021. He studied Economics and Business at the School of Economics and Management of the University of Lisbon. He has been Non-executive Chairman of Banco BPI, S.A., a CaixaBank Group subsidiary, since 2017, having previously held various high-ranking positions at Banco BPI, S.A. and within its group, notably being its CEO from 2004 to 2017. He has also been the Non-Executive Chairman of BFA (Angola) (2005-2017); a Member of the APB (Portuguese Association of Banks) Board of Directors (2004-2019); Chairman of the General and Supervisory Board of the University of Algarve, Faro (Portugal) (2009-2013); Non-Executive Director of SEMAPA, (2006-2008); Non-Executive Director of Portugal Telecom (1998-2005); Non-Executive Director of Allianz Portugal (1999-2004); Non-Executive Director of PT Multimedia (2002-2004); member of the

OTHER EXTERNAL DIRECTORS			
Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:			
Name or corporate name of Director	Reason	Company, executive or shareholder with whom the relationship is maintained	Profile
			Advisory Board of CIP, Portuguese industrial confederation (2002-2004); Non-Executive Director of IMPRESA, and of SIC, a Portuguese media conglomerate (2000-2003); Vice-Chairman of the Board of Directors of BPI SGPS, S.A. (1995-1999); Vice-Chairman of Banco de Fomento & Exterior, S.A. and Banco Borges & Irmão (1996-1998); a Member of the Advisory Board for the Treasury Reform (1990/1992); a Member of the National Board of the Portuguese Securities Market Committee (1992-1995); Executive Director of Banco Fonsecas & Burnay (1991-1996); Vice-Chairman of the Banco Portugués de Investimento (1989-2007); Executive Director of the Banco Portugués de Investimento (1985-1989); Assistant Manager of the Sociedade Portuguesa de Investimentos (SPI) (1983-1985); Chief of Cabinet of the Ministry of Finance of the Government of Portugal (1981-1983); a Member of the Secretariat for Economic Cooperation of the Portuguese Ministry of Foreign Affairs (1979-1980), and Member of the Portuguese delegation to the OECD (1975-1979). Responsible for the financial markets section of the newspaper Expresso (1973-1974).

Total number of other external Directors	1
% of the Board	6.67

List any changes in the category of each Director which have occurred during the year:

Name or corporate name of Director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of total Directors of each category			
	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2018	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2018
Executive					0.00	0.00	0.00	0.00
Proprietary	1	2	2	2	33.33	28.57	25.00	25.00
Independent	5	4	4	3	55.55	66.67	57.14	33.33
Other external					0.00	0.00	0.00	0.00
Total	6	6	6	5	40.00	42.86	37.50	27.78

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Corporate name of the company, listed or not	Position
EVA CASTILLO SANZ	Fundación Entreculturas	DIRECTOR
EVA CASTILLO SANZ	Consejo para la Economía de la Santa Sede	DIRECTOR
EVA CASTILLO SANZ	Fundación Comillas- ICAI	DIRECTOR
EVA CASTILLO SANZ	A.I.E. Advantere School of Management	DIRECTOR
EVA CASTILLO SANZ	Zardoya Otis, S.A.	DIRECTOR
EVA CASTILLO SANZ	International Airlines Group (IAG)	DIRECTOR
JOAQUIN AYUSO GARCÍA	Instituto Universitario de Investigación en Estudios Norteamericanos Benjamin Franklin	DIRECTOR
JOAQUIN AYUSO GARCÍA	Real Sociedad Hípica Española Club de Campo	CHAIRMAN

Identity of the director or representative	Corporate name of the company, listed or not	Position
JOAQUIN AYUSO GARCÍA	Adriano Care Socimi	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Confederación Española de Cajas de Ahorro (CECA)	VICE-CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación de Estudios de Economía Aplicada (FEDEA)	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Confederación Española de Directivos y Ejecutivos (CEDE)	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Pro Real Academia Española	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Deusto Business School	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Advisory Board of the Benjamin Franklin American Institute of Research	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Garum Fundatio Fundazioa	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Consejo España-EEUU	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación CaixaBank Dualiza	CHAIRMAN
KORO USARRAGA UNSAIN	Vocento, S.A.	DIRECTOR
KORO USARRAGA UNSAIN	Vehicle Testing Equipments, S.L.	SOLE ADMINISTRATOR
KORO USARRAGA UNSAIN	2005 KP Inversiones, S.L.	SOLE ADMINISTRATOR
CRISTINA GARMENDIA MENDIZÁBAL	Fundación COTEC para la Innovación	CHAIRWOMAN
CRISTINA GARMENDIA MENDIZÁBAL	Círculo de Economia	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Fundación España Constitucional	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Fundación SEPI	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Fundación Pelayo	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	UNICEF, Comité español	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Mediaset España Comunicación, S.A.	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Ysios Capital Partners	DIRECTOR

Identity of the director or representative	Corporate name of the company, listed or not	Position
CRISTINA GARMENDIA MENDIZÁBAL	Compañía de Distribución Integral Logista Holdings	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Ysios Capital Partners CIV II	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Ysios Capital Partners CIV I	DIRECTOR
EDUARDO JAVIER SANCHIZ IRAZU	Laboratorio Farmacéutico Pierre Fabre, S.A.	DIRECTOR
MARÍA VERÓNICA FISAS VERGÉS	Fundación Ricardo Fisas Natura Bissé	DIRECTOR
MARÍA VERÓNICA FISAS VERGÉS	National Association of Perfumery and Cosmetics (STANPA)	CHAIRMAN
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé Inc. Dallas (USA)	CHAIRMAN
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé Int. LTD (UK)	DIRECTOR
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé Int. S.A. de CV (México)	CHAIRWOMAN
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé International FZE (Dubai Airport Free Zone)	DIRECTOR
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé International S.A.	CEO
MARÍA VERÓNICA FISAS VERGÉS	NB Selective Distribution S.L.	SOLE ADMINISTRATOR
TOMÁS MUNIESA ARANTEGUI	Allianz Portugal	DIRECTOR
TOMÁS MUNIESA ARANTEGUI	SegurCaixa Adeslas	VICE-CHAIRMAN
TOMÁS MUNIESA ARANTEGUI	ESADE Fundación	DIRECTOR
FRANCISCO JAVIER CAMPO GARCÍA FRANCISCO JAVIER CAMPO GARCÍA	Meliá Hotels International, S.A. Asociación Española del Gran Consumo (AECOC)	DIRECTOR VICE-CHAIRMAN
FRANCISCO JAVIER CAMPO GARCÍA	Asociación para el Progreso de la Dirección	DIRECTOR
FRANCISCO JAVIER CAMPO GARCÍA	Fundación F. Campo	DIRECTOR
FRANCISCO JAVIER CAMPO GARCÍA	Fundación Iter	DIRECTOR
FRANCISCO JAVIER CAMPO GARCÍA	Fundación CaixaBank Dualiza	DIRECTOR

Identity of the director or representative	Corporate name of the company, listed or not	Position
MARÍA AMPARO MORALEDA MARTÍNEZ	Consejo Superior de Investigaciones Científicas-CSIC	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	MD Anderson Cancer Center de Madrid	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Academia de Ciencias Sociales y el Medio Ambiente de Andalucía	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Real Academia de Ciencias Económicas y Financieras	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	A.P. Møller-Mærsk A/S A.P.	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Vodafone Group PLC	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Fundación Vodafone	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Fundación Airbus	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Airbus Group, S.E.	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	IESE	DIRECTOR
JOHN S. REED	American Cash Exchange Inc.	DIRECTOR
JOHN S. REED	Boston Athenaeum	CHAIRMAN
JOHN S. REED	National Bureau of Economic Research	DIRECTOR
JOHN S. REED	American Academy of Arts and Sciences	DIRECTOR
JOHN S. REED	American Philosophical Society	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	YSIOS CIV III, S.L.	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	YSIOS ASSET MANAGEMENT	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	JAIZKIBEL 2007, S.L.	SOLE ADMINISTRATOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Asociación Madrid Futuro	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Asociación Valenciana de Empresarios DIRECTOR	
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Spanish Chamber of Commerce	DIRECTOR

Identity of the director or representative	Corporate name of the company, listed or not	Position
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Spanish Businessmen's Association	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Basque Businessmen's Association	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Confederación Española de Organizaciones Empresariales (CEOE)	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Advisory Board of Fundación Instituto Hermes	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Consejo Empresarial Español para el Desarrollo Sostenible	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Foment del Treball Nacional	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Aspen Institute	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación COTEC	VICE-CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación de Ayuda contra la Drogadicción (FAD)	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación LAB Mediterráneo	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Mobile Wold Capital Barcelona	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Real Instituto Elcano	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Institute of International Finance	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Spanish Businessmen's Association	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Eurofi	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Foro Puente Aéreo	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Fundación Privada España-China	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Institut International D´Etudes Bancaires	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Institute of International Finance	DIRECTOR

The information on directors and positions at other entities refers to year-end. For information regarding whether they are paid positions or not, see section C.1.11 of the document in free format.
In some cases, the positions do not correspond to their real name due to the limitations of the electronic form. For the exact titles, see the document in free format.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
JOAQUIN AYUSO GARCÍA	Member of the Advisory Board of A.T. Kearney S.A. for Spain
CRISTINA GARMENDIA MENDIZÁBAL	Member of the CaixaBank Private Banking Advisory Board.
EDUARDO JAVIER SANCHIZ IRAZU	He is a member of the Investment Committee of Sabadell -Asabys Health Innovation Investments S.C.R., S.A.
MARÍA TERESA SANTERO QUINTILLÁ	She is a lecturer at the Business School in Madrid.
FRANCISCO JAVIER CAMPO GARCÍA	He is a member of the Advisory Boards of the Palacios Group, IPA Capital, S.L. (Pastas Gallo) and AT Kearney,
MARÍA AMPARO MORALEDA MARTÍNEZ	She is a member of the Advisory Boards of SAP Ibérica, Spencer Stuart and ISS España.

All activities in this section are paid.

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

[√] Yes
[ ] No

C.1.13 State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousands of €)	8,483
Cumulative amount of funds of current directors in long-term savings schemes with vested economic rights (thousands of €)	2,797
Cumulative amount of funds of current directors in long-term savings schemes with non-vested economic rights (thousands of €)	2,690
Cumulative amount of funds of former Directors in long-terms savings pension scheme (thousands of €)	

C.1.14 List any members of senior management who are not executive Directors and indicate total remuneration paid to them during the year.

Name or corporate name	Position(s)
LUIS JAVIER BLAS AGÜEROS	MEDIA DIRECTOR
IGNACIO BADIOLA GÓMEZ	HEAD OF CIB AND INTERNATIONAL BANKING
JORGE MONDÉJAR LÓPEZ	CHIEF RISKS OFFICER
JAVIER PANO RIERA	FINANCIAL DIRECTOR

Name or corporate name	Position(s)
FRANCESC XAVIER COLL ESCURSELL	CHIEF HUMAN RESOURCES AND ORGANISATION OFFICER
MARÍA LUISA MARTÍNEZ GISTAU	DIRECTOR FOR COMMUNICATION AND INSTITUTIONAL RELATIONS
FRANCISCO JAVIER VALLE T-FIGUERAS	HEAD OF INSURANCE
ÓSCAR CALDERÓN DE OYA	GENERAL AND BOARD SECRETARY
MARÍA LUISA RETAMOSA FERNÁNDEZ	HEAD OF INTERNAL AUDIT
JUAN ANTONIO ALCARAZ GARCIA	CHIEF BUSINESS OFFICER
MATTHIAS BULLACH	HEAD OF ACCOUNTING, MGMT CONTROL AND CAPITAL.
MANUEL GALARZA PONT	COMPLIANCE AND CONTROL DIRECTOR
EUGENIO SOLLA TOMÉ	SUSTAINABILITY DIRECTOR

Number of women in senior management	2
Percentage of total members of senior management	15.38

Total remuneration received by senior management (thousands of €)	14,097

C.1.15 Indicate whether any changes have been made to the Board Regulations during the year.

[√] Yes
[ ] No

C.1.21 Indicate whether there are any specific requirements other than those relating to the Directors, to be appointed chairperson of the board of directors:

[ ] Yes
[√] No

C.1.23 State whether the Articles of Association or the Board regulations establish any stricter term limits or other requirements for independent directors other than those required by law:

[ ] Yes
[√] No

C.1.25 State the number of board meetings held during the year and, if applicable, how many times the board has met without the Chairman's attendance. Attendance will also include proxies appointed with specific instructions.

Number of Board meetings	14

Number of Board meetings held without the Chairman's attendance	0

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0

State the number of meetings of the various Board committees held during the year:

Number of meetings of the AUDIT AND CONTROL COMMITTEE	15
Number of meetings of the INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE	5
Number of meetings of the APPOINTMENTS AND SUSTAINABILITY COMMITTEE	7
Number of meetings of the REMUNERATION COMMITTEE	10
Number of meetings of the RISK COMMITTEE	14
Number of meetings of the EXECUTIVE COMMITTEE	20

C.1.26 State the number of meetings held by the Board of Directors during the year and the information on member attendance:

Number of meetings attended in person by at least 80% of directors	14
% attended in person out of the total votes during the year	98.08
Number of meetings in situ or representations made with specific instructions of all directors	10
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	98.08

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

[ ] Yes
[√] No

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior for their authorisation for issue by the Board.

C.1.29 Is the Secretary of the Board also a Director?

[ ] Yes
[√] No

Complete if the Secretary is not also a Director:

Name or corporate name of Secretary	Representative
ÓSCAR CALDERÓN DE OYA	

C.1.31 State whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor.

[ ] Yes
[√] No

Explain any disagreements with the outgoing auditor and the reasons for the same:

[ ] Yes
[√] No

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its group and, if so, the sum of the fees paid and the percentage this represents of the fees for audit work invoiced to the company and/or its group:

[√] Yes
[ ] No

	Investee	Group companies	Total
Amount of non-audit work (thousands of €)	967	808	1,775
Amount invoiced for non-audit services/Amount for audit work (in %)	37.00	29.00	33.00

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to the shareholders at the General Shareholders' Meeting to explain the content and extent of the aforementioned qualified opinion or reservations.

[ ] Yes
[√] No

C.1.34 State the number of consecutive years the current audit firm has been auditing the individual and/or consolidated financial statements of the company. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

	Individual	Co
Number of consecutive years	4	4

	Individual	Co
Number of fiscal years audited by the current audit firm/number of fiscal years the company has been audited (in %)	18.00	18.00

C.1.35 Indicate whether there are procedures for Directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies.

[√] Yes
[ ] No

Details of the procedure

There is a procedure in place whereby directors may obtain the information needed to prepare for the meetings with the governing bodies with sufficient time. In general, documents for approval by the Board, especially those which cannot be fully analysed and discussed during the meeting due to their length, are sent to Board members prior to the meetings.

Furthermore, pursuant to article 22 of the Regulations of the Board, the board may request information on any aspect of the Company and its Group and examine its books, records, documents and further documentation. Requests must be sent to the executive directors who will forward the matters to the appropriate parties and they must notify the director, when applicable, of their duty of confidentiality.

C.1.39 Identify individually, for directors, and collectively, in other cases, and provide details of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of operation.

Number of beneficiaries	39
Type of beneficiary	Description of the agreement
Chairman, CEO and 4 members of the Management Committee, 5 Executives // 28 Middle Managers	Chairman and CEO: One year of the fixed components of his remuneration. Members of the Management Committee: indemnity clause equivalent to one annual payment of the fixed components of their remuneration, or the amount payable by law, whichever is higher. There are currently four members of the committee for whom the indemnity to which they are legally entitled is still less than one year of their salary. Further, the Chairman, CEO and members of the Management Committee are entitled to one annual payment of their fixed remuneration, paid in monthly instalments, as consideration for their non-compete undertaking. This payment would be discontinued were this covenant to be breached. Executives and middle managers: 33 Executives and middle managers between 0.1

Type of beneficiary	Description of the agreement
	and 2 annual payments of fixed remuneration above that provided by law. Executives and middle managers of Group companies are included in the calculation.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group, beyond the cases stipulated by regulations. If so, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising clauses	√	

	Yes	No
Is the General Shareholders' Meeting informed of such clauses?		√

C.2. Board Committees

C.2.1 Give details of all the Board committees, their members and the proportion of proprietary and independent Directors:

AUDIT AND CONTROL COMMITTEE		
Name	Position	Category
JOSÉ SERNA MASIÁ	MEMBER	Proprietary
KORO USARRAGA UNSAIN	CHAIRWOMAN	Independent
CRISTINA GARMENDIA MENDIZÁBAL	MEMBER	Independent
EDUARDO JAVIER SANCHIZ IRAZU	MEMBER	Independent
FRANCISCO JAVIER CAMPO GARCÍA	MEMBER	Independent
MARÍA TERESA SANTERO QUINTILLÁ	MEMBER	Proprietary

% of executive Directors	0.00
% of proprietary Directors	33.33
% of independent Directors	66.67
% of other external Directors	0.00

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Names of directors with experience	JOSÉ SERNA MASIÁ / KORO USARRAGA UNSAIN / CRISTINA GARMENDIA MENDIZÁBAL / EDUARDO JAVIER SANCHIZ IRAZU /

	FRANCISCO JAVIER CAMPO GARCÍA / MARÍA TERESA SANTERO QUINTILLÁ
Date of appointment of the chairperson	05/04/2019

INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE		
Name	Position	Category
CRISTINA GARMENDIA MENDIZÁBAL	MEMBER	Independent
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent
GONZALO GORTAZAR ROTAECHE	MEMBER	Executive
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	CHAIRMAN	Executive
EVA CASTILLO SANZ	MEMBER	Independent

% of executive Directors	40.00
% of proprietary Directors	0.00
% of independent Directors	60.00
% of other external Directors	0.00

APPOINTMENTS AND SUSTAINABILITY COMMITTEE		
Name	Position	Category
EDUARDO JAVIER SANCHIZ IRAZU	MEMBER	Independent
JOHN S. REED	CHAIRMAN	Independent
FRANCISCO JAVIER CAMPO GARCÍA	MEMBER	Independent
FERNANDO MARÍA COSTA DUARTE ULRICH	MEMBER	Other External

% of executive Directors	0.00
% of proprietary Directors	0.00
% of independent Directors	75.00
% of other external Directors	25.00

REMUNERATION COMMITTEE		
Name	Position	Category
CRISTINA GARMENDIA MENDIZÁBAL	MEMBER	Independent
MARÍA AMPARO MORALEDA MARTÍNEZ	CHAIRWOMAN	Independent
JOAQUIN AYUSO GARCÍA	MEMBER	Independent
JOSÉ SERNA MASIÁ	MEMBER	Proprietary

% of executive Directors	0.00
% of proprietary Directors	25.00

% of independent Directors	75.00
% of other external Directors	0.00

RISK COMMITTEE		
Name	Position	Category
KORO USARRAGA UNSAIN	MEMBER	Independent
EDUARDO JAVIER SANCHIZ IRAZU	CHAIRMAN	Independent
MARÍA VERÓNICA FISAS VERGÉS	MEMBER	Independent
TOMÁS MUNIESA ARANTEGUI	MEMBER	Proprietary
JOAQUIN AYUSO GARCÍA	MEMBER	Independent
FERNANDO MARÍA COSTA DUARTE ULRICH	MEMBER	Other External

% of executive Directors	0.00
% of proprietary Directors	16.67
% of independent Directors	66.67
% of other external Directors	16.67

EXECUTIVE COMMITTEE		
Name	Position	Category
KORO USARRAGA UNSAIN	MEMBER	Independent
MARÍA VERÓNICA FISAS VERGÉS	MEMBER	Independent
TOMÁS MUNIESA ARANTEGUI	MEMBER	Proprietary
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent
GONZALO GORTAZAR ROTAECHE	MEMBER	Executive
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	CHAIRMAN	Executive
EVA CASTILLO SANZ	MEMBER	Independent

% of executive Directors	28.57
% of proprietary Directors	14.29
% of independent Directors	57.14
% of other external Directors	0.00

C.2.2 Complete the following table with information concerning the number of female board members on the committees of the Board of Directors at the close of the last four financial years:

	Number of female directors							
	Financial year 2021		Financial year 2020		Financial year 2019		Financial year 2018	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND CONTROL COMMITTEE	3	50.00	2	50.00	1	33.33	1	25.00
INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE	3	60.00	2	50.00	2	40.00	0	0.00
APPOINTMENTS COMMITTEE AND SUSTAINABILITY	0	0.00	1	33.33	1	33.33	1	33.33
REMUNERATION COMMITTEE	2	50.00	2	66.67	2	66.67	1	33.33
RISK COMMITTEE	2	33.33	3	60.00	2	66.67	2	40.00
EXECUTIVE COMMITTEE	4	57.14	3	50.00	2	33.33	2	25.00

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or corporate name of the shareholder or any of its subsidiaries	% Shareholding	Name or corporate name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
No data						

Name or corporate name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of operation and other information required for its evaluation
No data		

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or corporate name of administrators or managers or their controlled o jointly controlled entities	Name or corporate name of the company or entity within its group	Relationship	Amount (thousands of €)	Approving body	Identity of the significant shareholder or director who would have abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
No data						

	Name or corporate name of administrators or managers or their controlled o jointly controlled entities	Type of operation and other information required for its evaluation
No data		

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens.

Corporate name of the entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

D.5. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Corporate name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with the recommendations of the Good Governance Code of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. The By-laws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

   Compliant [X]   Explain [ ]

2. When the listed company is controlled, pursuant to the meaning established in Article 42 of the Commercial Code, by another listed or non-listed entity, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them, this is reported publicly, with specific information about:

   a) The respective areas of activity and possible business relationships between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.

   b) The mechanisms established to resolve any conflicts of interest that may arise.

   Compliant [ ]   Partially compliant [ ]   Explain [ ]   Not applicable [X]

This Recommendation is not deemed to be applicable as CaixaBank is not a company controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code.

3. During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

   a) Changes taking place since the previous annual general meeting.

   b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

   Compliant [X]   Partially compliant [ ]   Explain [ ]

4. The company should draw up and implement a policy of communication and contacts with shareholders and institutional investors, in the context of their involvement in the company, as well as proxy advisors, which complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

   Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

   Compliant [X]   Partially compliant [ ]   Explain [ ]

5. The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

   When a Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

   Compliant [ ]   Partially compliant [X]   Explain [ ]

As of 3 May 2021, the Law includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions the possibility of not applying this 20% limit to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

Therefore, CaixaBank, by its nature as a credit institution, is expressly authorised by law to not apply the 20% limit to the convertible bond issues it carries out, provided that these issues comply with the requirements set out in Regulation (EU) 575/2013.

In this regard and in line with what is currently set out in the regulations, already in 2020, the General Meeting of Shareholders of the Company on 22 May 2020 approved the authorisation of the Board of Directors to increase the share capital on one or more occasions and at any time, within a period of five years from that date, by the maximum nominal amount of 2,990,719,015 euros (equivalent to 50% of the share capital at the time of the authorisation), by issuing new shares –with or without premium and with our without voting rights–, the consideration for the new shares to be issued consisting of cash contributions, with the power to set the terms and conditions of the capital increase. This authorisation replaced and rendered ineffective, for the unused part, the previous delegation approved at the General Meeting of 23 April 2015.

The authorisation of the General Meeting of Shareholders of 22 May 2020, currently in force, provides for the delegation to the Board of the power to exclude, in whole or in part, pre-emptive subscription rights, although in this case, the amount of the capital increases will be limited, in general terms, to a maximum of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation). As an exception, the resolution of 22 May 2020 provides that this limit shall not apply to the increases in share capital that the Board may approve, with suppression of pre-emptive subscription rights, to cover the conversion of convertible securities that the Board of Directors resolves to issue pursuant to the authorisation of the General Meeting of Shareholders, with the general limit of 2,990,719,015 euros applying to such capital increases.

In this regard, the General Meeting of Shareholders held on 14 May 2021 approved the authorisation of the Board of Directors to issue convertible securities that allow or are intended to meet regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments up to a maximum aggregate amount of 3,500,000,000 euros for a period of three years, with the power to exclude pre-emptive subscription rights if the corporate interest so justifies. Details of the instruments issued under this agreement are presented in Note 22.3 to the Annual Financial Statements. In accordance with the foregoing, the capital increases agreed by the Board of Directors to cover the conversion of these securities shall not be subject to the limit of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation).

Please note that as of 3 May 2021, the Capital Companies Act expressly stipulates that the 20% limit will not apply to convertible bond issues by credit institutions, provided that these issues comply with the requirements set out in Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms in order for the convertible bonds issued to qualify as additional Tier 1 capital instruments of the issuing credit institution, as is the case of the securities authorised for issue by the General Meeting of Shareholders of 14 May, in which case the general limit of 50% for capital increases applies.

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

   a) Report on auditor independence.

   b) Reviews of the operation of the Audit Committee and the Appointments and Remuneration Committee.

   c) Audit Committee report on third-party transactions.

   Compliant [X] Partially compliant [ ] Explain [ ]

7. The company should broadcast its general meetings live on the corporate website.

   The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the general shareholders' meeting.

   Compliant [X] Partially compliant [ ] Explain [ ]

8. The Audit Committee should strive to ensure that the financial statements that the Board of Directors presents
   to the general shareholders' meeting are drawn up in accordance to accounting legislation. And in those cases where the auditor includes any qualification in its report, the chairman of the audit committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.

   Compliant [X] Partially compliant [ ] Explain [ ]

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

   Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

   Compliant [X] Partially compliant [ ] Explain [ ]

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

a) Immediately circulate the supplementary items and new proposals.

b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Compliant [ ] Partially compliant [X] Explain [ ] Not applicable [ ]

With regard to section c), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal).
Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising voting rights.

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

12. The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

    In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

    Compliant [X] Partially compliant [ ] Explain [ ]

13. The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

    Compliant [X] Explain [ ]

14. The Board of Directors should approve a policy aimed at promoting an appropriate composition of the board that:

    a) Is concrete and verifiable;

    b) ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board; and

    c) favours diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

    The results of the prior analysis of competences required by the board should be written up in the Appointments Committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director.

    The nomination committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

    Compliant [X] Partially compliant [ ] Explain [ ]

15. Proprietary and independent Directors should constitute an ample majority on the Board of Directors, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

    The number of female directors should represent at least 40% of the total number of members of the board of directors before the end of 2022 and not being below 30% before that time.

    Compliant [X]   Partially compliant [ ]   Explain [ ]

16. The percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

    This criterion can be relaxed:

    a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

    b) In companies with a plurality of shareholders represented on the board but not otherwise related.

    Compliant [X]   Explain [ ]

17. Independent Directors should be at least half of all Board members.

    However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent Directors should occupy, at least, a third of Board places.

    Compliant [X]   Explain [ ]

18. Companies should post the following Director particulars on their websites, and keep them permanently updated:

    a) Professional experience and background.

    b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

    c) Statement of the Director class to which they belong, in the case of proprietary Directors indicating the shareholder they represent or have links with.

    d) Dates of their first appointment as a board member and subsequent re-elections.

    e) Shares held in the company, and any options on the same.

    Compliant [X]   Partially compliant [ ]   Explain [ ]

19. Following verification by the nomination committee, the Annual Corporate Governance Report should disclose the reasons for the appointment of proprietary Directors at the request of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

20. Proprietary Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Directors, the latter's number should be reduced accordingly.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

21. The Board of Directors should not propose the removal of independent Directors before the expiry of their tenure as mandated by the By-laws, except where they find just cause, based on a proposal from the Appointments Committee. In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in Recommendation 16.

Compliant [X] Explain [ ]

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, related or not to their actions within the company, and tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

    When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. The board should give a reasoned account of all such determinations in the annual corporate governance report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, at the time it adopts the corresponding measures.

    Compliant [X]   Partially compliant [ ]   Explain [ ]

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other Directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

    When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

    The terms of this Recommendation also apply to the Secretary of the Board, even if he or she is not a Director.

    Compliant [X]   Partially compliant [ ]   Explain [ ]   Not applicable [ ]

24. Directors who give up their position before their tenure expires, through resignation or resolution of the general meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter to be sent to all members of the board.

    This should all be reported in the annual corporate governance report, and if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.

    Compliant [X]   Partially compliant [ ]   Explain [ ]   Not applicable [ ]

25. The Appointments Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively.

The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.

Compliant [X] Partially compliant [ ] Explain [ ]

26. The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.

Compliant [X] Partially compliant [ ] Explain [ ]

27. Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.

Compliant [ ] Partially compliant [X] Explain [ ]

In the event of unavoidable absences, in order to prevent de facto changes to the balance of the Board of Directors, legislation allows for delegation to another director (non-executives only to other non-executives) - this is established in Principle 14 of the Good Governance Code and also envisaged in By-laws (article 37), as well as the Board's Regulations (article 17), which determine that Directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. Non-executive Directors may only delegate a proxy who is another non-executive Director, while independent Directors may only delegate to another independent Director.

It should also be noted that CaixaBank's Corporate Governance Policy states that in relation to the duty of directors to attend Board meetings, if they cannot attend in person for justified reasons, they shall endeavour to grant their proxy in writing, and separately for each meeting, to a fellow Board member. Every attempt must be made to ensure that each and every director attends at least 80% of Board meetings. As such, proxies are a comparative rarity at CaixaBank.

The Board of Directors considers, as good corporate governance practice, that when directors are unable to attend meetings, proxies are not generally delegated with specific instructions. This does not amend, de facto, the balance of the Board given that delegations may only be made by non-executive directors to other non-executive directors, and independent directors may only delegate to other independent directors, while directors are always required to defend the company's corporate interest regardless of their director status.

Moreover, and reflecting the freedom of each director who may also delegate with the appropriate instructions as suggested in the Board's Regulations, the decision to delegate without instructions represents each director's freedom to consider what provides most value to their proxy, and they may finally decide on the grounds that they want to give their proxy freedom to adapt to the result of the Board meeting debate. This, in addition, is in line with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all directors, safeguarding their right to adopt any position or stance they see fit.

Therefore, the freedom to appoint proxies with or without specific instructions, at the discretion of each director, is considered good practice and, specifically, the absence of instructions is seen as facilitating the proxy's ability to adapt to the content of the debate.

28. When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

29. The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Compliant [X] Partially compliant [ ] Explain [ ]

30. Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Compliant [X] Explain [ ] Not applicable [ ]

31. The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

Compliant [X] Partially compliant [ ] Explain [ ]

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Compliant [X] Partially compliant [ ] Explain [ ]

33. The Chairman, as the person responsible for the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's By-laws, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so dictate.

Compliant [X] Partially compliant [ ] Explain [ ]

34. When a coordinating director has been appointed, the By-laws or Regulations of the Board of Directors should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Vice-Chairmen; give voice to the concerns of non-executive directors; maintain contact with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance; and coordinate the Chairman's succession plan.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

35. The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Compliant [X] Explain [ ]

36. The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

a) The quality and efficiency of the Board's operation.

b) The performance and membership of its committees.

c) The diversity of Board membership and competences.

d) The performance of the Chairman of the Board of Directors and the company's Chief Executive.

e) The performance and contribution of individual directors, with particular attention to the chairs of Board committees.

The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointments Committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.

The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.

Compliant [ ] Partially compliant [X] Explain [ ]

With respect to the 2021 financial year, the Board of Directors has carried out the self-assessment of its operation internally after ruling out the benefit of the assistance of an external advisor, as given the partial renewal process the Board will undertake once the merger of CaixaBank with Bankia takes effect, and given the short period of time the current Board had been constituted after the merger, it was more advisable and reasonable to postpone the external collaboration to the next self-assessment exercise.

As a result, the self-assessment process was carried out along the same lines as the previous year with the assistance of the General Secretary and Secretary of the Board.

37. When there is an Executive Committee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the Board of Directors.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

38. The Board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all Board members should receive a copy of the committee's minutes.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

39. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.

Compliant [X] Partially compliant [ ] Explain [ ]

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's Non-Executive Chairman or the Chairman of the Audit Committee.

Compliant [X] Partially compliant [ ] Explain [ ]

41. The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

42. The Audit Committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

   a) Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group –including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption– reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

   b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

   c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

   d) In general, ensure that the internal control policies and systems established are applied effectively in practice.

2. With respect to the external auditor:

   a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

   b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

   c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

   d) Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

   e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant [X]   Partially compliant [ ]   Explain [ ]

43. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Compliant [X] Partially compliant [ ] Explain [ ]

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

45. The risk control and management policy should identify or establish at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.

b) A risk control and management model based on different levels, of which a specialised risk committee will form part when sector regulations provide or the company deems it appropriate.

c) The level of risk that the company considers acceptable.

d) Measures in place to mitigate the impact of risk events should they occur.

e) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Compliant [X] Partially compliant [ ] Explain [ ]

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.

b) Participate actively in the preparation of risk strategies and in key decisions about their management.

c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.

Compliant [X] Partially compliant [ ] Explain [ ]

47. Appointees to the Nomination and Remuneration Committee - or of the Nomination Committee and Remuneration Committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent Directors.

Compliant [X] Partially compliant [ ] Explain [ ]

48. Large cap companies should operate separately constituted Appointments and Remuneration Committees.

Compliant [X] Explain [ ] Not applicable [ ]

49. The Appointments Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the Board, any Director may approach the Appointments Committee to propose candidates that it might consider suitable.

Compliant [X] Partially compliant [ ] Explain [ ]

50. The Remuneration Committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the Board the standard conditions for senior officer contracts.

b) Monitor compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy for Directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior officers in the company.

d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.

e) Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.

Compliant [X] Partially compliant [ ] Explain [ ]

51. The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive Directors and senior officers.

Compliant [X] Partially compliant [ ] Explain [ ]

52. The terms of reference of supervision and control committees should be set out in the Regulations of the Board, and aligned with those applicable to legally mandatory Board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

a) Committees should be formed exclusively by non-executive Directors, with a majority of independents.

b) Committees should be chaired by an independent Director.

c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's missions, discuss their proposal sand reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.

d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e) Meeting proceedings should be minuted and a copy made available to all Board

members.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [

]

53. The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialised in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.

Compliant [X] Partially compliant [ ] Explain [ ]

54. The minimum functions referred to in the previous recommendation are as follows:

a) Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.

b) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.

c) Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.

d) Ensure the company's environmental and social practices are in accordance with the established strategy and policy.

e) Monitor and evaluate the company's interaction with its stakeholder groups.

Compliant [X] Partially compliant [ ] Explain [ ]

55. Environmental and social sustainability policies should identify and include at least:

a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts

b) The methods or systems for monitoring compliance with policies, associated risks and their management.

c) The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.

d) Channels for stakeholder communication, participation and dialogue.

e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Compliant [X] Partially compliant [ ] Explain [ ]

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.

Compliant [X] Explain [ ]

57. Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive Directors.

The company may consider the share-based remuneration of non-executive Directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.

Compliant [X]   Partially compliant [ ]   Explain [ ]

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Compliant [X]   Partially compliant [ ]   Explain [ ]   Not applicable [ ]

59. The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component.

Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.

Compliant [X]   Partially compliant [ ]   Explain [ ]   Not applicable [ ]

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

61. A major part of executive Directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

62. Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed.

Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favourable assessment of the Appointments and Remuneration Committee, to address an extraordinary situation.

Compliant [ ] Partially compliant [ ] Explain [X] Not applicable [ ]

The prohibition on directors transferring ownership (or exercising them as the case may be) of the shares, options or financial instruments corresponding to the remuneration schemes until a period of at least three years has elapsed is not applied as such at CaixaBank. There is no provision governing this matter, although executive directors (who are the only directors entitled to receive share-based remuneration) are expressly prohibited from transferring shares received under their remuneration package, no matter the amount, until one year has elapsed since receiving them.

The purpose established in Principle 25 that director remuneration be conducive to achieving business objectives and the company's best interests is also achieved through the existence of malus and clawback clauses, and via the remuneration structure for executive directors, whose remuneration in shares (corresponding to half their variable remuneration and in relation to long-term incentive plans) is not only subject to a lock-up period but is also deferred. Moreover, this variable remuneration constitutes a limited part of their total remuneration, thus complying fully with the prudential principles of not providing incentives for risk-taking while being suitably aligned with the Company's objectives and its sustainable growth.

The General Meeting of Shareholders held on 14 May 2021 approved the amendment of the Remuneration Policy for the members of the Board of Directors from 2020 to 2022, both inclusive. The amended text of this policy replaces in its entirety the text approved by the Annual General Meeting of CaixaBank on 22 May 2020, without prejudice to the effects produced and consolidated under its validity.

The proposed amendment to the Remuneration Policy approved on 22 May 2020 is justified, among others, by the following reasons: the change in the Chairman of the Board, following the merger by absorption of Bankia, S.A. by CaixaBank, who has become an executive director; the modification of the maximum annual amount of directors' remuneration in their capacity as such; the definition of the maximum number of shares that executive directors may receive in the event that all the objectives corresponding to the third cycle of the Conditional Annual Incentive Plan linked to the 2019-2021 Strategic Plan are met; the introduction of a new paragraph on "purpose and scope of application of the Policy"; the modification of the paragraph on "Instrument-based long-term incentives"; the introduction of a new sub-section with the procedure and criteria to be followed for the approval of the contract of an executive director; and the adaptation to best practices regarding remuneration in credit institutions.

Furthermore, it is important to note that the Board of Directors is expected to submit to the next Ordinary General Meeting a proposal to amend its Remuneration Policy extending the limitation period for executive directors (who are the only directors entitled to receive share-based remuneration) to transfer the shares received under their remuneration package to 3 years, according to the terms of this Recommendation.

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.

Compliant [X]   Partially compliant [ ]   Explain [ ]   Not applicable [ ]

64. Termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the Director with the company, including previously unconsolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

Compliant [ ]   Partially compliant [X]   Explain [ ]   Not applicable [ ]

Payments for termination or expiry of the Chairman's and CEO's contracts, including severance pay in the event of termination or expiry of the relationship in certain cases and the post-contractual non-competition agreement, do not exceed the amount equivalent to two years of the total annual remuneration for each of them.

In addition, the Bank has recognised a social security supplement for the CEO to cover retirement, death and permanent total, absolute or severe disability, and for the Chairman to cover death and permanent total, absolute or severe disability.

In the case of the commitment to cover the retirement contingency, this is a system established under a defined contribution plan, for which the annual contributions to be made are fixed in advance.

By virtue of this commitment, the CEO is entitled to receive a retirement benefit when he/she reaches the legally established retirement age. This benefit will be the result of the sum of the contributions made by the Bank and their corresponding returns up to that date, provided that he/she is not terminated for just cause, and without prejudice to the applicable treatment of discretionary pension benefits in accordance with the remuneration regulations applicable to credit institutions.

With the termination of the CEO's contract, the contributions would be consolidated (except in the event of termination for just cause attributable to the CEO) but in no case is there any provision for the possibility of receiving an early retirement benefit, since its accrual and payment would occur only on the occasion and at the time of retirement (or the occurrence of the other contingencies covered) and not on the occasion of the termination of the contract.

The nature of these savings systems is not to indemnify or compensate for the loss of rights to the assumption of non-competition obligations, as they are configured as a savings system that is endowed over time with periodic contributions and which form part of the fixed components of the usual remuneration package of the Executive Directors; unlike indemnities or compensations for not competing, it grows over time and is not set in absolute terms.

Therefore, the institution would only be in breach of recommendation 64 if the mere consolidation of savings scheme entitlements, without actual accrual or payment at the time of termination, were to be included in the concept of termination payments or termination of contract payments as defined therein.

State whether any Directors voted against or abstained from voting on the approval of this Report.

[ ]   Yes
[√]   No

I declare that the details included in this statistical annex coincide and are consistent with the descriptions and details included in the Annual Corporate Governance Report published by the company.

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Auditor's report on "Information regarding the Internal Control System over Financial Reporting (ICSFR)"

To the administrators of CaixaBank, S.A.:

In accordance with the request of the Board of Directors of CaixaBank, S.A. ("the Company") and our engagement letter dated 27 September 2021, we have applied certain procedures in respect of the attached "Information regarding the Internal Control System over Financial Reporting" ("ICSFR"), included in Annual Corporate Governance Report in section "*F. Internal control and risk management systems in relation to the process of issuing financial information (ICSFR)"* of CaixaBank, S.A. for the 2021 financial year, which includes a summary of the Company's internal control procedures relating to its annual financial information.

The administrators are responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate internal control system, and for developing improvements to that system and preparing and establishing the content of the accompanying Information regarding the ICSFR.

In this regard, it should be borne in mind that, regardless of the quality of the design and operating efficiency of the internal control system used by the Company in relation to its annual financial information, only a reasonable, but not absolute, degree of assurance may be obtained in relation to the objectives it seeks to achieve, due to the limitations inherent in any internal control system.

In the course of our audit work on the consolidated annual accounts and in accordance with Spanish Auditing Standards, the sole purpose of our evaluation of the Company's internal control system is to enable us to establish the scope, nature and timing of our audit procedures in respect of the Company's annual accounts. Accordingly, our internal control evaluation, performed for the purposes of our audit, is not sufficient in scope to enable us to issue a specific opinion on the effectiveness of such internal control over the regulated annual financial information.

For the purposes of the present report, we have exclusively applied the specific procedures described below, as indicated in the "*Guidelines concerning the auditor's Report on the Information regarding the Internal Control System over Financial Reporting for listed entities*" published by the National Securities Market Commission (hereinafter NSMC) on its web site, which sets out the work to be performed, the scope of such work and the content of this report. In view of the fact that, in any event, the scope of the work resulting from these procedures is reduced and substantially less than the scope of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, its design or operational efficiency, in relation to the Company's annual financial information for the 2021 financial year described in the accompanying Information regarding the ICSFR. Had we applied additional procedures to those determined by the aforementioned Guidelines, or had we performed an audit or review of the internal control system in relation to the regulated annual financial information, other matters could have come to light in respect of which you would have been informed.

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In addition, provided that this special work neither constitutes an account audit it is not even submitted to the governing regulations of audit, we do not express an opinion of audit in the terms foreseen in the mentioned regulation.

The Procedures applied were as follows:

1. Reading and understanding the information prepared by the Company in relation to the ICSFR – as disclosed in the Directors' Report – and the evaluation of whether such information includes all the information required as per the minimum content set out in Section F regarding the description of the ICSFR, in the model of the Annual Corporate Governance Report, as established in Circular 5/2013 of the NSMC, dated June 12, 2013, and subsequent amendments, the most recent being Circular 3/2021, of September 28, of the NSMC (from now on the Circulars of NSMC).

2. Making enquiries of personnel in charge of preparing the information mentioned in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that enables us to assess whether the terminology used is in line with the framework of reference; (iii) obtain information as to whether the control procedures described have been implemented and are functioning in the Company.

3. Review of supporting documentation explaining the information described in point 1 above and which mainly comprises the information made directly available to the persons responsible for preparing the information on the ICSFR. Such documentation includes reports prepared by the internal audit function, senior management and other internal and external specialists in support of the functions of the Audit and Control Committee.

4. Comparison of the information described in point 1 above with our knowledge of the Company´s ICSFR, obtained by means of the application of the procedures performed within the framework of the audit engagement on the consolidated annual accounts.

5. Reading the minutes of meetings of the Board of Directors, Audit and Control Committee and other committees of the Company, for the purposes of evaluating the consistency between the matters dealt with therein in relation to the ICSFR and the information described in point 1 above.

6. Obtaining a representation letter concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in point 1 above.

As a result of the procedures applied in relation to the Information regarding the ICSFR, no inconsistencies or incidents have been identified which could affect such information.

This report has been prepared exclusively within the framework of the requirements of article 540 of the revised Spanish Companies Act and by the Circulars of de NSMC, for the purposes of describing the ICSFR in Annual Corporate Governance Reports.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Raúl Ara Navarro

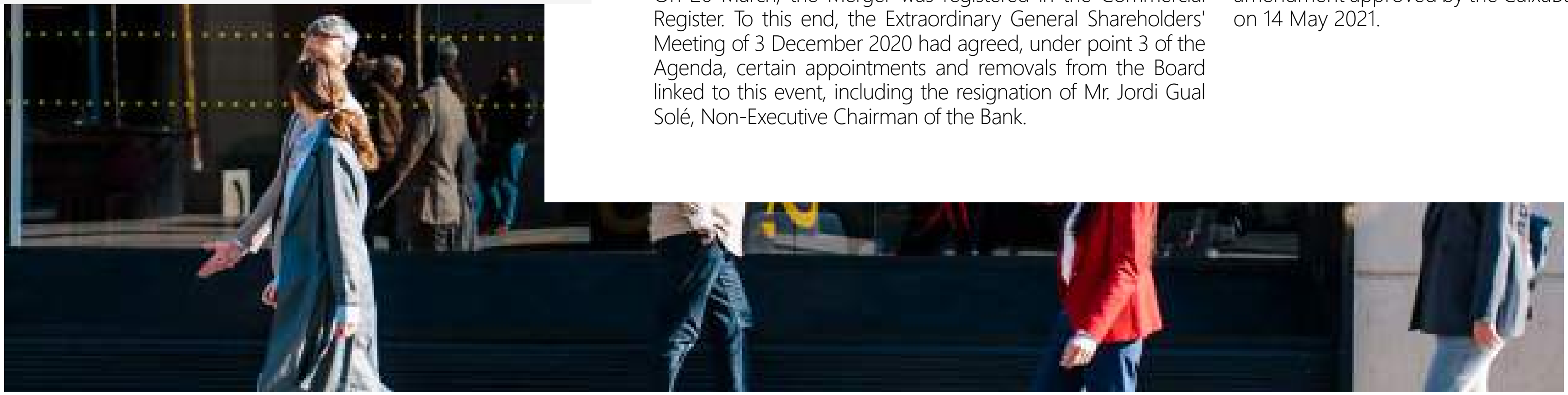
February 18, 2022

C

Annual Director Remuneration Report

Introduction

This Annual Report on Directors' Remuneration for the financial year 2021 (hereinafter, **Report or ARR**) is prepared by the Remuneration Committee of CaixaBank, S.A. (hereinafter, **CaixaBank, Company or Entity**) in accordance with the provisions of article 541 of the Capital Companies Act (hereinafter, **LSC**), following the content and instructions established in Circular 3/2021 of the Spanish National Securities Market Commission (hereinafter, **CNMV**)[1]



In this regard, the Entity has opted to prepare the report in free format, as in previous years, including the content required by regulations, the statistical appendix set out in Circular 3/2021, as well as other relevant information for understanding the remuneration system for the directors of CaixaBank. The purpose of this report is to provide transparency around director remuneration schemes and to facilitate shareholder understanding of the remuneration practices in place at the Bank.

2021 was particularly critical for the Entity owing to the merger through the absorption of Bankia, S.A. into CaixaBank (hereinafter, the "Merger"), among other aspects. This event has had a significant impact on the composition and remuneration of the Board of Directors.

- As at 1 January 2021, the Directors' Remuneration Policy applicable to the Entity (hereinafter, **Remuneration Policy or Policy**) was that approved by the Annual General Meeting on 22 May 2020 for the financial years 2020 to 2022, both inclusive.

- On 26 March, the Merger was registered in the Commercial Register. To this end, the Extraordinary General Shareholders' Meeting of 3 December 2020 had agreed, under point 3 of the Agenda, certain appointments and removals from the Board linked to this event, including the resignation of Mr. Jordi Gual Solé, Non-Executive Chairman of the Bank.

- On 30 March, the Board of Directors approved the appointment of Mr. José Ignacio Goirigolzarri as Executive Director, thus becoming Executive Chairman of CaixaBank.

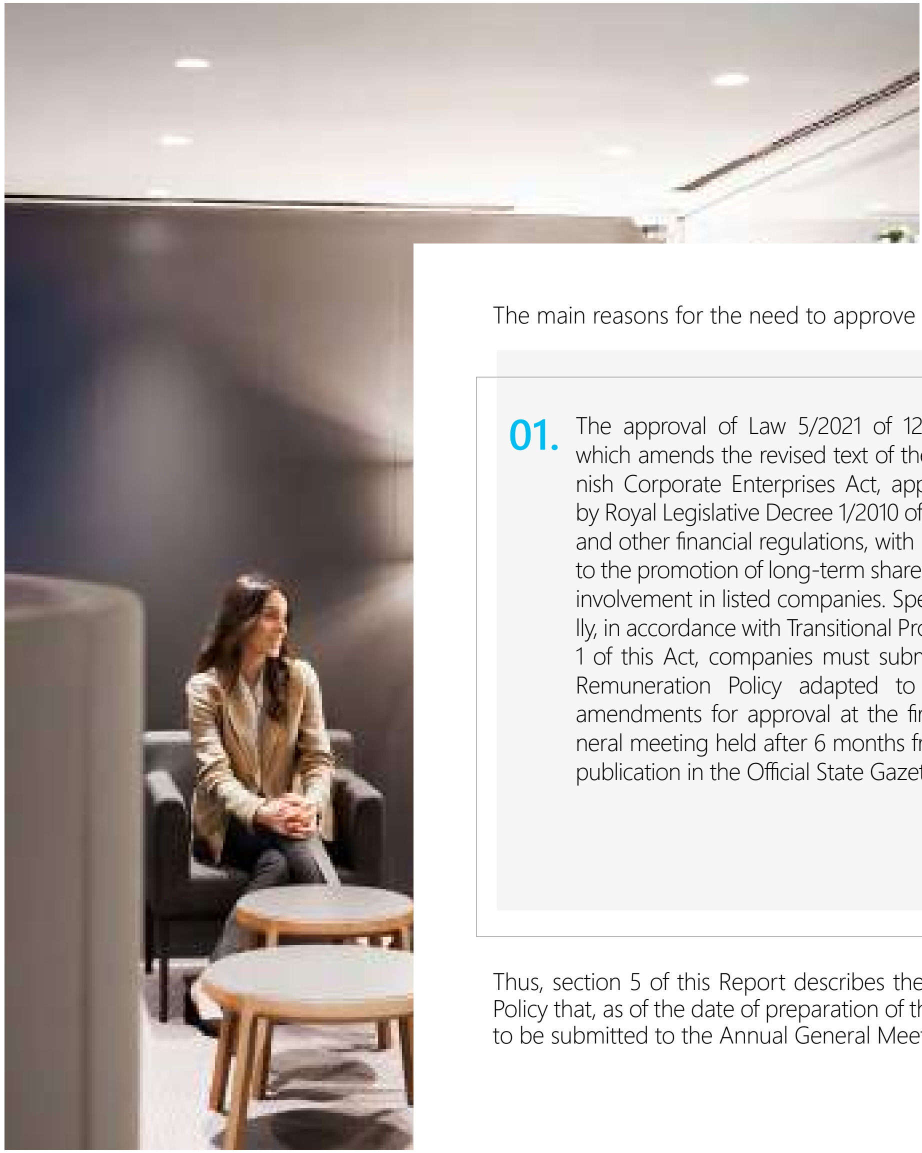
As a result of the above, the Annual General Meeting held on 14 May 2021 resolved to approve an amendment to the Remuneration Policy 2020-2022. The amended text replaced in its entirety the text adopted on 22 May 2020, without prejudice to the effects produced and consolidated under its validity.

This Remuneration Policy can be consulted on the CaixaBank website through the following link:

https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Gobierno_Corporativo/Politica_de_Remuneracion_del_Consejo_de_Administracion_EN.pdf

Notwithstanding the above, a new Directors Policy is expected to be submitted for approval at the next Annual General Meeting in 2022, which would fully replace, from 1 January 2022, the amendment approved by the CaixaBank Annual General Meeting on 14 May 2021.

[1] Circular 3/2021, of 28 September, of the National Securities Market Commission, amending Circular 4/2013, of 12 June, which establishes models for annual remuneration reports for directors of listed public limited companies and members of the board of directors and the control committee of savings banks that issue securities admitted to trading on official securities markets; and Circular 5/2013 of 12 June, which establishes models for the annual corporate governance report of listed public limited companies, savings banks and other entities that issue securities admitted to trading on official securities markets.



The main reasons for the need to approve a new Policy are:

01. The approval of Law 5/2021 of 12 April, which amends the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies. Specifically, in accordance with Transitional Provision 1 of this Act, companies must submit the Remuneration Policy adapted to these amendments for approval at the first general meeting held after 6 months from its publication in the Official State Gazette.

02. The regulatory developments regarding remuneration at credit institutions that have occurred over the course of 2021, as part of the transposition into Spanish law of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (hereinafter **CRD V**).

03. The change in the variable incentive model by unifying the annual and long-term variable remuneration system into a single remuneration scheme (hereinafter, **Variable Remuneration Scheme with Multiannual Metrics or Scheme**), maintaining maximum concession levels for the total.

Thus, section 5 of this Report describes the characteristics of the Policy that, as of the date of preparation of this Report, is expected to be submitted to the Annual General Meeting in 2022.

As stipulated in article 541 of the Corporate Enterprises Act, this report, which was unanimously approved by the Board of Directors at its meeting of 17 February 2022, will be submitted to a consultative vote of the shareholders at the General Shareholders' Meeting in 2022, as a separate item on the agenda.

Remuneration

The following sections make up the **Annual Report on the Remuneration of Directors,** which the Board of Directors must draw up and lay before the Annual General Meeting for a consultative vote among shareholders

Governing principles and responsibilities when managing the Remuneration Policy

CaixaBank establishes its Remuneration Policy on the basis of general remuneration policies, committed to a market position that allows it to attract and retain the talent needed and to encourage behaviour that ensures long-term value generation and the sustainability of results over time. Market practices are analysed each year with wage surveys and specific studies conducted as and when needed by top tier companies, based on a comparable sample of peer financial institutions operating in the markets in which CaixaBank is present and a sample of comparable IBEX 35 companies.

General principles of the policy		Executive Directors	Non-executive directors
Creating value	Variable remuneration takes into consideration not only the achievement of targets but also the way in which they are achieved, ensuring prudent risk management.	●	
Linking targets and commitment	The individual targets of staff are defined on the basis of the commitment they establish with their managers.	●	
Professional development	Remuneration policy bases its strategy of attracting and retaining talent on providing professional people with a distinctive corporate business project, the possibility of professional development and enjoyment of competitive overall remuneration.	●	
Competitive positioning of total compensation	Within these conditions of total compensation, the Remuneration Policy is committed to a competitive positioning in terms of the sum of fixed remuneration and social benefits, basing its capacity to attract and retain talent mainly on both remuneration components.	●	
Corporate pension plan	The main element of the benefits offer is the corporate welfare programme offered to professionals, which stands out in comparison with other financial institutions in the Spanish market, constituting a key element in the remuneration offer.	●	
Remuneration mix	The fixed remuneration and benefit components constitute the dominant part of the remuneration package where, in general, the variable remuneration concept tends to be conservative due to its potential role as a risk generator.	●	
Linkage to the General Remuneration Policy	In setting the Remuneration Policy, and in establishing the remuneration conditions for Executive Directors in particular, CaixaBank has taken into account the remuneration policy for the Entity's employees.	●	●
Sustainability	The Policy is consistent with the management of sustainability risks, incorporating metrics linked to this aspect in the variable remuneration component, and taking into account responsibilities and assigned functions.	●	
Non-discrimination	The Policy seeks to ensure non-discrimination and to promote equal pay with regard to gender.	●	●
Professional promotion	The promotion system is based on the assessment of the skills, performance, commitment and professional merits of the professionals on a sustained basis over time.	●	●
Best practices in director remuneration	The remuneration of the members of the CaixaBank Board of Directors, established within the general framework defined in this Remuneration Policy, is approved by the competent board and delegated committees of CaixaBank.	●	●

In the financial year 2021, the amendment of the Remuneration Policy submitted by the Board to the binding vote of the General Shareholders' Meeting of 14 May 2021 received a percentage of votes in favour of 75.76%. This result was conditioned by a significant shareholder with a 16.1% stake, who voted against amending the Policy. The consultative vote on the Annual Remuneration Report for the previous year obtained 72.31% of votes in favour, due primarily to this same shareholder abstaining from this agenda item. The remaining items involving remuneration proceeded in similar fashion, with the shareholder also abstaining.

Excluding this sole shareholder from the votes, the change to the Remuneration Policy would have obtained a 96.3% approval, and the Annual Remuneration Report 91.9%. Similarly, the remaining proposals relating to remuneration would have been approved with percentages in excess of 96%. Moreover, all of these proposals received support from the main voting advisers of institutional investors.

The new Remuneration Policy proposed at the 2022 General Shareholders' Meeting, in addition to including regulatory adjustments, includes, among others, improvements in matters of transparency involving the push to sustain value over the long-term, a new variable incentive system with annual and multiannual targets set beforehand and aimed at prudent risk management, with more importance assigned to sustainability metrics, as well as an increase in the holding period of shares delivered to Directors Executives, in compliance with recommendation 62 of the Code of Good Governance of Listed Companies. The new Policy does not entail an increase to the overall remuneration limits of the directors as a whole.

Remuneration of **Directors**

In accordance with the Regulations of the Board of Directors, all decisions on director remuneration made within the framework of the By-laws and the Remuneration Policy are non-delegable and must always be taken by the Board of Directors sitting in plenary session (**the "Board"**).

Directors in their **capacity as such**

The system provided for in the By-laws establishes that the remuneration of CaixaBank directorships should consist of a fixed annual amount to be determined by the General Shareholders' Meeting, which remains in force until the Meeting agrees to modify it. In this regard, the remuneration of the members of the Board, in their capacity as such, consists solely of fixed components.

Non-executive Directors (those that do not have executive functions) have a purely organic relationship with CaixaBank and, consequently, they do not hold contracts with the Bank to perform their duties, nor are they entitled to any form of payment should they be dismissed from their position as Director.

Remuneration of directors discharging **executive duties**

In relation to members of the Board with executive duties (hereinafter, Executive Directors), the By-laws recognise remuneration for their executive functions, in addition to the directorship itself.

Therefore, the remuneration components of these functions are structured in due consideration of the economic context and results, and include the following:

- Fixed remuneration based on the level of responsibility and professional trajectory, which constitutes a major portion of the total remuneration.
- Variable remuneration tied to the achievement of previously-established annual and long-term targets and prudent risk management.
- Pension scheme and other social benefits.

CaixaBank, S.A. is subject to Law 10/2014[2] (hereinafter referred to by its Spanish acronym of **"LOSS"**), particularly in relation to the remuneration policy of professionals whose activities have a material impact on the Company's risk profile (hereinafter referred to as **"Identified Staff"**). In line with the objective of achieving a reasonable and prudent balance between fixed and variable remuneration components, the amounts of fixed remuneration paid to Executive Directors are considered sufficient, while the percentage of variable remuneration in the form of a bonus above and beyond their annual fixed remuneration is comparatively low and does not exceed 100% of their fixed remuneration, unless the General Shareholders' Meeting approves a higher level, limited to 200% thereof.

No guaranteed variable remuneration is included in the remuneration package of Executive Directors. However, the Company may offer this guaranteed variable remuneration for new hires in exceptional cases, provided it has a healthy and solid capital base and the remuneration is applied to the first year of their contract only. As a general rule, the guaranteed variable remuneration should not exceed the amount of one annuity of the fixed remuneration components.

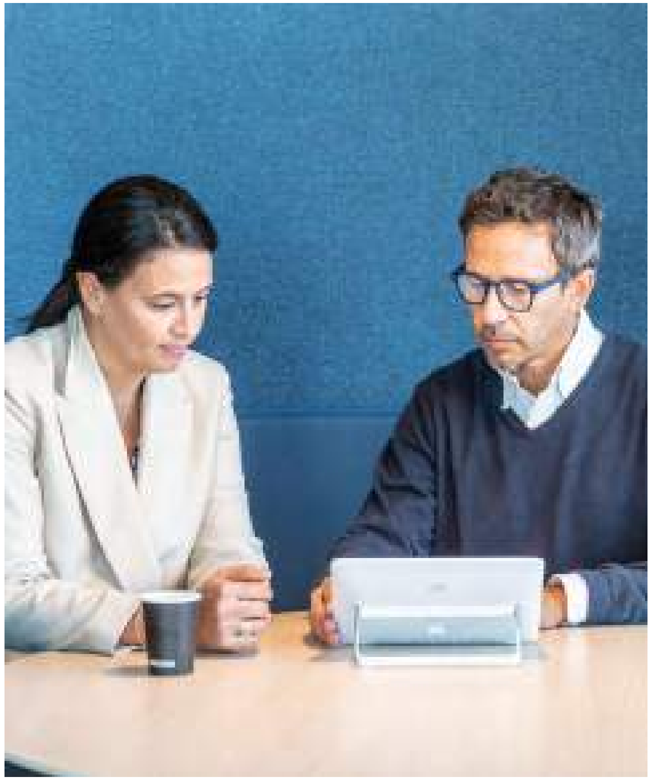
[2] Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, as amended by Royal Decree Law 7/2021, of 27 April, transposing certain EU directives, including the CRD V

Remuneration **Committee**

Composition

As at 31 December 2021, the Remuneration Committee was composed of three (3) Independent Directors and one (1) Proprietary Director, as well as a non-member secretary and deputy secretary. All members of the Commission have extensive experience, skills and knowledge commensurate with its tasks.

Full name	Position	Category	Date of first appointment
María Amparo Moraleda	Chairwoman	Independent	25-09-2014
Joaquín Ayuso	Member	Independent	30-03-2021
Cristina Garmendia	Member	Independent	22-05-2020
José Serna	Member	Proprietary	30-03-2021
Óscar Calderón	Secretary (non-director)	--	01-01-2017
Óscar Figueres	First Deputy Secretary (non-director)	--	23-10-2017



Functions

Meanwhile, the Remuneration Committee advises the Board and submits proposals and motions for its scrutiny and approval in relation to those matters that fall within the committee's remit by virtue of article 15 of the Regulations of the Board of Directors, including:

- Preparing decisions regarding remuneration, **and in coordination with the Risk Committee**, including those with implications for the Company's risk and risk management, to be taken by the Board of Directors. In particular, it shall inform and propose to the Board of Directors the remuneration policy, the system and amount of the annual remuneration of Directors and Senior Executives, and the individual remuneration of executive Directors and Senior Executives and the other conditions of their contracts, especially of a financial nature, and without prejudice to the powers of the Appointments and Sustainability Committee with regard to conditions proposed by the latter and unrelated to remuneration.
- Ensure compliance with the remuneration policy for Directors and Senior Managers, and reporting on the basic conditions established in the contracts entered into and compliance with these contracts.
- Report and prepare the Bank's general remuneration policy and in particular the policies relating to the categories of personnel whose professional activities have a significant impact on the Bank's risk profile and those that are intended to prevent or manage conflicts of interest with the Bank's customers.
- Analysing, formulating and periodically reviewing remuneration programmes, weighing their adequacy and performance and ensuring compliance.

- Propose to the Board the approval of the remuneration reports or policies that it is required to submit to the General Shareholders' Meeting, as well as reporting to the Board on any remuneration-related proposals or motions the Board may intend to lay before the General Meeting.
- Ensuring that any conflicts of interest do not impair the independence of the external advice given to the Committee related to the exercise of its functions.
- Considering the suggestions it receives from the Company's Chairman, Board members, executives, and shareholders.

In accordance with the above, the preparation, reporting and proposal of decisions regarding the remuneration of Board members is the responsibility of the Remuneration Committee, with the support of the General Secretariat in the case of Non-Executive Directors and of the Human Resources Department in the case of Executive Directors.

The proposals of the Remuneration Committee are elevated to the Board of Directors of CaixaBank for its consideration and, where applicable, approval. If the decisions correspond to the CaixaBank General Shareholders' Meeting, in accordance with its powers, the Board of Directors of CaixaBank approves their inclusion on the agenda and the proposals for the corresponding agreements, accompanied by the necessary reports.

Any services rendered for a significant amount (other than those inherent to the position) or any transactions that may be carried out between CaixaBank and members of the Board of Directors or related parties shall be subject to the regime of communication, exception, individual exemption, and publicity provided for in the regulations applicable to CaixaBank as a listed credit institution.

With respect to other remunerative items such as the granting of advance payments, loans, guarantees or any other remuneration, CaixaBank does not currently envisage the assignment of financial facilities as a means of remunerating its directors.

External advisors

The Remuneration Committee has been advised by Ernst & Young Abogados S.L.P. ("EY") in the preparation of this Report, in the preparation of the Policy that will be submitted for approval by the Annual General Meeting in 2022, and in particular in the design of a new variable remuneration scheme linked to the achievement of annual and multiannual targets, among others.

Commission activities during 2021

In 2021, CaixaBank's Remuneration Committee met 10 times and carried out, among other tasks, the following activities relating to remuneration:

MONTH	ACTIVITIES
January	In its proposal to the Board, CaixaBank's Remuneration Committee determined the impact of renewing the Employment Pension Plan risk policy, as well as the outcome of the individual and corporate challenges of the previous year's Bonus scheme and the proposed bonus and corporate challenges for 2021.
February	The Bonus proposal for some members of Senior Management was modified, and the Annual Remuneration Report for the Board of Directors and the bonus scheme and corporate challenges 2021 were proposed.
March	CaixaBank's Remuneration Committee approved the modification of the Remuneration Policy of the Board of Directors and drafted the proposed resolutions for the delivery of shares to Executive Directors as part of the Company's variable remuneration programme and the number of Beneficiaries of the Third Cycle of the Annual Incentive Plan Conditional on the 2019-2021 Strategic Plan. It also requested the authorisation of a maximum variable remuneration ratio of more than 100% for certain positions of the Identified Staff.
April	Senior Management Remuneration was reviewed and the conditions for the financial year 2021 were proposed. In addition, individual challenges for senior management for 2021 were approved, as were the Corporate Challenges 2021 and the Long-Term Incentive.
June	The Remuneration Committee proposed updating of the Remuneration Policy for Identified Staff, and the amendment of the Regulations of the Conditional Annual Incentive Plan linked to the Strategic Plan 2019-2021 and Identified Staff for the current financial year.
July	The HR Directorate General's Transition Protocol was reviewed and conclusions and progress of the 2021 remuneration audits were determined.
September	CaixaBank's Remuneration Committee approved the modification of the General Remuneration Policy and its adaptation to ESG metrics, adopted the individual business challenges for 2021, assessed the impact of the Integration Labour Agreement regarding members of the Bankia Management Committee, and approved the appointment of CaixaBank's new Human Resources Director.
October	CaixaBank's Remuneration Committee approved the removal of the Head of Compliance and the appointment of the new head.
November	CaixaBank's Remuneration Committee approved the remuneration management calendar 2021-2022, as well as the proposal for the new Variable Remuneration model with multi-year metrics.
December	CaixaBank's Remuneration Committee approved the modification of the Remuneration Policies to include the Entity's new Variable Remuneration model.

Remuneration policy 2021

Remuneration of directors in their capacity as such

The remuneration accrued by all directors acting in their capacity as such consists of a fixed annual amount set by the General Shareholders' Meeting. This amount will remain in force until shareholders agree to modify it.

The amount established by the General Shareholders' Meeting shall be used to remunerate the Board of Directors and its committees, and shall be distributed among members as the Board sees fit, though based on a recommendation from the Remuneration Committee. In apportioning the remuneration, the Board shall pay due regard to the duties and dedication of each member and any seats they occupy on the various committees. It shall also determine the frequency and method of payment, whether through attendance allowances, bylaw-stipulated remuneration, and so forth. The 2017 Annual General Meeting agreed that the maximum annual amount payable to all directors would be EUR 3,925,000, without counting remuneration payable for executive functions.

In this regard, at the 2021 Annual General Meeting held on 14 May, the reduction of this maximum remuneration from 3,925,000 euros to 2,925,000 euros was approved. This decrease was motivated by a change in the category of the Chairman of the Board of Directors. This function, previously performed by a non-executive director (Mr. Jordi Gual Solé), was remunerated at 1,000,000 euros. To the extent that this function has become exercised by an executive director (Mr. José Ignacio Goirigolzarri), this amount is no longer included for the purpose of the remuneration of directors as such.

This new maximum limit is without prejudice to the part of the non-executive chairman's additional remuneration accrued up to the date of termination of his duties, validly paid in accordance with the Remuneration Policy of the Board of Directors in force up to that time.

Accordingly, the amounts approved for membership of the Board and its Committees in 2021 and 2020 are as follows:

REMUNERATION FOR BOARD MEMBERSHIP AND MEMBERSHIP OF BOARD COMMITTEES

(thousands of euros)	Total 2021	Total 2020
Base remuneration of each Board member	90	90
Additional remuneration of the Chairman of the Board (not applicable since 26 March 2021)	0	1,000
Additional remuneration of the Coordinating Director	38	38
Additional remuneration of each member of the Executive Committee	50	50
Additional remuneration of the Chairman of the Executive Committee	10	10
Additional remuneration of each member of the Risks Committee	50	50
Additional remuneration of the Chairman of the Risks Committee	10	10
Additional remuneration of each member of the Audit and Control Committee	50	50
Additional remuneration of the Chairman of the Audit and Control Committee	10	10
Additional remuneration of each member of the Appointments Committee	30	30
Additional remuneration of the Chairman of the Appointments Committee	6	6
Additional remuneration of each member of the Remuneration Committee	30	30
Additional remuneration of the Chairman of the Remuneration Committee	6	6
Additional remuneration of each member of the Innovation, Technology and Digital Transformation Committee[1]	30	30

[1] The Chairman and the Chief Executive Officer do not receive additional remuneration for their membership of the Innovation, Technology and Digital Transformation Committee, which is included in their overall remuneration as members of the Board.

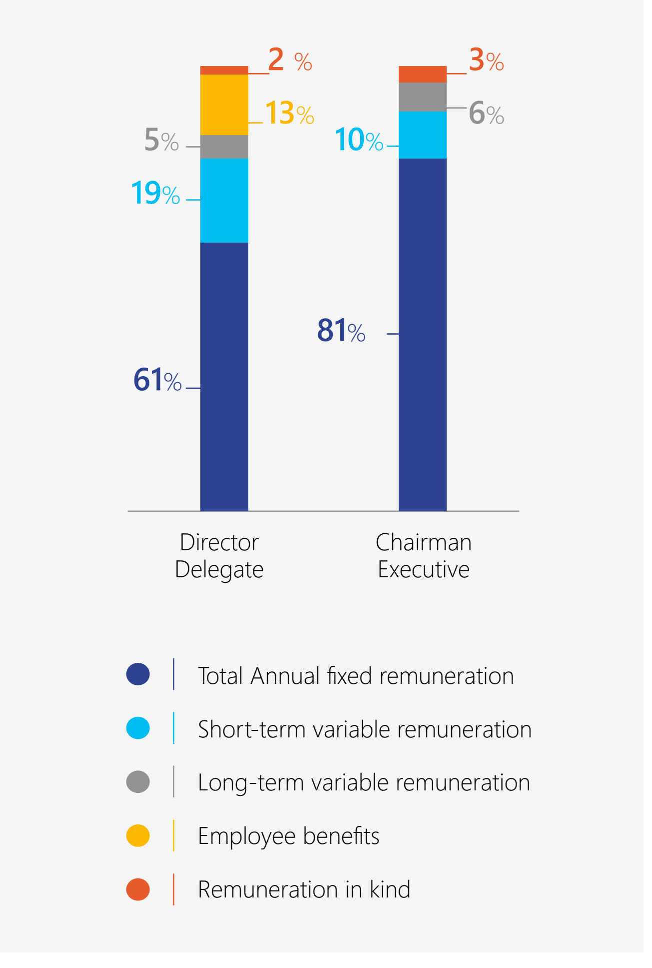
(thousands of euros)	Total 2021*	Total 2020
Remuneration distributed to directors in their capacity as such	2,854	3,337

(*) The remuneration distributed in 2021 takes into account the part of the non-executive chairman's additional remuneration accrued up to the date of termination of office.

All directors are covered by the terms of a civil liability policy arranged for directors and senior managers to cover any third-party liability they may incur when discharging their duties. The Remuneration Policy does not envisage any long-term savings systems for non-executive directors.

Remuneration of directors discharging executive functions

By way of summary, the remuneration mix corresponding to the remuneration earned by CaixaBank's executive directors in 2021 is as follows:



Fixed items of remuneration

Fixed remuneration for Executive Directors is largely based on the level of responsibility and the professional career of each Director, combined with a market approach taking account of salary surveys and specific ad hoc studies. The salary surveys and specific ad hoc studies used by CaixaBank are performed by top-tier companies, based on comparable samples of the financial sector in the market where CaixaBank operates and that of comparable IBEX 35 companies.

Peer Group of reference for the remuneration of executive directors

Santander	BBVA	Banco Sabadell	Bankinter	ABN Amro	Commerzbank
Crédit Agricole	Deutsche Bank	Erste Group	KBC Groep	Lloyds Banking Group	Natixis
Raiffeisen	Natwest	SwedBank			

CaixaBank also takes into account a multi-sector sample obtained from publicly available information on the executive directors of a representative number of companies whose size (market capitalisation, assets, turnover and number of employees) is comparable to that of CaixaBank.

As a general rule, the fixed remuneration accrued by Executive Directors includes remuneration received in connection with duties carried out at CaixaBank Group entities or other entities in the interests of CaixaBank. This further remuneration is deducted from the net amount of fixed remuneration to be paid by CaixaBank.

In addition, as a fixed component of remuneration, the contracts of executive directors may include pre-determined contributions to pension and savings schemes, which are described in the corresponding section.

Accrued remuneration linked to fixed components for Executive Directors is presented below:

Fixed remuneration accrued by Executive Directors

(thousands of euros)	Position	Salary	Remuneration for board membership	Remuneration for membership on board committees	Remuneration for positions held at Group companies	Remuneration for membership of boards outside the Group	Total Annual fixed remuneration
Gonzalo Gortázar	CEO	1,917	90	50	204		2,261
José Ignacio Goirigolzarri[1]	Executive Chairman	1,122	69	45		11	1,247
Total by item 2021		**3,039**	**159**	**95**	**204**	**11**	**3,508**
Gonzalo Gortázar	CEO	1,561	90	50	560		2,261
Total by item 2020		**1,561**	**90**	**50**	**560**		**2,261**

[1] The amounts accrued by the Executive Chariman have been calculated on a pro-rata basis for his time in office during the financial year 2021 (from 30 March 2021 to 31 December 2021). The Total fixed annual remuneration agreed for 2021 was 1,650,000 euros.

The annual Total Fixed Remuneration of the CEO was maintained for the year 2021 compared to 2020.

Executive Directors may also receive remuneration in kind in the form of health insurance for themselves and their immediate family, the use of a vehicle or family home, or similar benefits that are common within the sector and commensurate to their professional status, in keeping with the standards established by CaixaBank at any given time for the professional segment to which they belong. Remuneration in kind earned by Executive Directors is presented below:

Remuneration in kind of Executive Directors

(thousands of euros)	Position	Own and family medical care[2]	Use of car and housing	Other	Total
Gonzalo Gortázar	CEO	5		2	7
José Ignacio Goirigolzarri	Executive Chairman	2			2
Total by item 2021		**7**		**2**	**9**
Gonzalo Gortázar	CEO	6			6
Total by item 2020		**6**			**6**

[2] Medical insurance for the CEO, spouse, and all children aged under 25.

Variable components of remuneration

The following table shows the variable components of remuneration for Executive Directors:

A. Short-term variable components under the remuneration systems

Executive Directors were entitled in 2021 to variable remuneration in the form of a specific bonus based on target remuneration established by the Board on the recommendation of the Remuneration Committee, with the level of attainment to be risk-adjusted (ex-ante and ex-post) and pegged to performance, which will be assessed on the basis of quantitative criteria (financial) and qualitative aspects, all duly specified and documented.

For financial year 2021, the CEO has been assigned an annual variable target remuneration equivalent to 31% of his Annual Fixed Total Remuneration, in the event of 100% compliance with the targets set at the beginning of the year by the Board, which may reach up to a maximum of 38% of the Annual Fixed Total Remuneration.

On the other hand, the Chairman of the Board has been assigned a variable annual target remuneration equivalent to 12% of his Total Annual Fixed Remuneration, in the event of 100% compliance with the targets set at the beginning of the year by the Remuneration Committee, which may reach up to a maximum of 15% of the Total Annual Fixed Remuneration.

Variable bonus remuneration for the CEO and for the Chairman, set for 2021, is based on the achievement of a combination of corporate challenges weighing 50% of their total annual variable remuneration, as well as the achievement of individual challenges weighing 50% of their total annual variable remuneration, as follows:

Corporate targets of variable bonus remuneration for executive directors in 2021

The corporate targets, with a weighting of 50%, are set annually by the Board on the recommendation of the Remuneration Committee, subject to a degree of achievement [80%-120%], which is determined on the basis of the following concepts aligned with the strategic objectives:

Metric	Weighting	Performance range	Objective	Result	Degree of achievement of the challenge (%)	Recognition of the challenge (%)
ROTE	10%	80% - 120%	6.2	7.6	120	120
Core cost-to-income ratio	10%	80% - 120%	56.6	56	110.5	110.5
Variation in problematic assets	10%	80% - 120%	10,953	6,813	120	120
Risk Appetite Framework (RAF)	10%	80% - 120%	Six amber	Five amber	110	110
Quality	5%	80% - 120%	84.3	86.3	120	120
Conduct and Compliance	5%	80% - 120%	97	98.06	107.1	107.1
					114.8	114.8

The established metrics and targets pursued with each of them are defined in detail below:

ROTE (10%)

Definition: Measures the profitability index of the tangible assets and is calculated as the Profit/(loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 and deducting the extraordinary items associated with the merger) and net equity plus valuation adjustments for the last 12 months, minus the intangible assets or goodwill. The degree of compliance with ROTE in 2021 was calculated as shown in the following table: 2,115 (result net of AT1 coupon) / 27,879 (average equity excluding intangibles).

The target for the challenge was 6,2, and a result of 7.6 has been achieved, so the degree of fulfilment of the challenge in the year 2021 is a maximum of 120%.

Core Efficiency Ratio (CER) (10%)

Definition: This is the percentage of recurring expenses in relation to the income from the company's core business. It is calculated as the ratio of the Group's recurring expenses to core revenues (net interest income, net fee and commission income and insurance-related revenues).

The degree of compliance with the ROTE in 2021 has been calculated as follows: 5,930 (recurring expenses) / 10,597 (core income).

The target for the challenge was 56.6, with a result of 56.0 having been achieved, meaning the degree of compliance with the challenge in the year 2021 is 110.5%.

Variation in problematic assets (10%)

Definition: This is the change, in absolute terms, in the Group's problematic assets (defined as non-performing and foreclosed loans and auction rights), isolating the effect of Bankia's integration, whose contribution is already considered as part of the target variation.

The degree of compliance with this metric in 2021 has been calculated as follows: the target for the challenge was a variation of 10,953, with a result of 6,813 achieved, meaning the degree of compliance with the challenge in 2021 is a maximum of 120%.

Risk Appetite Framework (RAF): (10%)

Definition: To calculate the fulfilment of the objective related to the RAF metric, an aggregate level of the scorecard of the Company's Risk Appetite Framework is used. This scorecard consists of quantitative metrics that measure the different types of risk, and the Board of Directors establishes areas of appetite (green), tolerance (amber) or non-compliance (red), and determines the scale of fulfilment that establishes penalisation or bonus percentages according to the variation of each metric, between the actual situation at the end of the year and that initially forecast for the same year in the budget.

The degree of compliance with this metric in 2021 has been calculated as follows: Two groupings of metrics at amber tolerance level, according to budget, one metric at red tolerance level (equal to three ambers) according to budget, and one metric upgrade from amber to green tolerance level.

The target of the challenge was 6 ambers, and a result of 5 ambers has been achieved, meaning the degree of compliance with the challenge in 2021 is 110%.

Quality (5%)

Definition: Calculated as a moving average for the past 12 months, comprising experience ratios of each of the businesses (Individual, Premier, BusinessBank, Business, Private, Companies, Institutions and Corporate), weighted by its contribution to the ordinary margin of CaixaBank.

The target for the challenge was 84.3, and a result of 86.3 has been achieved, meaning the degree of compliance with the challenge in the year 2021 is a maximum of 120%.

Conduct and Compliance (5%)

Definition: Definition This index aggregates process monitoring metrics linked to the Prevention of Money Laundering, MiFID and Correct marketing of products and services.

The target for the challenge was 97, and a result of 98.06 was achieved, meaning the degree of achievement of the challenge in 2021 is 107.1%.

Based on the above results, the Board of Directors, at the recommendation of the Remuneration Committee, has approved the recognition of 114.8% of variable remuneration in the form of bonus targets linked to corporate challenges (50%).

Individual targets of variable bonus remuneration for executive directors in 2021

Individual targets, with a weighting of 50% and a degree of achievement in the range of (60%-120%), which is distributed globally among challenges linked to CaixaBank's strategy. In 2021, these challenges were mainly focused on the following metrics:

CEO

For the CEO, the individual targets for 2021 have focused on the organisational, operational and technological integration of Bankia into Caixabank, the negotiation and realisation of staff restructuring and the new labour agreement, the reduction of costs and the achievement of synergies derived from the merger, the renegotiation of the different strategic distribution agreements, as well as the promotion of sustainability, developing the role within the Management Committee, and promoting the implementation of a sustainability master plan for the entire CaixaBank Group.

Executive Chairman

For the period from his appointment on 30 March 2021 to 31 December 2021:

In 2021, the Chairman's individual targets focused mainly on aspects related to the integration of CaixaBank and Bankia, and on strengthening corporate governance in his role as Chairman of the Board of Directors, ensuring excellent coordination between the Board itself, its committees and the Board Secretariat. The measurement of these challenges has been assessed by the Board through a process of evaluation by all Board members. Also included among the Chairman's individual challenges is a target ensuring the proper functioning of the Internal Audit function, achieving a rapid and adequate adaptation of the function after the integration process, and improving the valuation and contribution of value to the main stakeholders.

The Remuneration Committee considered the degree of compliance for the CEO and Chairman to be 118% in both cases.

The Board of Directors shall ratify the final degree of attainment of the variable remuneration as an accrued bonus based at the recommendation of the Remuneration Committee.

After assessing the total set of targets above, the Board of Directors has considered the following:

>> % TARGET ACHIEVEMENT FOR THE PURPOSE OF AWARDING VARIABLE BONUS REMUNERATION

CEO

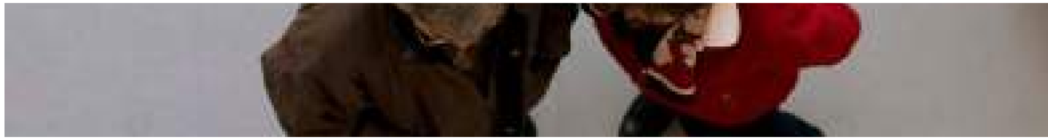
Variable remuneration in the form of 2021 bonus target (I) (thousands of euros)	% achievement of corporate targets (II)	% achievement of individual targets (III)	Variable remuneration in the form of bonus target 2021 (IV=I*II*50%+I*III*50%) (thousands of euros)
709	114.8%	118%	825

The variable remuneration in the form of a bonus accrued by the CEO in 2021 amounts to 825,079 euros, which corresponds to 36.5% of their Total Annual Fixed Remuneration.

EXECUTIVE CHAIRMAN

Variable remuneration in the form of 2021 bonus target (I) (thousands of euros)	% achievement of corporate challenges (II)	% achievement of individual challenges (III)	Variable remuneration in the form of bonus target 2021 (IV=I*II*50%+I*III*50%) (thousands of euros)
200	114.8%	118%	233

The variable bonus remuneration accruing to the Chairman in 2021 amounts to EUR 232,810, which corresponds to 14% of his Total Annual Fixed Remuneration.



Deferral and payment in instruments

Once the amount of variable remuneration has been determined, 40% of the variable remuneration is paid during the first quarter of the year following accrual, 50% in cash and the remainder in instruments, after any applicable taxes (withholdings or payments on account) have been paid.

Assuming no cases of reduction in remuneration, 60% of the deferred payment must be paid in 5 instalments, respectively 12, 24, 36, 48 and 60 months after the initial payment, with each of these payments being 50% in cash and the remainder in instruments, after payment of the applicable taxes (withholdings or payments on account).

Permanency requirement

For an executive director to be eligible for variable remuneration in the form of a bonus, their relationship with the Company must continue as at 31 December of the year in which the variable remuneration is to accrue.

GONZALO GORTÁZAR – CEO

Variable remuneration components accrued in 2021 in the form of a bonus for the Chief Executive Officer

(thousands of euros)

Variable remuneration in form of bonus	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Equivalent remuneration	Unrealised deferred remuneration
Upfront payment of variable upfront remuneration for 2021	Shares	20%	60,467	40%	165	495
	Cash on hand	20%			165	
Upfront payment of deferred variable remuneration – 2019	Shares	6%	16,256	64%	46	275
	Cash on hand	6%			46	
Deferred payment of bonus variable remuneration – 2018	Shares	6%	15,613	76%	47	188
	Cash on hand	6%			47	
Deferred payment of bonus variable remuneration – 2017	Shares	6%	7,824	88%	31	62
	Cash on hand	6%			31	

(*) In 2020, the CEO voluntarily waived the annual variable remuneration in the form of a bonus for that year as an act of responsibility for the exceptional economic and social situation generated by COVID-19.

Interest and returns on deferred variable remuneration accrued in the year by the CEO in the form of a bonus amounted to 100 EUR.

JOSÉ IGNACIO GOIRIGOLZARRI – EXECUTIVE CHAIRMAN

Variable remuneration components accrued in 2021 in the form of a bonus for the Executive Chairman

(thousands of euros)

Variable remuneration in form of bonus	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Equivalent remuneration	Unrealised deferred remuneration
Upfront payment of remuneration for 2021	Shares	20%	17,061	40%	47	140
	Cash on hand	20%			47	

In addition, the Chairman has certain deferred amounts pending payment as a result of his services at Bankia.

(thousands of euros)

Variable remuneration in form of bonus	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Equivalent remuneration	Unrealised deferred remuneration
RVA 2018	Shares	25%	13,482	50%	57	114
	Cash on hand	25%			57	
RVA 2017	Shares	12.5%	5,350	75%	31	62
	Cash on hand	12.5%			31	
RVA 2016	Shares	12.5%	6,726	100%	31	0
	Cash on hand	12.5%			31	

B. Long-term variable components of the remuneration systems

Conditional Annual Incentives Plan linked to the 2019-2021 Strategic Plan

On 5 April 2019, the Annual General Meeting approved the implementation of a Conditional Annual Incentives Plan ("CAIP") linked to the 2019-2021 Strategic Plan, whereby eligible subjects may receive a number of CaixaBank shares once a certain period of time has elapsed and provided the strategic objectives and a set of specific requirements are met.

Under the CAIP, units ("**Units**") will be assigned to each beneficiary in 2019, 2020 and 2021. The units will be used as the basis on which to establish the number of CaixaBank shares to be delivered to each beneficiary. The allocation of Units does not confer any shareholder voting or dividend rights on the beneficiary, who will eventually become a shareholder once the Company shares have been delivered and not before. The rights conferred are non-transferable, without prejudice to any special circumstances envisaged in the Regulations of the CAIP.

With regard to the second cycle of the Plan, as a measure of responsibility on the part of CaixaBank management in view of the exceptional economic and social situation generated by COVID-19, the Board of Directors, at its meeting of 16 April 2020, approved the non-allocation of shares to the Beneficiaries of the second cycle of the Plan.

Detailed information on the CAIP in force during 2021 is described below.

Beneficiaries

CAIP beneficiaries will be the Executive Directors, the members of the Management Committee and the other members of the senior management and any other key Group employees whom the Board may expressly invite to take part in the plan. Although the maximum number of beneficiaries initially authorised by the 2019 General Meeting was 90 persons, the General Shareholders' Meeting of 14 May 2021 approved an increase in the estimated number of Beneficiaries to 130 persons. This increase is a consequence of the Merger, with the aim of bringing the group of Beneficiaries up to date with CaixaBank's new organisational structure.

Duration, target measurement periods and liquidation dates of the CAIP

The CAIP has three cycles, each of three years, with three Unit assignments. Each of the allocations took place in 2019 (period 2019-2021), 2020 (period 2020-2022) and 2021 (period 2021-2023).Each cycle includes two target measurement periods:

- The first measurement period (**"First Measurement Period"**) will pertain to year one of each cycle, in which certain targets linked to the metrics described in due course must be met. Depending on the extent of attainment of targets at the First Measurement Period, and based on the Units assigned at the start of each cycle, the beneficiaries will be granted a provisional incentive (**"Provisional Incentive"**) in year two of each cycle (the "**Award Date**"), equivalent to a certain number of shares ("**Award of the Provisional Incentive**"). This will not entail the actual delivery of shares at that time.

- The second measurement period ("**Second Measurement Period**") will cover the three-year duration of each of the cycles, in which the targets linked to the described metrics must also be met. The final number of shares to be effectively delivered (the **"Final Incentive"**) following the end of each Plan cycle, and will be subject to and dependent on the attainment of targets at the Second Measurement Period for each cycle ("**Determination of the Final Incentive**"). Under no circumstances may this exceed the number of shares deliverable under the Provisional Incentive.

For the CEO and members of the Management Committee, the shares corresponding to the Final Incentive of each cycle will be delivered in three instalments on the third, fourth and fifth anniversary of the Award Date (the "Settlement Dates"). For the remaining beneficiaries who are not part of the Identified Staff in 2021, the shares are delivered in full on a single Settlement Date, on the third anniversary of the Award Date. For beneficiaries who are part of the 2021 Identified Staff, the shares will be delivered in halves in full on a single Settlement Date, on the third and fourth anniversary of the Award Date.

The Plan was formally launched on 5 April 2019 (the "**Start Date**"), except for those beneficiaries subsequently added to the CAIP. The CAIP will end on the last Settlement Date for shares pertaining to the third cycle, i.e. in 2027 for Executive Directors and members of the Management Committee, and in 2025 for all other beneficiaries (the "**End Date**").

Reference share value

The share value to be used as a reference when assigning the Units will be the arithmetic mean price, rounded to three decimal places, of the CaixaBank share price at close of trading during the trading sessions in January of each year in which a Plan cycle begins (i.e., 01/2019, 01/2020 and 01/2021).

The value of the shares pertaining to any Final Incentive that may be finally delivered will be equivalent to the listed CaixaBank share price at the close of trading on each Settlement Date for each Plan cycle.

Number of Units to be assigned

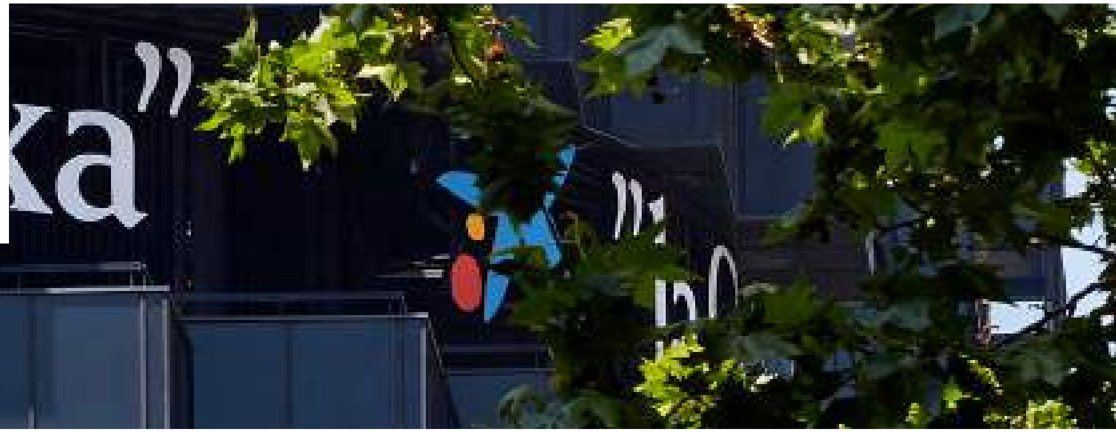
The Board shall use the following formula to determine the Units to be assigned to each beneficiary:

NU = TA / AMP

- **NU =** Number of units to be assigned to every beneficiary, rounded up to the closest whole number.

- **TA =** Reference Target Amount for the beneficiary, based on their position.

- **AMP =** Arithmetic mean price, rounded to three decimal places, of the CaixaBank share at close of trading during the stock market trading sessions of January of each year in which a cycle begins.



Number of shares pertaining to the award of the Provisional and Final Incentive

The following formula will be used to determine the total number of shares pertaining to the Award of the Provisional Incentive:

NSA = NU x DIA

- NSA = Number of shares pertaining to the Award of the Provisional Incentive for each beneficiary rounded up to the nearest whole number.
- NU = Number of Units assigned to the beneficiary at the start each cycle.
- DIA = Degree of Incentive Attainment, showing the extent to which the targets pegged to CAIP metrics are met during the first year of each cycle (see section on "Metrics").

The following formula will be used to determine the number of shares pertaining to the Final Incentive:

NS = NSA x Ex-post Adj. Ex-post adj.

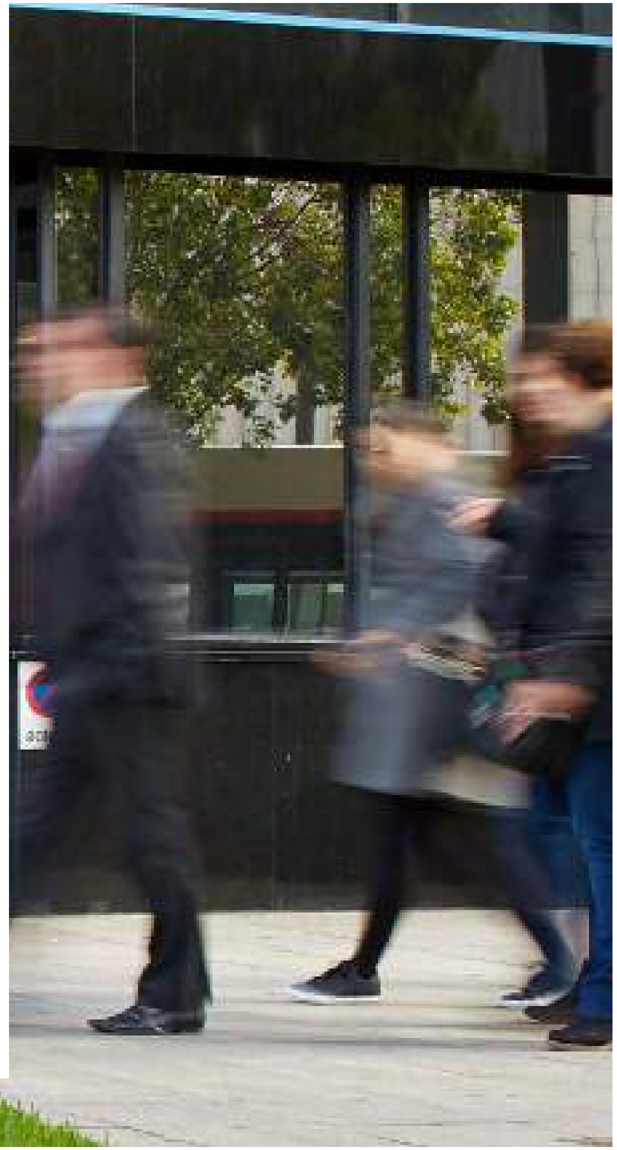
- NSA = Number of shares pertaining to the Final Incentive to be delivered, rounded up to the nearest whole number.
- Ex-post adj. = Ex-post adjustment of the Provisional Incentive for each cycle, depending on attainment of the target for each cycle.

Maximum number of shares to be delivered

For the first cycle of the CAIP, the maximum total number of shares to be delivered to the Beneficiaries of the CAIP in the years 2023, 2024 and 2025, in the event of maximum achievement in which all the targets corresponding to the first cycle of the CAIP are exceeded, in all cases, over and above those budgeted, amounts to a total of 1,242,768 shares, of which 73,104 shares correspond, as a maximum, to the CEO.

With regard to the second cycle of the CAIP, as a measure of responsibility on the part of CaixaBank management in view of the exceptional economic and social situation generated by COVID-19, the Board of Directors, at its meeting of 16 April 2020, approved the non-allocation of shares to the Beneficiaries of the second cycle of the CAIP.

For the third cycle of the CAIP, the maximum total number of shares that the Beneficiaries of the Plan may receive in the years 2025, 2026 and 2027, in the event of maximum achievement in which all the corresponding targets are exceeded, in all cases, over and above those budgeted, amounts to a total of 4,094,956 shares, of which 176,309 shares will correspond, as a maximum, to the CEO and 105,786 shares will correspond, as a maximum, to the Chairman.



Metrics

a. Determination of the Degree of Achievement of the Provisional Incentive

The Degree of Provisional Incentive Attainment (DIA) will depend on the extent to which the targets are met during the First Measurement Period for each cycle, as per the following metrics:

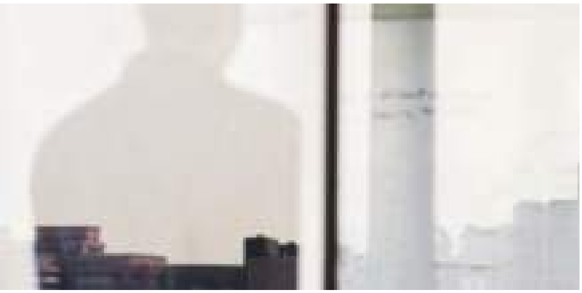
Metric	of incentive attainment (DIA)	Minimum degree of attainment	Maximum degree of attainment
CIR (Cost Income Ratio)	40%	80%	120%
ROTE (Return on Tangible Equity)	40%	80%	120%
CX (Customer Experience Index)	20%	80%	120%

CIR (Cost Income Ratio)

Achievement scale	
CER	Coefficient
≤ 55.5%	1.2
56.60%	1
57.80%	0.8
> 57.8%	0

ROTE (*Return on Tangible Equity*)

Achievement scale	
ROTE	Coefficient
≥ 7.1%	1.2
6.20%	1
5.30%	0.8
< 5.3%	0



CX (Customer Experience Index)

Achievement scale	
ROTE	Coefficient
≥ 84.5	1.2
84.3	1
84.1	0.8
< 84.1	0

The following formula is used to determine the Degree of Incentive Attainment:

GCI = CCER x 40% + CROTE x 40% + CCEI x 20%

- DIA = Degree of Incentive Attainment for the Provisional Incentive, expressed as a percentage rounded to one decimal place.
- CCER = Coefficient attained in relation to the CER target.
- CROTE = Coefficient attained in relation to the ROTE target.
- CCEI = Coefficient attained in relation to the CEI target.

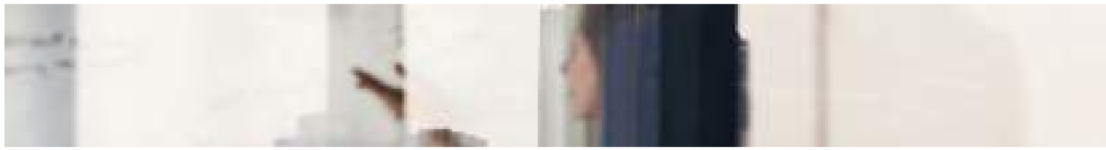
The Award of the Provisional Incentive in each cycle will be conditional on the ROTE metric exceeding, at the end of the First Measurement Period, a specific minimum value to be set by the Board.

Multiplier coefficient

When determining the shares pertaining to the Award of the Provisional Incentive on the Award Date of the third cycle, an additional multiplier of up to 1.6 will be applied to the DIA, depending on the change in CaixaBank's TSR indicator in comparison with the 17 peer banks during the first cycle. However, if CaixaBank ranks below the median on the ranking table at the end of the first cycle, no additional multiplying factor will be applied to the DIA.

The achievement scale of this multiplier is as follows:

Position in the comparison group	Multiplier coefficient
1st to 3rd	1.6
4th to 6th	1.4
7th to 9th	1.2
10th to 18th	1



b. Calculation of the Final Incentive

The Ex-post Adjustment will be calculated on the basis of the targets reached in relation to the following metrics at the end of each cycle. The Ex-post Adjustment may have the effect of lowering the final number of shares to be delivered when compared with the number of shares pertaining to the Provisional Incentive at each Award Date but shall never increase that number:

>> PARAMETERS USED FOR THE EX-POST ADJUSTMENT WHEN DETERMINING THE FINAL INCENTIVE UNDER THE PLAN

Metric	Weighting	Minimum degree of attainment	Maximum degree of attainment
RAF	60%	0%	100%
TSR (Total Share Return)	30%	0%	100%
GRI (Global Reputation Index of the CaixaBank Group)	10%	0%	100%

To be calculated as follows:

Ex-post Ex-post = CRAF x 60% + CTSR x 30% + CGRI x 10%

- **Ex-post** adj. = Ex-post adjustment to be applied to the Provisional Incentive awarded, expressed as a percentage [capped at 100%].
- **CTSR** = Coefficient attained in relation to the TSR target.
- **CRAF** = Coefficient attained in relation to the RAF target.
- **CGRI** = Coefficient attained in relation to the GRI target.

CTSR

The change in the TSR in each cycle will be measured by comparison between CaixaBank and 17 reference banks. A coefficient of between 0 and 1 will be used, depending on where CaixaBank ranks. The coefficient will be 0 when CaixaBank is ranked below the median.

To ensure that there are no atypical movements when determining the TSR, the reference values to be used at the start and end date of the Second Measurement Period for each cycle will be the arithmetic mean price —rounded to three decimal places— of the closing price of the CaixaBank share over 31 calendar days. These 31 days will include 31 December and the 15 days preceding and following the date in question. An independent expert will be asked to calculate the TSR metric at the end of each cycle.

Furthermore, if, on the end date of each cycle, the TSR ranks between 16 and 18 (both inclusive) in the ranking, the Final Incentive after applying the Ex-post Adjustment will be reduced by 50%.

CRAF

When calculating attainment of the RAF target, the Bank shall use the aggregate scorecard for the Risk Appetite Framework, comprising quantitative metrics that measure the different risks, classified into appetite zones (green), tolerance zones (amber) and breach zones (red). The Board shall establish the scale of attainment, generating certain penalty or bonus percentages based on the change in each metric between the initial RAF situation and the final RAF situation.

CGRI

GRI attainment will be calculated on the basis of the change in this metric in each cycle. For the first cycle, the change between the values calculated at 31/12/2018 and at 31/12/2021 will be measured; for the second cycle, the change between 31/12/2019 and 31/12/2022 will be calculated; and for the third cycle, the change between 31/12/2020 and 31/12/2023 will be measured. If the change is negative, the degree of attainment will be 0%. Otherwise, it will be 100%.

The GRI indicator includes metrics related to reputational risk, which measure social, environmental and climate-change-related aspects, among others. Any negative impact for any of these issues would trigger an adjustment to the total number of shares under the Final Incentive.

Requirements for delivery of the shares

Aside from attainment of the targets to which the CAIP is pegged, as explained in its Regulations, the following requirements must also be met in order to receive shares for each cycle:

- The beneficiary must remain at the Company through to the Settlement Date for each cycle, unless certain special circumstances apply, such as death, permanent disability or retirement. The beneficiary will forfeit their entitlement to the shares in the event of their resignation or fair dismissal.
- Shares will be delivered only to the extent that doing so is sustainable and justified given CaixaBank's prevailing situation and earnings. If, at the end of the 2019-2021 Strategic Plan, CaixaBank reports losses, decides not to distribute dividends or fails the stress tests required by the European Bank Authority **(EBA)**, the shares that would otherwise have been delivered will not be delivered and the beneficiaries will forfeit their right to receive them.

First CAIP Cycle - Final Incentive Calculation

CEO

>> PARAMETERS LINKED TO THE CALCULATION OF THE FINAL VARIABLE REMUNERATION INCENTIVE - CAIP

In accordance with the information published in the 2019 CaixaBank Annual Remuneration Report for Directors, the Provisional Incentive determined in the First Cycle for the CEO is as follows:

Variable remuneration CAIP target 2021 (I) (thousands of euros)	PMA (II) (euros)	Assigned units (III = I/II) (unit)	Degree of Achievement of the Provisional Incentive (IV) (%)	Shares provisionally granted (V=III*IV) (unit)
200	3.283	60,920	85%	51,782

The Provisional Incentive determined after the completion of the first measurement period of the first cycle of the CAIP (2019) was subject to a second measurement period based on an ex-post adjustment based on the fulfilment of multi-year objectives over a period of three years (2019-2021). Once the Second Measurement Period has been completed, the Final Incentive will be calculated.

The multi-year targets include previously established achievement scales, meaning that if the thresholds set for each of them are not effectively met, the Provisional Incentive could be reduced, even to its full extent, but never increased.

The calculation of the Final First Cycle Incentive for the CEO is related to the following parameters:

Metric	Weighting	Target for non-reduction	Ratio achieved	Reduction (%)
RAF (Risk Appetite Framework)	60%	7 amber	5 amber	0
TSR (Total Shareholder Return)	30%	10th	14th	100
GRI (Global Reputation Index)	10%	711	740	0

RAF:

CaixaBank's RAF reached 5 ambars, which is why a reduction of 0% is applied.

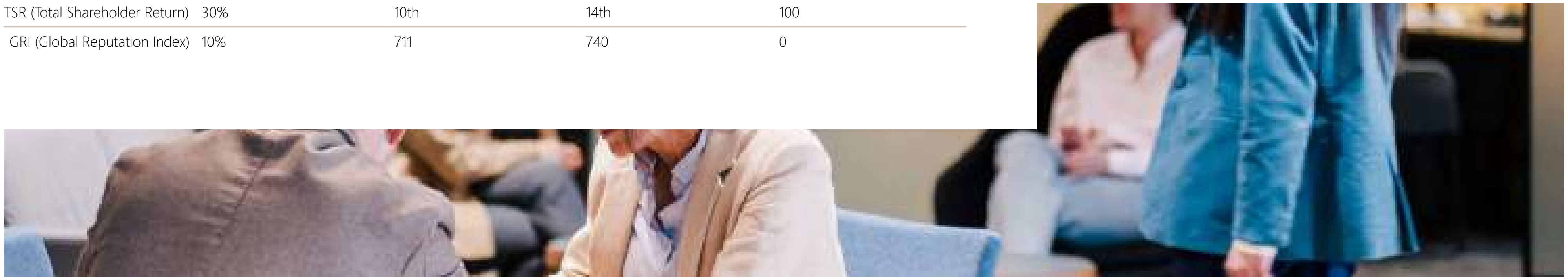
TSR:

With regard to the TSR indicator, the development of the TSR indicator has been tested over the three-year period from the beginning to the end of the Second Measurement Period with a comparison group of 17 banks of reference.

CaixaBank has reached the 14th position.

The achievement scale for the additional multiplying factor approved by the Board, at the proposal of the Remuneration Committee, was as follows:

Position in the comparison group	Multiplier coefficient
1 to 9	1
10 to 18	0



In this regard, it has been verified that CaixaBank has finished in 14th position, so a 100% reduction of this factor will be applied:

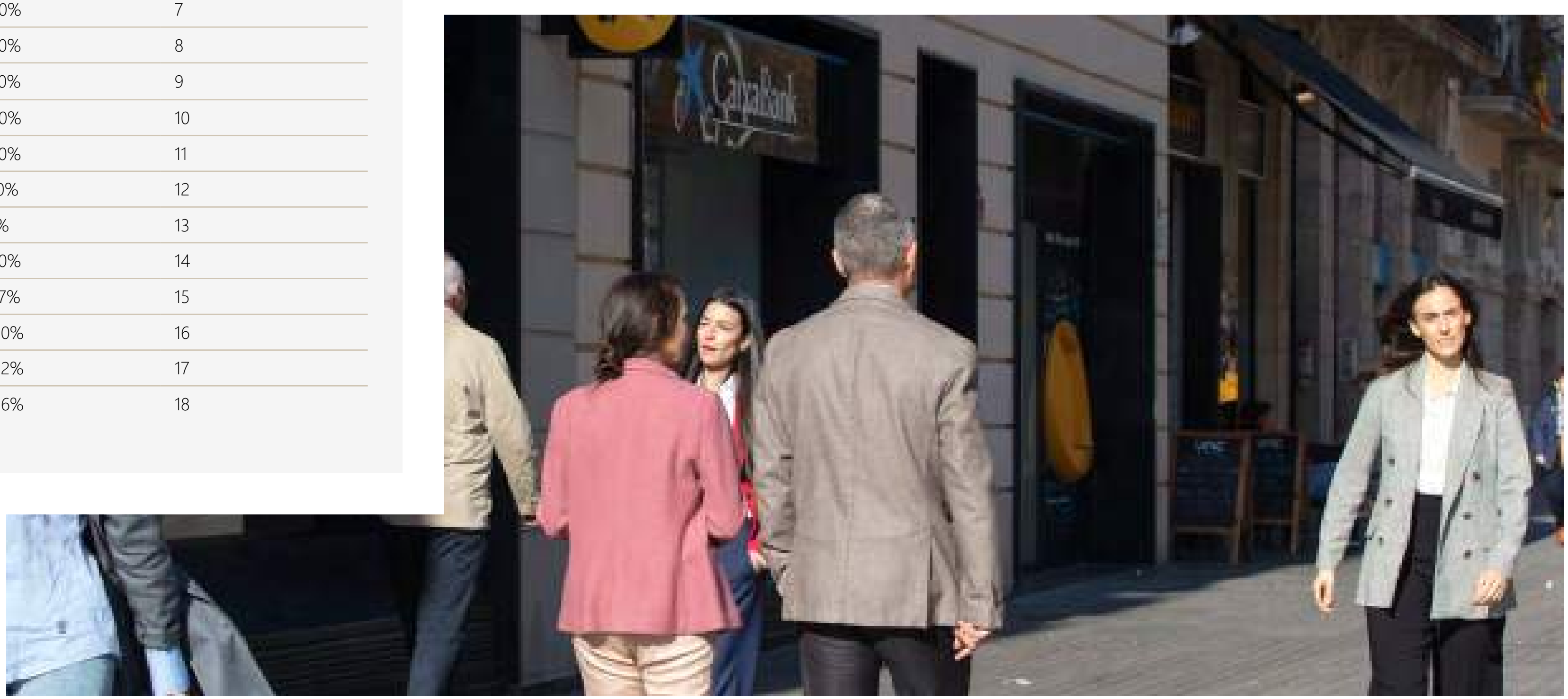
TSR comparison group	TSR result	Overview
BNP	72.30%	1
DEUTSCHE BANK	60.10%	2
CREDIT AGRICOLE	51.30%	3
ERSTE GROUP	50.30%	4
KBC GROEP	47.40%	5
ING	46.30%	6
INTESA SANPAOLO	43.00%	7
UNICREDIT	38.80%	8
BBVA	27.60%	9
RAIFFEISEN	24.30%	10
SOCIETE GENERALE	23.00%	11
COMMERZBANK	19.40%	12
BANKINTER	1.20%	13
CAIXABANK	- 16.0%	14
SANTANDER	- 17.7%	15
ABN ANRO	- 28.0%	16
AIB GROUP	- 35.2%	17
BANCO SABADELL	- 35.6%	18

GRI:

CaixaBank's GRI reached 740 and therefore a reduction of 0% is applied.

>> FINAL INCENTIVE FOR THE FIRST CYCLE OF VARIABLE REMUNERATION - CAIP

Shares provisionally granted (unit)	% Reduction in Provisional Incentive	Shares finally granted (unit)
51,782	30%	36,248



Third CAIP cycle - Provisional incentive determination

PARAMETERS SHOWING DEGREE OF ATTAINMENT OF THE PROVISIONAL INCENTIVE FOR VARIABLE REMUNERATION – CAIP

As explained above, the third and last cycle of the CAIP linked to the Strategic Plan 2019-2021 starts in 2021.

The degree of achievement of the Provisional Incentive has been determined based on the degree of achievement of the following targets linked to the following metrics during the financial year 2021:

Metric	Weighting	Objective	Result	Degree of achievement of the target (%)	Degree of Achievement of the Provisional Incentive (%)
REC (Core Efficiency Ratio)	40%	56.6	56	110.5	44.2
ROTE (*Return on Tangible Equity*)	40%	6.2	7.6	120	48
CX (Customer Experience Index)	20%	84.3	86.3	120	24
				116,2%	

To determine the degree of achievement of the Provisional Incentive of the variable remuneration corresponding to financial year 2021, the Remuneration Committee has taken into account the degree of achievement of the targets and their associated scales of achievement with their corresponding gradients (relationship between degree of achievement of the target and degree of achievement of the provisional incentive):

REC

CaixaBank's REC achieved a compliance rate of 110.5% in 2021, which means a provisional incentive achievement rate of 44.2%.

ROTE

CaixaBank's ROTE reached a compliance level of 120% in 2021, which represents a 48% achievement of the provisional incentive.

IEX

CaixaBank's IEX reached a compliance level of 120% in 2021, which represents a 24% achievement of the provisional incentive.

Multiplier coefficient

For the Awarding of the Provisional Incentive on the Third Cycle Award Date, a multiplier of up to 1.6 was included, to be applied to the GCI, depending on the performance of CaixaBank's TSR indicator compared to the 20 comparable banks over the period 2019-2021.

The achievement scale for the additional multiplying factor approved by the Board, at the proposal of the Remuneration Committee, was as follows:

Position in the comparison group	Multiplier coefficient
1st to 3rd	1.6
4th to 6th	1.4
7th to 10th	1.2
11th to 18th	1

In this respect, it has been verified that CaixaBank has finished in 14th position, so a multiplier coefficient of 1 will be applied.

% DETERMINATION OF THE DEGREE OF ACHIEVEMENT OF THE INTERIM VARIABLE REMUNERATION INCENTIVE - CAIP

GONZALO GORTÁZAR - CEO

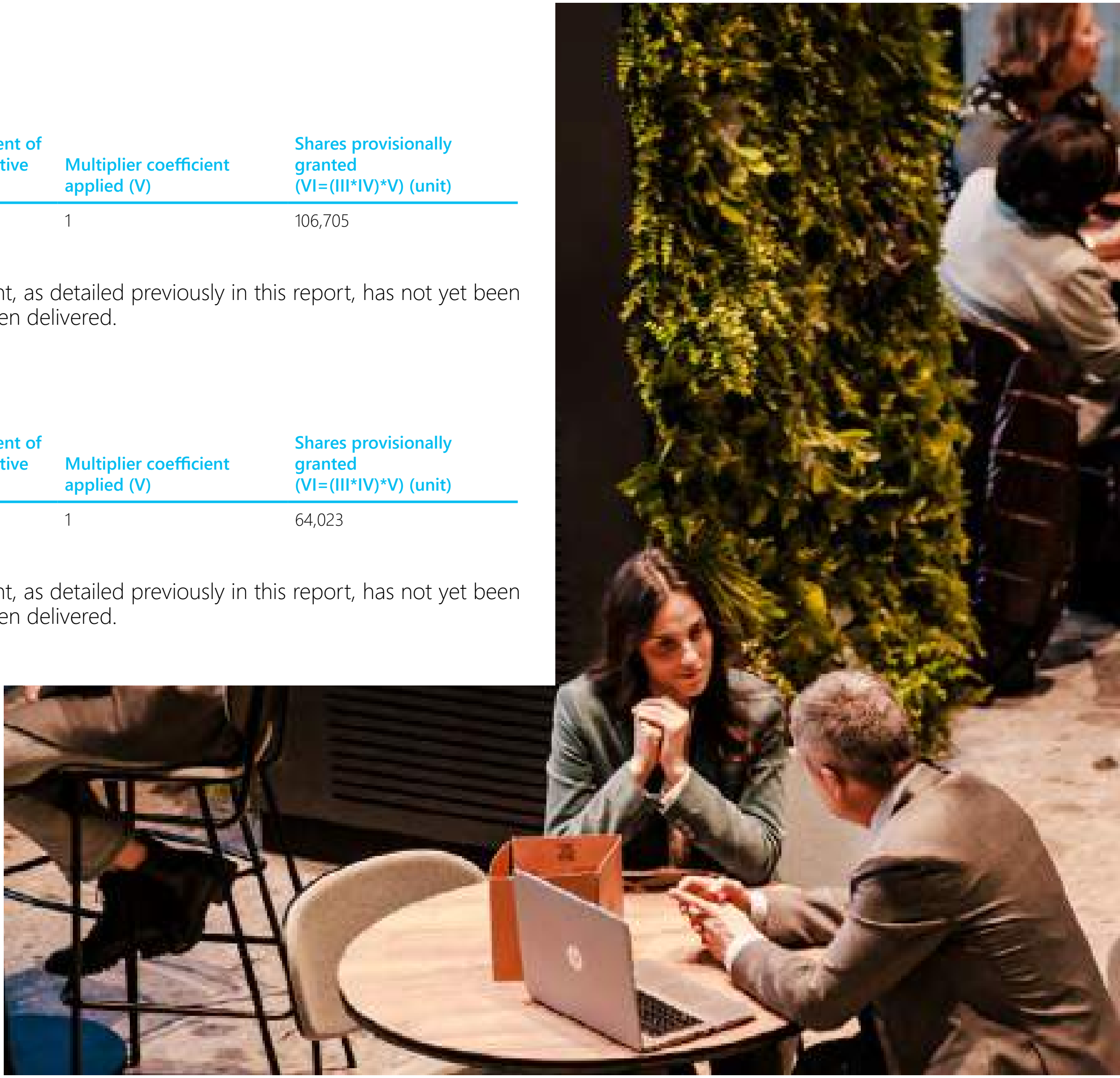
Variable remuneration CAIP target 2021 (I) (thousands of euros)	PMA (II) (euros)	Assigned units (III = I/II) (unit)	Degree of Achievement of the Provisional Incentive (IV) (%)	Multiplier coefficient applied (V)	Shares provisionally granted (VI=(III*IV)*V) (unit)
200	2.178	91,828	116.2%	1	106,705

With respect to the first cycle of the CAIP, the measurement period of the ex-post adjustment, as detailed previously in this report, has not yet been completed. Therefore, the final incentive has not yet been calculated and no shares have been delivered.

JOSÉ IGNACIO GOIRIGOLZARRI - EXECUTIVE CHAIRMAN

Variable remuneration CAIP target 2021 (I) (thousands of euros)	PMA (II) (euros)	Assigned units (III = I/II) (unit)	Degree of Achievement of the Provisional Incentive (IV) (%)	Multiplier coefficient applied (V)	Shares provisionally granted (VI=(III*IV)*V) (unit)
120	2.178	55,097	116.2%	1	64,023

With respect to the first cycle of the CAIP, the measurement period of the ex-post adjustment, as detailed previously in this report, has not yet been completed. Therefore, the final incentive has not yet been calculated and no shares have been delivered.



(i) **Long-Term Incentive** linked to the 2015-2018 Strategic Plan

The General Shareholders' Meeting held on 23 April 2015 approved the implementation of a four-year Long-Term Incentive (LTI) for 2015-2018, pegged to compliance with the Strategic Plan in effect at that time. At the end of the four years, the participants would be entitled to receive a number of CaixaBank shares, providing certain strategic objectives and requirements were met. Plan participants included serving Executive Directors at that time.

During 2021, the second deferral in shares was paid to the beneficiaries of this plan.

The remuneration paid during the year, which has been deferred from previous years under the long-term plans, is detailed below:

GONZALO GORTÁZAR - CEO

Variable long-term remuneration	Settlement instrument	% of variable remuneration under the LTI for the year in question	Number of gross shares	Total amount paid (%) to variable remuneration under the LTI for each year	Unrealised deferred remuneration in gross shares
Payment of long-term remuneration (2015-2018 LTI)	Shares	12%	13,553	76%	27,106

JORDI GUAL – NON-EXECUTIVE CHAIRMAN

As consideration for the managerial functions he used to discharge, the Chairman of the Board is entitled to the following amounts of deferred long-term variable remuneration yet to be delivered, such amounts having accrued through to 14/09/2016 (the date on which he took office as non-executive Chairman):

Variable long-term remuneration	Settlement instrument	% of variable remuneration under the LTI for the year in question	Number of gross shares	Total amount paid (%) to variable remuneration under the LTI for each year	Unrealised deferred remuneration in gross shares
Payment of long-term remuneration (2015-2018 LTI)	Shares	17%	1,005	100%	0

TOMÁS MUNIESA NON-EXECUTIVE DEPUTY CHAIRMAN

As consideration for the managerial functions he used to discharge, the non-executive Deputy Chairman of the Board of Directors is entitled to the following amounts of deferred long-term variable remuneration yet to be delivered, such amounts having accrued through to 22/11/2018 (the date on which he took office as Deputy Chairman):

Variable long-term remuneration	Settlement instrument	% of variable remuneration under the LTI for the year in question	Number of gross shares	Total amount paid (%) to variable remuneration under the LTI for each year	Unrealised deferred remuneration in gross shares
Payment of long-term remuneration (2015-2018 LTI)	Shares	12%	8,247	76%	16,494

Common requirements applicable to variable remuneration

Retention policy.

All shares to be delivered will be subject to a lock-up period of one year running from their delivery, during which time the subject may not sell or otherwise dispose of their shares. During this period, the executive director who owns the shares will be entitled to exercise the shareholder rights attaching to those instruments.

CaixaBank shall retain ownership of all deferred shares and cash payments.

Considering the bilateral nature of contracts and fair accrual of reciprocal benefits, deferred cash payments will accrue interest in favour of the executive director, to be calculated at the interest rate for the first tranche of the employee’s wage or salary account. This interest will be paid at the end of each payment date and applied to the cash amount of the variable remuneration that is to be effectively received, net of any reductions that may apply

In compliance with the European Banking Authority's Guidelines on Sound Remuneration Policies (hereinafter referred to as **EBA Guidelines**), with reference to returns on deferred instruments accrued on or after 1 January 2017, the Company will not pay them either during or after the deferral period.

Situations warranting recovery of variable remuneration

Variable remuneration accrued by Executive Directors, including deferred remuneration, may be reduced to zero or reduced partially in the event of poor financial performance by CaixaBank overall or by one of its divisions or areas, or because of any material exposure generated. For such purposes, CaixaBank must compare the assessed performance with the subsequent performance of the variables that helped attain the targets. The following scenarios may entail a reduction in variable remuneration:

- Material failures in risk management committed by CaixaBank, or by a business unit or risk control unit, including the existence of qualified opinions in the external auditor’s report or other circumstances that have the effect of impairing the financial para - meters used to calculate the variable remuneration.
- An increase in capital requirements for CaixaBank or one of its business units that was not envisaged at the time the exposure was generated.
- Regulatory sanctions or adverse legal rulings attributable to the unit or the employee responsible for those proceedings and to the executive director.
- Non-compliance with internal regulations or codes of conduct within the Group, including:

a. Serious or very serious breaches of regulations attributable to them.

b. Serious or very serious breaches of internal regulations.

c. Failure to comply with applicable suitability and behavioural requirements.

d. Regulatory breaches for which they are responsible, irrespective of whether they cause losses that jeopardise the solvency of a business line, and, in general, any involvement in, or responsibility for, behaviour that causes significant losses.

[4] Guidelines of the European Banking Authority ("EBA") on appropriate remuneration policies (EBA/GL/2021/04.).

- Any improper conduct, especially in relation to the adverse effects of the marketing and sale of unsuitable products and the responsibility of Executive Directors in taking such decisions.
- Justified disciplinary dismissal carried out by the Company (in which case the remuneration will be reduced to zero). Just cause shall be understood to be any serious and culpable breach of the duties of loyalty, diligence and good faith with which the Executive Director must perform his duties in the Group, as well as any other serious and culpable breach of the obligations assumed under his contract or any other organic or service relationships that may be established with the Group when their payment or consolidation is not sustainable in accordance with CaixaBank's financial situation or is not justified on the basis of the results of CaixaBank, the business unit and the Director.
- Any other situation or circumstance that may be expressly included in the contract or imposed by applicable law and regulations.
- Variable remuneration shall be reduced if, at the time of the performance assessment, CaixaBank is subject to any requirement or recommendation issued by a competent authority to restrict its dividend distribution policy, or if this is required by the competent authority under its regulatory powers.

Situations warranting recovery of variable remuneration (clawback)

- If any of the above situations occurred prior to payment of any amount of variable remuneration but comes to light after payment has been made, and if it that situation would have led to the non-payment or all or part of that remuneration had it been known, then the executive director must repay CaixaBank the part of the variable remuneration that was unduly received, along with any interest or return the director may have earned on that undue payment.
- Situations in which the executive director made a major contribution to poor financial results or losses will be treated as being particularly serious, as shall cases of fraud or other instances of wilful misconduct or gross negligence leading to significant losses.

The Remuneration Committee shall advise the Board of Directors on whether to reduce or abolish the director's right to receive deferred amounts, or whether to insist on the full or partial clawback of those amounts, depending on the circumstances of each case. Situations involving a reduction in variable remuneration will apply over the entire deferral period for that variable remuneration. Meanwhile, situations involving the clawback of variable remuneration will apply over the term of one year running from payment of that remuneration, except where there has been wilful misconduct or gross negligence, in which case applicable law and regulations governing prescription periods will apply.

Termination or suspension of professional relations

Termination or suspension of professional relations, and departures due to invalidity, early retirement, retirement or partial retirement shall not interrupt the payment cycle of variable remuneration, notwithstanding the provision made for deductions and recovery of variable remuneration. In the event of the director's death, the Human Resources Division and the General Risks Division shall work together to determine and, as the case may be, propose a suitable calculation and payment process for pending payment cycles under criteria compatible with the general principles contained in the LOSS, its implementing regulations and CaixaBank's own Remuneration Policy.

Special situations

In the event of any unexpected special situation (meaning corporate operations that affect ownership of shares to have been delivered or deferred), specific solutions must be applied in accordance with the LOSS and the principles set out in the Remuneration Policy, so as not to artificially alter or dilute the value of the consideration in question.

Incompatibility with personal hedging strategies or circumvention mechanisms

Executive Directors undertake not to engage in personal hedging or insurance strategies related to their remuneration that might undermine the sound risk management practices the Company is attempting to promote. Furthermore, CaixaBank shall pay no variable remuneration through instruments or methods that aim to breach or result in a breach of the remuneration requirements applicable to Executive Directors.

Contributions to pension schemes and other coverages

Executive Directors may have a social prevision system recognised in addition to the ordinary employee pension scheme. If they hold a commercial contract, they may be eligible for pension schemes equivalent to the complementary pension scheme.

The commitments assumed with the Executive Directors can be of a defined contribution for the cases of retirement, disability and death, and, additionally, coverage for service can be defined for the cases of disability and death. These commitments will be instrumented through an insurance contract.

Non-discretionary character

With the exception of the mandatory variable-base contributions, the benefit or contribution system for the pension scheme does not qualify as a discretionary benefit system. It must be applied to the person, meaning that the individual will be eligible upon becoming an executive director or otherwise qualifying for a change in their remuneration, whether as a lump sum or an amount linked to their fixed remuneration, depending on the terms of their contract.

The amount of the contributions or the degree of coverage of the benefits: (i) must be pre-defined at the start of the year and clearly set out in the contract; (ii) may not originate from variable parameters; (iii) may not take the form of extraordinary contributions (e.g., bonuses, awards or extraordinary contributions made in the years leading up to retirement or departure); and (iv) must not be related to substantial changes in the terms of retirement (including any changes arising from merger processes or business combinations).

Elimination of duplicities

The contributions paid to pension schemes shall be reduced the amount of any contributions made under equivalent instruments or policies that may be established as a result of positions held at Group companies or at other companies on CaixaBank's behalf. This procedure shall also be followed for benefits, which must be adjusted accordingly to avoid any overlap or duplication.

Vesting of rights

Under the pension and benefits scheme for Executive Directors, economic rights will become vested in the event that the professional relationship is terminated or ends before the date the covered contingencies occur unless that termination is due to disciplinary dismissal declared fair or with just cause, or for any other specific causes explicitly set out in the relevant contract. There is no provision for payments on the effective date of termination or extinction of the employment relationship.

Mandatory variable-base contributions

15% of the contributions paid to complementary pension schemes will be considered an on-target amount (while the remaining 85% is treated as a fixed component). This amount is determined following the same principles as for variable remuneration in the form of a bonus (based solely on individual assessment parameters) and is contributed to a discretionary pension benefit scheme.

The contribution shall be considered deferred variable remuneration. Accordingly, the Discretionary Benefits Pension Policy shall contain clauses ensuring that the contribution is explicitly subject to the malus and clawback events described above for variable remuneration. It shall also count towards the relevant limits on the total amount of variable remuneration.

If the executive director leaves CaixaBank to take up retirement or leaves prematurely for any other reason, the discretionary pension benefits shall be subject to a lock-up period of 5 years from the date on which the director ceases to provide services at the Bank. During the lock-up period, CaixaBank shall apply the same requirements in relation to the malus and clawback clauses described above.

The following table shows the accrued remuneration of Executive Directors in 2021 through long-term savings systems:

>> REMUNERATION OF EXECUTIVE DIRECTORS THROUGH LONG-TERM SAVINGS SYSTEMS

		Long-term savings system (defined contribution)			
	Position	Fixed component (85%)	Variable component (15%)	Coverage for death, permanent disability, and severe disability	Total
Gonzalo Gortázar	CEO	425	80	65	570
José Ignacio Goirigolzarri	Executive Chairman			71	71
Total per item 2021					
Gonzalo Gortázar	CEO	425	86	58	569
Total per item 2020					

The following table shows contributions in the form of variable remuneration made to the pension system of the CEO during the year ended.

Contribution to the total social prevision system for the financial year 2021 (I) (thousands of euros)	Contribution on a variable basis (15%)	Result of individual challenges 2020 (II)	Contributions to the social prevision system on a variable basis for the financial year 2020 (III=I*15%*II) (thousands of euros)
500	75	107%	80

Remuneration accrued by Board members as consideration for representing CaixaBank at other companies

The following remuneration is payable for seats held on the Boards of Directors of Group companies or of other companies when acting on CaixaBank's behalf, as per the amounts currently set as remuneration payable for representing CaixaBank at other companies (which forms part of the director's Total annual fixed remuneration):

>> REMUNERATION FOR POSITIONS HELD AT GROUP COMPANIES AND AT OTHER COMPANIES ON CAIXABANK'S BEHALF

(thousands of euros)	Position	Investee	Total
Jordi Gual	Director	Erste Group Bank	18
Jordi Gual	Director	Telefónica	41
Jose Ignacio Goirigolzarri Tellaeche	Director	CECA	11
Gonzalo Gortázar	Chairman	VidaCaixa	144
Gonzalo Gortázar	Director	Banco BPI, S.A.	60
Tomás Muniesa	Deputy Chairman	VidaCaixa	435
Tomás Muniesa	Deputy Chairman	SegurCaixa Adeslas	11
Total per item 2021			**720**

Remuneration of Board members aside from their responsibilities as directors

Cristina Garmendia is a member of the CaixaBank Private Banking Advisory Board. Remuneration received for membership of Advisory Board in 2021 totals 15,000 euros, not considered significant.

Fernando Maria Ulrich Costa Duarte is the non-executive Chairman of the Board of Directors of Banco BPI. His remuneration for seating on said board is 750,000 euros.

Terms and conditions of the general contracts and that of the CEO and Chairman

General conditions of the contracts

Nature of contracts: The type of contract will be determined by the managerial functions (if any) performed by the subject above and beyond those of director, pursuant to the case law of the Supreme Court concerning the so-called "one link theory".

Duration: In general, contracts shall be drawn up for an indefinite term.

Description of duties, dedication, exclusivity and incompatibilities: The contract shall provide a clear description of the duties and responsibilities to be undertaken and the functional location of the subject and to whom he/she reports within the organisational and governance structure of CaixaBank. It must likewise stipulate the duty of exclusive dedication to the Group, without prejudice to other authorised activities in the interests of the CaixaBank Group or occasional teaching activities and participation in conferences or responsibilities at own or family-run businesses, provided these activities do not prevent the director from discharging their duties diligently and loyally at CaixaBank and do not pose a conflict of interest with the Company.

Executive Directors will be subject to the legal system governing incompatibilities from serving as director.

The contract may also include other permanency obligations that are in CaixaBank's best interests.

Compliance with duties and confidentiality: The contract shall contain certain obligations requiring the director to discharge the duties inherent to the role of director, as well as non-disclosure obligations in respect of the information to which the director becomes privy while holding office.

Civil liability coverage and compensation: Executive Directors and all other directors are named as the insured parties under the civil liability insurance policy taken out for Group directors and managers.

Likewise, the contracts may state that CaixaBank shall hold Executive Directors harmless for any losses or damages arising from claims by third parties, unless the Executive Directors have acted negligently or with wilful deceit.

Post-contractual non-competition agreements: The contracts will include post-contractual non-compete obligations in relation to financial activities, to remain binding and in effect for no less than one year following the termination of the contract. Unless otherwise justified, consideration for non-compete undertakings shall be set as the sum of all fixed components of remuneration that the executive director received over the term of that undertaking. The amount of the consideration will be divided into equal instalments and paid at regular intervals over the non-compete period.

Breach of the post-contractual non-compete agreement will entitle CaixaBank to seek and obtain from the executive director compensation in an amount proportionate to the compensation paid amount.

Early termination clauses: Contracts shall set out the situations in which Executive Directors may terminate their contract with the right to compensation. These may include breach of contract on the part of CaixaBank, wrongful or unfair dismissal, or a change of control at the Company.

Likewise, the contracts must recognise CaixaBank's right to terminate the contract in the event of breach by the executive director, in which case no compensation will be payable to the director.

In the event of any contract termination, CaixaBank shall be entitled to demand the resignation of the Executive Directors from any positions or functions performed in companies in the interest of CaixaBank.

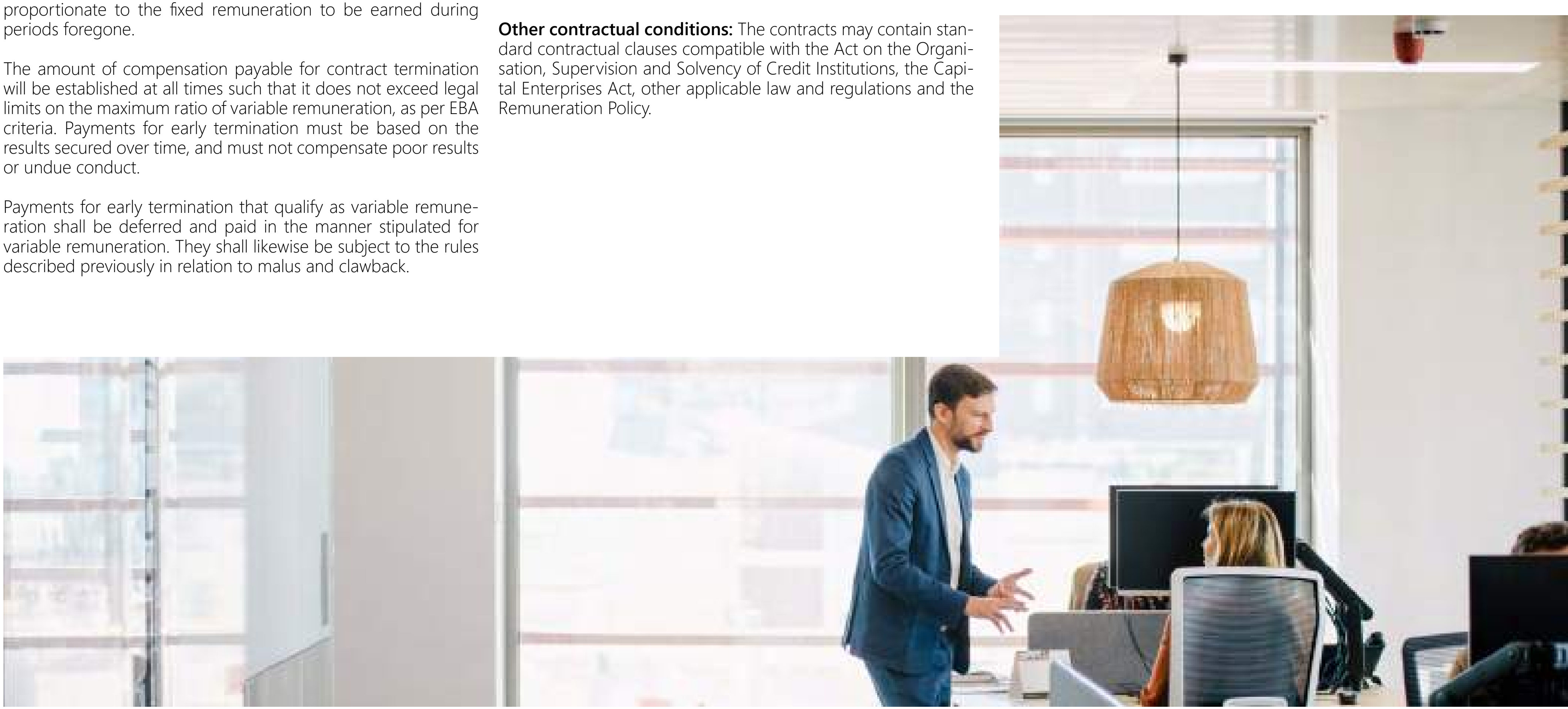
Contracts shall provide for a notice period of at least three months and adequate compensation in case of non-performance, proportionate to the fixed remuneration to be earned during periods foregone.

The amount of compensation payable for contract termination will be established at all times such that it does not exceed legal limits on the maximum ratio of variable remuneration, as per EBA criteria. Payments for early termination must be based on the results secured over time, and must not compensate poor results or undue conduct.

Payments for early termination that qualify as variable remuneration shall be deferred and paid in the manner stipulated for variable remuneration. They shall likewise be subject to the rules described previously in relation to malus and clawback.

Payments for cancellation of previous contracts: Where remuneration packages relating to compensation for departure from previous contracts are agreed to, these should be tailored to the long-term interests of the Entity by applying the limits and requirements set out in the LOSS and the EBA Guidelines, with pay cycle provisions similar to those set out in the Remuneration Policy for variable remuneration.

Other contractual conditions: The contracts may contain standard contractual clauses compatible with the Act on the Organisation, Supervision and Solvency of Credit Institutions, the Capital Enterprises Act, other applicable law and regulations and the Remuneration Policy.



Special conditions of the contracts for the CEO and Chairman

Appointment	Special conditions of the CEO's contract	Special conditions of the Executive Chairman's contract
Type of contract	Commercial contract	
Duration	Open-ended contract	
Description of duties, dedication, exclusivity and incompatibilities	The contract shall provide a clear description of the duties and responsibilities and of the obligation to work exclusively for CaixaBank. It does not contain any minimum term conditions and includes provisions to ensure that the contract is consistent with the Remuneration Policy.	
Compliance with duties and confidentiality obligation	It also contains clauses regarding compliance with duties, confidentiality and liability coverage.	
Civil liability coverage and compensation	Executive Directors and all other directors are named as the insured parties under the civil liability insurance policy taken out for Group directors and managers.	
Post-contractual non-compete Agreement	The contract contains a post-contractual non-compete clause of one year running from termination of the contract, covering any direct or indirect activities carried out within the financial sector. Consideration for the non-compete agreement is set at one year of the fixed components of the director's remuneration and the resulting amount will be reduced by any sums received from Group companies or other companies at which he or she represents CaixaBank as compensation for other post-contractual non-compete agreements This compensation shall be paid in 12 equal monthly instalments, the first of which shall be payable at the end of the calendar month in which the director's service contract terminates. If the CEO breaches his post-contractual non-compete undertaking, he shall pay CaixaBank an amount equivalent to one year of his fixed remuneration.	
Early termination clauses	Aside from the compensation payable under the non-compete clause, the CEO will be entitled to receive compensation amounting to one year of the fixed components of his remuneration if his services contract is terminated for any of the following reasons: (i) unilateral termination by the CEO due to a serious breach by the Company of the obligations set out in the services contract; (ii) unilateral termination by the Company without just cause; (iii) removal from or non-renewal of his position as Board member and of his duties as CEO without just cause; or (iv) acquisition of a controlling stake in the Company by an entity other than "la Caixa" Banking Foundation, or the transfer of all or a relevant part of the Company's business activities or assets and liabilities to a third party, or its integration within another business group that obtains control of the Company The resulting amount of compensation must be paid in accordance with the law and the terms of the Remuneration Policy and shall also be reduced by any amounts of compensation received from the companies described in the preceding paragraph. To be eligible for the compensation, the CEO must simultaneously stand down from all posts of representation and management at other Group companies where he is representing the Company and at any external companies at which he may be acting on CaixaBank's behalf. Meanwhile, the Company may remove the CEO from his post and terminate his services contract with just cause in the following situations: (i) any serious and culpable breach of the duties of loyalty, diligence and good faith under which the CEO is bound to discharge his duties at the Group; (ii) where the CEO becomes unfit to hold office as such for reasons attributable to himself; or (iii) any other serious and culpable breach of the obligations assumed under the services contract, or any other organic or service-based relationship that may be established between the CEO and the respective entities at which he represents CaixaBank. If the services contract is terminated with just cause or voluntarily by the CEO for reasons other than those just described, he will not be entitled to the compensation described previously. Voluntary resignation requires notice of at least three months. In the event of non-compliance, the CEO shall be obliged to pay the entity the amount of the fixed components of remuneration corresponding to the time remaining for the completion of the corresponding term.	
Other contractual conditions	The contract also contains provisions to ensure that it is consistent with the Remuneration Policy.	The contract also contains provisions to ensure that it is consistent with the Remuneration Policy.

Director Remuneration Policy for 2022

At the date of publication of this Report, the Remuneration Policy in force is that which was amended by the Annual General Meeting of 14 May 2021, as a result of the merger with Bankia.

Notwithstanding the above, a new Director Remuneration Policy is expected to be submitted for approval at the next Annual General Meeting in 2022, which, if approved, would fully replace the previous policy, the last amendment to which was approved at the Annual General Meeting on 14 May 2021.

Reasons justifying the approval of a new remuneration policy

The proposed approval of a new Remuneration Policy is justified, inter alia, for the following reasons:

a. The approval of Law 5/2021 of 12 April, which amends the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies. Specifically, in accordance with Transitional Provision 1 of this Act, companies must submit the Remuneration Policy adapted to these amendments for approval at the first general meeting held after 6 months from its publication in the Official State Gazette.

b. The regulatory developments regarding remuneration at credit institutions that have occurred over the course of 2021, as part of the transposition into Spanish law of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (hereinafter CRD V).

c. The change in the variable incentive model by unifying the annual and long-term variable remuneration system into a single remuneration scheme.

Main changes introduced in the new remuneration policy

The main features expected to be introduced in the new Remuneration Policy to be submitted to the Annual General Meeting can be summarised as follows:

a. Update of the approval of the Policy in accordance with the new regulatory framework following the amendment of the Corporate Enterprises Act.

b. Greater transparency on how the Policy drives behaviours that ensure the generation and sustainability of long-term value, taking into account the Employee Remuneration Policy.

c. Modification of the variable incentive system through the implementation of a new Variable Remuneration Scheme with Multi-Year Metrics, linked to the achievement of pre-established annual and multi-year targets and prudent risk management.

d. Extension of the retention period for shares delivered to executive directors to three years, in compliance with Recommendation 62 of the Good Governance Code of Listed Companies (hereinafter, "GGC").

e. Further regulation of the remuneration conditions applicable to possible new Executive Directors.

f. Establishment of a discount percentage during the period of application of the Policy for certain remuneration items and a reference for the purpose of granting guaranteed variable remuneration.

g. Establishment of a notice period for Executive Directors' contracts of at least three months.

h. Introduction of a section enabling the possibility of applying temporary exceptions to the Policy, in the terms set out in section 6 of article 529 of the LSC.

Remuneration of directors in their capacity as such

The maximum remuneration figure for all Directors, without taking into account remuneration for executive functions (€2,925,000) was set at the 2021 General Shareholders' Meeting and its distribution may give rise to different remuneration for each of the Directors. Amounts for the current financial year are shown below:

REMUNERATION FOR BOARD MEMBERSHIP AND MEMBERSHIP OF BOARD COMMITTEES

(thousands of euros)	Total 2022
Base remuneration of each Board member	90
Additional remuneration for the Chairman	-
Additional remuneration of the Coordinating Director	38
Additional remuneration of each member of the Executive Committee	50
Additional remuneration of the Chairman of the Executive Committee	10
Additional remuneration of each member of the Risks Committee	50
Additional remuneration of the Chairman of the Risks Committee	10
Additional remuneration of each member of the Audit and Control Committee	50
Additional remuneration of the Chairman of the Audit and Control Committee	10
Additional remuneration of each member of the Appointments and Sustainability Committee	30
Additional remuneration of the Chairman of the Appointments and Sustainability Committee	6
Additional remuneration of each member of the Remuneration Committee	30
Additional remuneration of the Chairman of the Remuneration Committee	6
Additional remuneration of each member of the Innovation, Technology and Digital Transformation Committee	30

(thousands of euros)	Total 2022
Remuneration to be distributed in 2022 under the maximum remuneration approved in 2022	2,925

Remuneration of directors discharging executive functions

By way of summary, the remuneration mix corresponding to the remuneration earned by CaixaBank's executive directors in 2022 is as follows:

REMUNERATION MIX 2022

Fixed items of remuneration

The maximum amount of the variable components of remuneration accruable to Executive Directors in 2022 is as follows:

FIXED REMUNERATION ACCRUED BY EXECUTIVE DIRECTORS

(thousands of euros)	Position	Wages	Remuneration for being a member of the Board	Remuneration for membership in Board committees	Remuneration for positions in group companies	Remuneration for membership in boards outside the Group	Total Remuneration Total projected for 2022
Gonzalo Gortázar	CEO	2,061	90	50	60	0	2,261
Jose Ignacio Goirigolzarri	Executive Chairman	1,483	90	60	0	17	1,650
Total executive directors		3,544	180	110	60	17	3,911

The fixed components of remuneration of CEO have not compared to 2021.

Executive Directors are also due to accrue the following amounts of remuneration in kind during the year:

>> REMUNERATION IN KIND OF EXECUTIVE DIRECTORS

(thousands of euros)	Position	Own and family medical care*	Use of car and home	Other	Total projected for 2022
Gonzalo Gortázar	CEO	5			5
Jose Ignacio Goirigolzarri	Executive Chairman	2			2
Total executive directors		**7**			**7**

* Medical insurance for the CEO, spouse, and all children aged under 25

Variable components of remuneration

Variable Remuneration Scheme with Multi-year Metrics

From January 2022, the variable remuneration of Executive Directors, similar to the model applicable to the other members of the Group's Identified Staff, consists of a risk-adjusted variable remuneration scheme based on performance measurement that is awarded annually on the basis of annual metrics with a long-term adjustment through the establishment of multi-year metrics.

This scheme is determined on the basis of a target variable remuneration established for each of the Executive Directors by the Board of Directors, at the recommendation of the Remuneration Committee, which represents the amount of variable remuneration to be received in the event of 100% compliance with the established targets. In the case of overachievement, a maximum achievement rate of 120% can be reached.

The remuneration for 2022 of Executive Directors will not vary with respect to 2021. Thus, the target amount of the new variable remuneration scheme with multi-year metrics, in accordance with the new Director Remuneration Policy, is the sum of the target amounts for 2021 of the annual bonus and the long-term incentive (PIAC).

The target amounts for this item determined in 2022 are as follows:

(thousands of euros)	Position	Variable target remuneration (thousands of €)
Gonzalo Gortázar	CEO	909
Jose Ignacio Goirigolzarri	Executive Chairman	320

Annual factors, with quantitative corporate (financial) and qualitative corporate (non-financial) criteria, which must be specified and clearly documented, are used for performance measurement and for the evaluation of individual results.

Multi-year factors with only corporate criteria which adjust, as a reduction mechanism, the payment of the deferred portion subject to multi-year factors are also used.

ANNUAL FACTOR MEASUREMENT METRICS

Criteria		Metric	Weighting	Degree of compliance	Degree of achievement
Corporate	Financial	ROTE	20%	> 7.77 = 120%	120%
				Between 7.7 and 5.7	Between 120 and 80%
				< 5.7 = 0%	0
		CER	20%	< 53.4 = 120%	120%
				Between 53.4 and 56.1	Between 120 and 80%
				> 56.1 = 0%	0
		NPAs	10%	<-1,054 = 120%	120%
				Between -1,054 and 0	Between 120 and 80%
				>=0 = 0%	0

*Achievement may be adjusted downwards to 100% in the event that any metric included in the RAF is in recovery.

** The NPS branch and IEX segments are weighted based on the percentage of each business in the Ordinary Margin.

Criteria		Metric	Weighting	Degree of compliance	Degree of achievement
Corporate	Non-financial	RAF	20%	< = 3 amber	120%
				3.5 amber	115%
				4 amber	110%
				4.5 amber	105%
				5 amber	100%
				5.5 amber	95%
				6 amber	90%
				6.5 amber	85%
				7 amber	80%
				7.5 amber	0
		Quality	10%	Each target individually on scales between 0% and below 80% and up to a maximum of 120%	Maximum of 120% and a minimum of 80% below 0
				Weighted average (NPS branch and IEX segments) 70% and 30% digital NPS	
		COMPLIANCE(**)	10%	> 96.25 and corrective factor 0 = 100%	Between 120% and 0
				Between 96.25 and 95 = 90%	Between 108% and 0
				Between 95 and 94 = 80%	Between 96% and 0
				< 94 = 0%	0
		Sustainability	10%	> 22,962 = 120%	120%
				Between 22,962 and 15,308	Between 120 and 80%
				< 15,308 = 0%	0

*Achievement may be adjusted downwards to 100% in the event that any metric included in the RAF is in recovery.

** The NPS branch and IEX segments are weighted based on the percentage of each business in the Ordinary Margin.

** 10% of the Bonus will be affected by a corrective factor depending on the resolution or re-evaluation of CaixaBank's High and Medium criticality GAPs.

The degree of achievement for the annual factor measurement metrics is determined solely on the basis of corporate criteria and includes the upfront payment of the variable remuneration as well as the first two deferred payments (i.e. 64% of the variable remuneration).

The corporate criteria are set for each year by the CaixaBank Board of Directors, at the recommendation of the Remuneration Committee, and their weighting is distributed among objective items based on the Entity's main targets.

The **corporate financial criteria** have been aligned with the most relevant management metrics of the Entity, adapting their weighting for the executive directors according to their functions. These are related to the following metrics:

ROTE (20%)

Definition: Measures the profitability index of the tangible assets and is calculated as the Profit/(loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon) and net equity plus valuation adjustments for the last 12 months, minus the intangible assets or goodwill.

REC (20%)

Definition: This is the percentage of recurring expenses in relation to the income from the company's core business. It is calculated as the ratio of the Group's recurring expenses to core revenues (net interest income, net fee and commission income and insurance-related revenues).

NPAs (10%)

Definition: This is the change, in absolute terms, in the Group's problematic assets (defined as non-performing and foreclosed loans and auction rights).

Non-financial corporate criteria relate to the following metrics:

RAF (20%)

Definition: The target linked to the RAF metric is set from an aggregate level of the Entity's Risk Appetite Framework scorecard. This scorecard consists of quantitative metrics that measure the different types of risk, and the Board of Directors establishes areas of appetite (green), tolerance (amber) or non-compliance (red), and determines the scale of fulfilment that establishes penalisation or bonus percentages according to the variation of each metric, between the actual situation at the end of the year and that initially forecast for the same year in the budget.

Quality (10%)

Definition: This metric combines the Net Promoter Score index (customers who recommend us) with a customer experience index.

This is the percentage of recurring expenses in relation to the income from the company's core business. It is calculated as the ratio of the Group's recurring expenses to core revenues (net interest income, net fee and commission income and insurance-related revenues).

Compliance (10%)

Definition: Aggregate index of metrics that measure processes for the Prevention of Money Laundering, MiFID and correct commercialisation of products and services.

Sustainability (10%)

Definition: Mobilising sustainable finance, this measures the new production of sustainable finance.

For the purpose of determining variable remuneration for the annual factors (financial and non-financial) described above, once the 2022 financial year has ended, the result of each metric will be compared with its target value, and depending on the degree of compliance therewith, variable remuneration to be received will be calculated by applying the corresponding scales of degree of achievement, according to the weighting associated with each indicator, on the basis of the target value.

The resulting amount shall constitute the annual factor-linked variable remuneration of each Executive Director, which shall be subject to the terms of the vesting, consolidation and payment system set out below.

MULTI-YEAR FACTOR MEASUREMENT METRICS

Criteria	Metric	Weighting	Objective value	Degree of compliance	Degree of penalty
Corporate	CET1	25%	RAF measure for risk tolerance in green	Red = 0%	100%
				Amber = 50%	50%
				Green = 100%	0
	TSR	25%	Value of the EUROSTOXX Banks – Gross Return index	> = index = 100%	0
				< index = 0%	100%
	Multi-year ROTE	25%	Average amounts repaid annually in the measurement period	> Average = 100%	0
				Between 80% and 100%	Between 0 and 100%
				< 80% = 0%	100%
	Sustainability	25%	63,785	> = 63,785 = 100%	0
				Between 63,785 and 47,838 = between 75 and 100%	Between 0 and 100%
				< 47,838 = 0%	100%

The level of achievement for the multi-year factor metrics is set solely on the basis of corporate criteria and determines the adjustment of payments from the third year of deferral (i.e. 36 per cent of the remaining variable remuneration).

The metrics associated with the multi-year factors are described below:

CET1 (25%)

Definition: It is set as a metric linked to the colour (tolerance level) of the indicator in the CET1 RAF at the end of the multi-year period.

TSR (25%)

Definition: Comparison with the average of the EUROSTOXX Banks – Gross Return index.

Multi-year ROTE (25%)

Definition: This is set as the average achievement of the ROTE challenge for each of the years of the multi-year measurement period.

Sustainability (25%)

Definition: This is set to reach a cumulative sustainable finance mobilisation figure in the period 2022-2024 defined in the sustainability master plan.

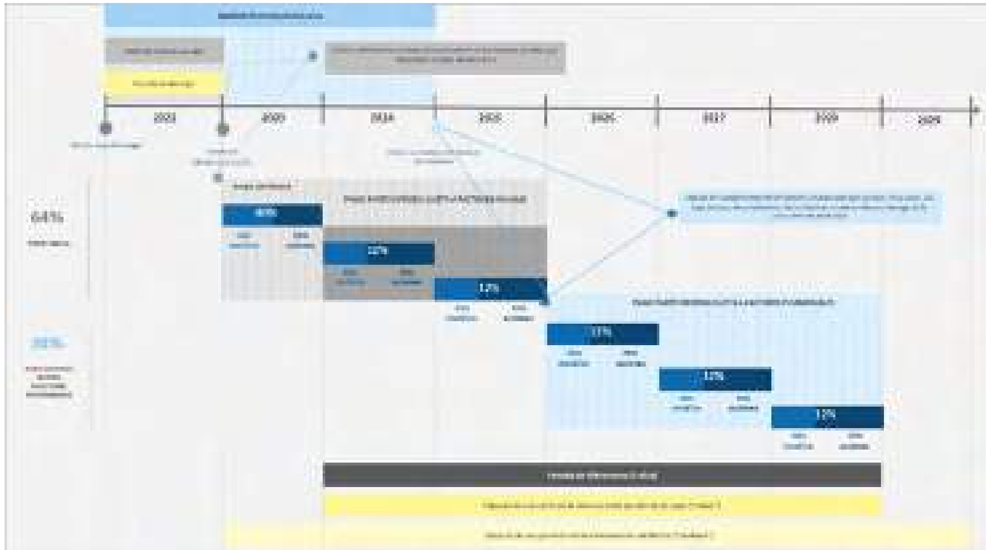
The aforementioned metrics will have associated compliance scales so that if the targets established for each are not met within the three-year measurement period, the deferred portion of the variable remuneration pending payment can be reduced but never increased.

In addition, the remaining conditions of the system for granting, vesting and payment of variable remuneration to Executive Directors provided for in the Remuneration Policy shall apply to the variable remuneration.

TERMS AND CONDITIONS OF THE VARIABLE REMUNERATION AWARD, VESTING AND PAYMENT SYSTEM

In accordance with the vesting, consolidation and payment system applicable to variable remuneration under the Variable Remuneration Scheme with Multi-Year Metrics for the Entity's Executive Directors, 40% of the variable remuneration corresponding to the current year will be paid, if the conditions are met, in equal parts in cash and CaixaBank shares, while the remaining 60% will be deferred, 30% in cash and 70% in shares, over a period of five years. In this regard, the payment for the first two years of deferral is subject to annual factors, while the payment for the following three years will be subject to compliance with the approved multi-year factors.

The following is a graphic example of the system for granting, vesting and payment of variable remuneration to Executive Directors, taking the financial year 2022 as a reference.



Contributions to pension schemes and other cover

In the case of the CEO, a total defined contribution of €425,000 will be made each year to cover the contingencies of retirement, death and total, absolute or severe permanent disability.

The annual target amount corresponding to the Discretionary Pension Benefits Policy, in accordance with the provisions of section 5.8.e), is €75,000 in the case of Mr. Gonzalo Gortázar Rotaeche.

In addition to the defined contribution described above, coverage will be established for death and permanent, total, absolute and severe disability for the amount of two annuities of the Total Fixed Annual Remuneration at the time the contingency occurs. The estimated premium for this cover is €72,547.

Coverage in favour of Mr José Ignacio Goirigolzarri Tellaeche for death and permanent, total, absolute and severe disability for the amount of two annuities of the Total Annual Fixed Remuneration at the time the contingency occurs is recognised. The estimated premium for this cover is €100,862 for each year that this Remuneration Policy is in effect.

REMUNERATION OF EXECUTIVE DIRECTORS THROUGH LONG-TERM SAVINGS SYSTEMS

(thousands of euros)		Coverage for death, permanent disability, and severe disability			
	Position	Fixed component (85%)	Variable component (15%)[1]	Coverage for death, permanent disability, and severe disability	Total expected 2022
Gonzalo Gortázar	CEO	425	88	73	586
Jose Ignacio Goirigolzarri	Executive Chairman			101	101
Total Executive Directors		**425**	**88**	**174**	**687**

[1] Information provided on contributions made to the employee pension system (variable remuneration) envisioned for the year in progress. Based on 118% attainment of the individual challenges by the CEO in the 2021 assessment.

Remuneration accrued by Board members as consideration for representing CaixaBank at other companies

The following remuneration is payable for seats held on the Boards of Directors of Group companies or of other companies when acting on CaixaBank's behalf, as per the amounts currently set as remuneration payable for representing CaixaBank at other companies (which forms part of the director's Total annual fixed remuneration):

>> REMUNERATION OF EXECUTIVE DIRECTORS THROUGH LONG-TERM SAVINGS SYSTEMS

(thousands of euros)	Position	Investee	Total projected for 2022
Jose Ignacio Goirigolzarri	Director	CECA	17
Gonzalo Gortázar	Director	Banco BPI	60
Tomás Muniesa	Deputy Chairman	VidaCaixa	435
Tomás Muniesa	Deputy Chairman	SegurCaixa Adeslas	11
Total per item 2022			523

Remuneration aside from responsibilities as directors

Fernando Maria Ulrich Costa Duarte is the non-executive Chairman of the Board of Directors of Banco BPI. The remuneration planned for 2022 for his membership in this board is 750,000 euros.

Retention policy.

The instruments delivered are subject to a three-year retention period, during which time they may not be disposed of by the Director.

However, one year after the delivery of the instruments, the Director may dispose of the instruments if he/she maintains, after the disposal or exercise, a net economic exposure to the change in the price of the instruments for a market value equivalent to an amount of at least twice his/her Total Annual Fixed Remuneration through the ownership of shares, options, rights to deliver shares or other financial instruments reflecting the market value of CaixaBank.

In addition, after the first year of holding, the Director may dispose of the instruments to the extent necessary to meet the costs related to their acquisition or, subject to the favourable opinion of the Remuneration Committee, to meet any extraordinary situations that may arise.

During the retention period, the exercise of the rights conferred by the instruments is vested in the Director as the holder of the instruments.

Table of conciliation of content
with the CNMV remuneration report template

Section of the CNMV template		Included in the statistical report
A. REMUNERATION POLICY APPROVED FOR THE CURRENT YEAR		
A.1 and subsections		No Section 2 and Section 5 in relation to the remuneration policy. Section 5 in relation to the fixed components of remuneration for directors in their capacity as such Section 5 in relation to the different components of remuneration for directors discharging executive functions Section 4 in relation to the characteristics of contracts entered into with directors discharging executive functions Section 5 in relation to proposed changes in remuneration for 2022 and its quantitative valuation
A.2		Section 5 in relation to proposed changes in remuneration for 2022 and its quantitative valuation
A.3		Section 5 and Introduction in relation to the remuneration policy
A.4		Introduction, Section 2 and Section 5 in relation to the IARC vote and the remuneration policy
B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED		
B.1 and subsections	No	Section 2 and Section 3
B.2	No	Section 2 and Section 3
B.3	No	Section 2, Section 3 and Section 5
B.4	Yes	Section 2 and Section 6
B.5	No	Section 3
B.6	No	Section 3
B.7	No	Section 3
B.8	No	Not applicable
B.9	No	Section 3
B.10	No	Not applicable
B.11	No	Section 3 and Section 4

Section of the CNMV template	Included in the statistical report	
B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED		
B.12	No	Section 5
B.13	No	At present, the Entity is not considering offering Directors financial assistance as remuneration. Note 41 of the consolidated annual financial statements explains the financing extended to directors and other key personnel.
B.14	No	Section 3
B.15	No	Not currently provided
B.16	No	Section 3
C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR		
C	Yes	Section 7
C.1 a) i)	Yes	Section 7
C.1 a) ii)	Yes	Section 7
C.1 a) iii)	Yes	Section 7
C.1 a) iv)	Yes	Section 7
C.1 b) i)	Yes	Section 7
C.1 b) ii)	Yes	Not applicable
C.1 b) iii)	Yes	Not applicable
C.1 b) iv)	Yes	Not applicable
C.1 c)	Yes	Section 7
C.2	Yes	Section 7
D. OTHER USEFUL INFORMATION		
D.	Yes	

Statistical information on remuneration required by the CNMV

ISSUER IDENTIFICATION

Financial year-end: 31/12/2021

Corporate name: CAIXABANK, S.A.

Tax code: A-08663619

Business address: Cl. Pintor Sorolla N.2-4 (Valencia)

B. GLOBAL SUMMARY OF THE APPLICATION OF REMUNERATION POLICY DURING THE FINANCIAL YEAR

B.4. REPORT ON THE RESULT OF THE ADVISORY VOTE AT THE ANNUAL GENERAL MEETING ON THE ANNUAL REPORT ON REMUNERATION FOR THE PREVIOUS FINANCIAL YEAR, INDICATING THE NUMBER OF ANY NEGATIVE VOTES CAST:

	Number	% of total
Votes cast	6,078,499,100	75.41

	Number	% of votes cast
Votes against	86,672,915	1.43
Votes in favour	4,395,663,744	72.31
Blank votes	0	0
Abstentions	1,596,162,441	26.26

C. DETAILS OF THE INDIVIDUAL REMUNERATION OF EACH OF THE BOARD MEMBERS

Name	Type	Accrual period 2021 fiscal year
Ayuso, Joaquin	Independent Director	From 26/03/2021 to 31/12/2021
Bassons, M.Teresa	Proprietary Director	From 01/01/2021 to 26/03/2021
Campo, Francisco Javier	Independent Director	From 26/03/2021 to 31/12/2021
Castillo, Eva	Independent Director	From 26/03/2021 to 31/12/2021
Fisas, M.Veronica	Independent Director	From 01/01/2021 to 31/12/2021
Garcia-Bragado, Alejandro	Proprietary Director	From 01/01/2021 to 26/03/2021
Garmendia, Cristina	Independent Director	From 01/01/2021 to 31/12/2021
Garralda, Ignacio	Proprietary Director	From 01/01/2021 to 26/03/2021
Goirigolzarri, Jose Ignacio	Executive Chairman	From 26/03/2021 to 31/12/2021
Gortázar, Gonzalo	CEO	From 01/01/2021 to 31/12/2021
Gual, Jordi	Proprietary Chairman	From 01/01/2021 to 26/03/2021
Moraleda, M. Amparo	Independent Director	From 01/01/2021 to 31/12/2021
Muniesa, Tomas	Proprietary Director	From 01/01/2021 to 31/12/2021
John S. Reed	Lead Independent Director	From 01/01/2021 to 31/12/2021
Sanchiz, Eduardo Javier	Independent Director	From 01/01/2021 to 31/12/2021
Santero, Maria Teresa	Proprietary Director	From 26/03/2021 to 31/12/2021
Serna, José	Proprietary Director	From 01/01/2021 to 31/12/2021
Ulrich, Fernando Maria	Other External Director	From 26/03/2021 to 31/12/2021
Usarraga, Koro	Independent Director	From 01/01/2021 to 31/12/2021
CajaCanarias Foundation	Proprietary Director	From 01/01/2021 to 26/03/2021

C.1. COMPLETE THE FOLLOWING TABLES REGARDING THE INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR (INCLUDING REMUNERATION FOR THE PERFORMANCE OF EXECUTIVE FUNCTIONS) DURING THE YEAR

A) REMUNERATION FROM THE REPORTING COMPANY:

i) Remuneration in cash (thousands of EUR)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
Ayuso, Joaquin	69		60						129	
Bassons, M.Teresa	21		7						28	120
Campo, Francisco Javier	69		60						129	
Castillo, Eva	69		60						129	
Fisas, M.Veronica	90		100						190	183
Garcia-Bragado, Alejandro	21		7						28	120
Garmendia, Cristina	90		110						200	169
Garralda, Ignacio	21								21	90
Goirigolzarri, Jose Ignacio	69		45	1,122	117				1,353	
Gortázar, Gonzalo	90		50	1,917	413				2,470	1,701
Gual, Jordi	258		14						272	1,150
Moraleda, M. Amparo	90		116						206	206
Muniesa, Tomas	90		100						190	171
John S. Reed	128		36						164	149
Sanchiz, Eduardo Javier	90		140						230	218
Santero, Maria Teresa	69		38						107	
Serna, José	90		73						163	140
Ulrich, Fernando Maria	69		60						129	
Usarraga, Koro	90		160						250	231
CajaCanarias Foundation	21		12						33	140

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments

		Financial instruments at start of 2021		Financial instruments granted during 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at end of 2021	
Name	Plan name	No. of instruments	No. equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. equivalent/ consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. of instruments	No. of instruments	No. equivalent shares
Goirigolzarri, Jose Ignacio	bonus plan 2021						42,653	2.73	116			
Goirigolzarri, Jose Ignacio	3rd cycle CAIP 2019-2021				64,023							
Gortázar, Gonzalo	2021 Bonus Plan						151,168	2.73	412			
Gortázar, Gonzalo	1st cycle CAIP 2019-2021		51,782							15,534		36,248
Gortázar, Gonzalo	3rd cycle CAIP 2019-2021				106,705							

OBSERVATIONS

In the financial year 2021, Mr. Goirigolzarri has accrued 42,653 shares corresponding to 50% of the annual bonus plan 2021, which he will receive as follows: 40% (17,061 shares) delivered in February 2022. The remaining 60%, provided that none of the reduction scenarios foreseen occur, will be delivered in 5 parts in 2023, 2024, 2025, 2026 and 2027. From the third cycle of the Annual Incentive Plan Conditional on the Strategic Plan 2019-2021, 64,023 shares have been provisionally granted, subject to expost adjustment.

Mr. Gortázar has accrued, in the financial year 2021, 151,168 shares corresponding to 50% of the annual bonus plan 2021, which he will receive as follows: 40% (60,467 shares) delivered in February 2022. The remaining 60%, provided none of the reduction scenarios foreseen occur, will be delivered in 5 parts in 2023, 2024, 2025, 2026 and 2027. At the end of the measurement period of the expost adjustment of the first cycle of the CAIP 2019-2021, a 30% adjustment has been applied on the provisional incentive (15,534 shares) and 36,248 shares have been consolidated and will be delivered in 3 parts in 2023, 2024 and 2025. From the third cycle of the CAIP 2019-2021, 106,705 shares have been provisionally granted, subject to expost adjustment.

All shares delivered are subject to a holding period of one year from delivery.

In 2021, the total number of shares generated by incentive plans for executive officers, senior management and all other employees that are pending delivery account for 0.16% of the total share capital.

iii) Long-term saving schemes.

	Contribution by the company in the year (thousands of EUR)				Cumulative amount of funds (thousands of EUR)			
	Savings systems with consolidated financial rights		Savings systems with unconsolidated financial rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
Name	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020
Gortázar, Gonzalo			505	511	2,768	2,502	2,690	2,176
Muniesa, Tomas					29	30		

OBSERVATIONS

The general approach for accrued fund amounts is that accrued balances are shown for the function of Director. For Executive Directors this includes in addition to the balances accrued for previous functions in the Company.

iv) Details of other items

Name	Item	Remuneration amount
Goirigolzarri, Jose Ignacio	Health Insurance	2
Goirigolzarri, Jose Ignacio	Life insurance risk premium	71
Gortázar, Gonzalo	Health Insurance	5
Gortázar, Gonzalo	Life insurance risk premium	65
Gortázar, Gonzalo	Remuneration in kind medical check-up	2

B) REMUNERATION PAID TO DIRECTORS OF THE LISTED COMPANY FOR THEIR MEMBERSHIP OF THE GOVERNING BODIES OF ITS SUBSIDIARIES

i) Remuneration in cash (thousands of EUR)

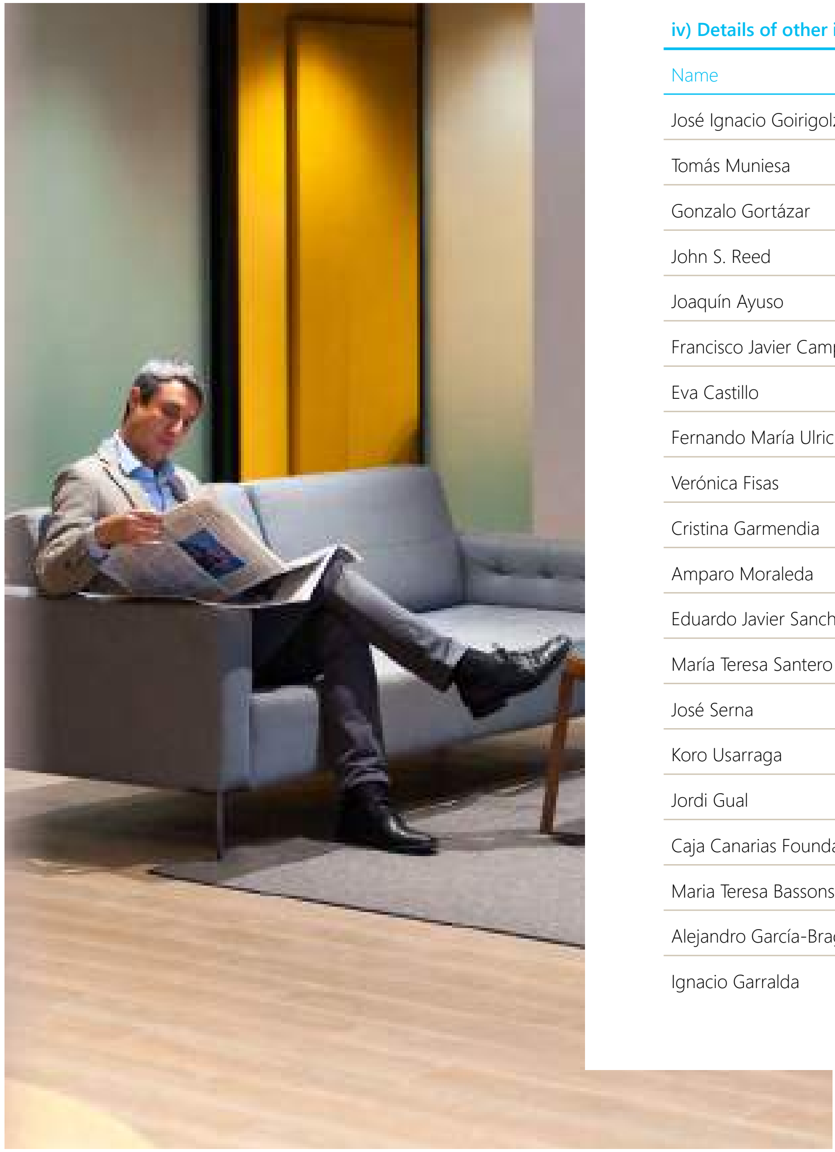
Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total 2021	Total 2020 financial year
Gortázar, Gonzalo	204								204	560
Muniesa, Tomas	435								435	435
Ulrich, Fernando María	750								750	

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments

		Financial instruments at the start of 2021		Financial instruments granted in 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at end of 2021	
Name	Plan name	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. equivalent/ consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. of instruments	No. of instruments	No. equivalent/ consolidated shares

iii) Long-term saving schemes.

					Remuneration from consolidation of rights to savings systems			
	Contribution by the company in the year (thousands of EUR)				Cumulative amount of funds (thousands of EUR)			
	Savings systems with consolidated financial rights		Savings systems with unconsolidated financial rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
Name	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020



iv) Details of other items

Name	Item	Remuneration amount
José Ignacio Goirigolzarri	Item	
Tomás Muniesa	Item	
Gonzalo Gortázar	Item	
John S. Reed	Item	
Joaquín Ayuso	Item	
Francisco Javier Campo	Item	
Eva Castillo	Item	
Fernando María Ulrich	Item	
Verónica Fisas	Item	
Cristina Garmendia	Item	
Amparo Moraleda	Item	
Eduardo Javier Sanchiz	Item	
María Teresa Santero	Item	
José Serna	Item	
Koro Usarraga	Item	
Jordi Gual	Item	
Caja Canarias Foundation	Item	
Maria Teresa Bassons	Item	
Alejandro García-Bragado	Item	
Ignacio Garralda	Item	

C) SUMMARY OF REMUNERATION (THOUSANDS OF EUR): THE SUMMARY SHOULD INCLUDE AMOUNTS FOR ALL REMUNERATION COMPONENTS REFERRED TO IN THIS REPORT ACCRUED BY THE DIRECTOR (IN THOUSANDS OF EUR).

	Remuneration accrued in the company					Remuneration accrued in Group Companies					
Name	Total Cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration under savings systems	Remuneration for other items	Company total 2021	Total Cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration under saving systems	Remuneration for other items	Group total 2021	Total for 2021 financial year company + group
Ayuso, Joaquin	129				129						129
Bassons, M.Teresa	28				28						28
Campo, Francisco Javier	129				129						129
Castillo, Eva	129				129						129
Fisas, M.Veronica	190				190						190
Garcia-Bragado, Alejandro	28				28						28
Garmendia, Cristina	200				200						200
Garralda, Ignacio	21				21						21
Goirigolzarri, Jose Ignacio	1,353	116		73	1,542						1,542
Gortázar, Gonzalo	2,470	412		72	2,954	204				204	3,158
Gual Jordi	272				272						272
Moraleda, M. Amparo	206				206						206
Muniesa, Tomas	190				190	435				435	625
John S. Reed	164				164						164
Sanchiz, Eduardo Javier	230				230						230
Santero, Maria Teresa	107				107						107
Serna, José	163				163						163
Ulrich, Fernando Maria	129				129	750				750	879
Usarraga, Koro	250				250						250
CajaCanarias Foundation	33				33						33
Total	**6,421**	**528**		**145**	**7,094**	**1,389**				**1,389**	**8,483**

C.2) INDICATE THE CHANGES OVER THE LAST FIVE YEARS IN THE AMOUNT AND PERCENTAGE OF THE REMUNERATION EARNED BY EACH OF THE LISTED COMPANY'S DIRECTORS DURING THE YEAR, IN THE CONSOLIDATED RESULTS OF THE COMPANY, AND IN THE AVERAGE REMUNERATION ON A FULL-TIME EQUIVALENT BASIS OF THE EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES WHO ARE NOT DIRECTORS OF THE LISTED COMPANY.

	Total amounts accrued and % annual variation								
	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019	% Variation 2019/2018	Financial year 2018	% Variation 2018/2017	Financial year 2017
Executive Directors									
José Ignacio Goirigolzarri	1,542								
Gonzalo Gortázar	3,158	35.83	2,325	-24.56	3,082	4.05	2,962	6.13	2,791
External Directors									
Joaquin Ayuso	129	-	0	-	0	-	0	-	0
M. Teresa Bassons	28	-76.67	120	0.00	120	-2.44	123	-13.99	143
Francisco Javier Campo	129	-	0	-	0	-	0	-	0
Eva Castillo	129	-	0	-	0	-	0	-	0
M. Veronica Fisas	190	3.83	183	12.96	162	15.71	140	26.13	111
Alejandro Garcia-Bragado	28	-76.67	120	0.00	120	1.69	118	31.11	90
Cristina Garmendia	200	18.34	169	177.05	61	-	0	-	0
Ignacio Garralda	21	-76.67	90	-12.62	103	-24.26	136	147.27	55
Jordi Gual	272	-76.35	1,150	0.00	1,150	0.00	1,150	0.00	1,150
M. Amparo Moraleda	206	0.00	206	6.19	194	6.01	183	-28.52	256
Tomás Munisa	625	3.14	606	5.39	575	-43.68	1.021	-	0
John S. Reed	164	10.07	149	18.25	126	2.44	123	36.67	90
Eduardo Javier Sanchiz	230	5.50	218	10.66	197	8.24	182	628.00	25
M. Teresa Santero	107	-	0	-	0	-	0	-	0
José Serna	163	16.43	140	0.00	140	0.00	140	8.53	129
Fernando María Ulrich	879	-	0	-	0	-	0	-	0
Koro Usarraga	250	8.23	231	17.26	197	5.91	186	32.86	140
Caja Canarias Foundation	33	-76.43	140	0.00	140	2.94	136	83.78	74
Company Results	**5,315**	**232%**	**1,601**	**-23%**	**2,077**	**-26%**	**2,807**	**34%**	**2.098**
Average Employee Remuneration	**58**	**-1%**	**59**	**-3%**	**60**	**3%**	**59**	**2%**	**57**

OBSERVATIONS

The average remuneration of the staff from 2019 to 2020 was impacted by the effect of the voluntary departures associated with the 2019 layoffs and the incentivised departures in 2020 of older employees, and due to temporary redundancies resulting from the pandemic. The 2020-2021 variation in Mr. Gortázar's accrued remuneration is due to the voluntary renunciation in 2020 of his variable remuneration, both annual and multi-year, as an act of responsibility for the exceptional economic and social situation generated by COVID-19, since his remuneration conditions did not change. The average remuneration of the staff from 2020 to 2021 was also affected by the merger with Bankia and by the voluntary departures of the 2021 layoffs.

A new CEO and five Non-Executive Directors were appointed on 26/03/2021, on the same date five Non-Executive Directors left the Board.

With regard to the change in the company's results in 2021, the merger of CaixaBank and Bankia must be taken into account.

For the information on average employee remuneration, the salary and average number of employee figures for the year were used, as detailed in the management report.

D. OTHER USEFUL INFORMATION

Approval date:
17/02/2022

This annual remuneration report has been approved by the company's Board of Directors, in its meeting on:

State whether any Directors voted against or abstained from voting on the approval of this Report.

☐ YES
☒ NO

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ISSUER'S PARTICULARS

Financial year-end:	31/12/2021
Tax code:	A08663619

Corporate name:

CAIXABANK, S.A.

Registered office:

CL. PINTOR SOROLLA N.2-4 (VALENCIA)

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

B.4. Report on the result of the advisory vote at the General Shareholders' Meeting on the annual report on remuneration for the previous financial year, indicating the number of abstentions and the number of negative, blank and affirmative votes cast:

	Number	% of total
Votes cast	6,078,499,100	75.41

	Number	% of votes cast
Votes against	86,672,915	1.43
Votes in favour	4,395,663,744	72.31
Blank votes		0.00
Abstentions	1,596,162,441	26.26

C. ITEMISED INDIVIDUAL REMUNERATIONS ACCRUED BY EACH DIRECTOR

Name	Type	Accrual period 2021 fiscal year
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Chairman	From 26/03/2021 to 31/12/2021
MR TOMÁS MUNIESA ARANTEGUI	Proprietary Director	From 01/01/2021 to 31/12/2021
MR GONZALO GORTAZAR ROTAECHE	CEO	From 01/01/2021 to 31/12/2021
MR JOHN S. REED	Lead Director	From 01/01/2021 to 31/12/2021
MR JOAQUIN AYUSO GARCÍA	Independent Director	From 26/03/2021 to 31/12/2021
MR FRANCISCO JAVIER CAMPO GARCÍA	Independent Director	From 26/03/2021 to 31/12/2021
MS EVA CASTILLO SANZ	Independent Director	From 26/03/2021 to 31/12/2021
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Other External Director	From 26/03/2021 to 31/12/2021
MS MARÍA VERÓNICA FISAS VERGÉS	Independent Director	From 01/01/2021 to 31/12/2021
MS CRISTINA GARMENDIA MENDIZÁBAL	Independent Director	From 01/01/2021 to 31/12/2021
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Independent Director	From 01/01/2021 to 31/12/2021
MR EDUARDO JAVIER SANCHIZ IRAZU	Independent Director	From 01/01/2021 to 31/12/2021
MS MARÍA TERESA SANTERO QUINTILLÁ	Proprietary Director	From 26/03/2021 to 31/12/2021
MR JOSÉ SERNA MASIÁ	Proprietary Director	From 01/01/2021 to 31/12/2021
MS KORO USARRAGA UNSAIN	Independent Director	From 01/01/2021 to 31/12/2021
MR JORDI GUAL SOLE	Proprietary Chairman	From 01/01/2021 to 26/03/2021
CAJA CANARIAS FOUNDATION	Proprietary Director	From 01/01/2021 to 26/03/2021
MS MARÍA TERESA BASSONS BONCOMPTE	Proprietary Director	From 01/01/2021 to 26/03/2021

Name	Type	Accrual period 2021 fiscal year
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	Proprietary Director	From 01/01/2021 to 26/03/2021
MR IGNACIO GARRALDA RUIZ DE VELASCO	Proprietary Director	From 01/01/2021 to 26/03/2021

C.1. Complete the following tables regarding the individual remuneration accrued by each director (including remuneration received for the performance of executive functions) during the year.

a) Remunerations at the reporting company:

i) Remuneration in cash (in thousands of EUR)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	69		45	1,122	117				1,353	
MR TOMÁS MUNIESA ARANTEGUI	90		100						190	171
MR GONZALO GORTAZAR ROTAECHE	90		50	1,917	413				2,470	1,701
MR JOHN S. REED	128		36						164	149
MR JOAQUIN AYUSO GARCÍA	69		60						129	
MR FRANCISCO JAVIER CAMPO GARCÍA	69		60						129	
MS EVA CASTILLO SANZ	69		60						129	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	69		60						129	
MS MARÍA VERÓNICA FISAS VERGÉS	90		100						190	183
MS CRISTINA GARMENDIA MENDIZÁBAL	90		110						200	169
MS MARÍA AMPARO MORALEDA MARTÍNEZ	90		116						206	206
MR EDUARDO JAVIER SANCHIZ IRAZU	90		140						230	218
MS MARÍA TERESA SANTERO QUINTILLÁ	69		38						107	
MR JOSÉ SERNA MASIÁ	90		73						163	140
MS KORO USARRAGA UNSAIN	90		160						250	231
MR JORDI GUAL SOLE	258		14						272	1,150

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
CAJA CANARIAS FOUNDATION	21		12						33	140
MS MARÍA TERESA BASSONS BONCOMPTE	21		7						28	120
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	21		7						28	120
MR IGNACIO GARRALDA RUIZ DE VELASCO	21								21	90

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments.

Name		Financial instruments at the start of 2021		Financial instruments granted during in 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not	Financial instruments at the end of 2021	
	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of	No. instruments	No. instruments	No. of equivalent shares
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	3rd cycle CAIP 2019-2021				64,023			0.00				
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Bonus plan 2021						42,653	2.73	116			
MR. TOMÁS MUNIESA	Plan							0.00				
MR GONZALO GORTAZAR ROTAECHE	1st cycle CAIP 2019-2021		51,782					0.00		15,534		36,248
MR GONZALO GORTAZAR ROTAECHE	3rd cycle CAIP 2019-2021				106,705			0.00				

Name	Plan name	Financial instruments at the start of 2021		Financial instruments granted during in 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not	Financial instruments at the end of 2021	
		No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of	No. instruments	No. instruments	No. of equivalent shares
MR GONZALO GORTAZAR ROTAECHE	2021 Bonus Plan						151,168	2.73	412			
MR JOHN S. REED	Plan							0.00				
MR JOAQUIN AYUSO	Plan							0.00				
MR FRANCISCO JAVIER CAMPO GARCÍA	Plan							0.00				
MS EVA CASTILLO SANZ	Plan							0.00				
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Plan							0.00				
MS MARÍA VERÓNICA FISAS VERGÉS	Plan							0.00				
MS CRISTINA GARMENDIA MENDIZÁBAL	Plan							0.00				
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Plan							0.00				
MR EDUARDO JAVIER SANCHIZ IRAZU	Plan							0.00				
MS MARÍA TERESA SANTERO QUINTILLÁ	Plan							0.00				

Name	Plan name	Financial instruments at the start of 2021		Financial instruments granted during in 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not	Financial instruments at the end of 2021	
		No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of	No. instruments	No. instruments	No. of equivalent shares
MR JOSÉ SERNA MASIÁ	Plan							0.00				
MS KORO USARRAGA UNSAIN	Plan							0.00				
MR JORDI GUAL SOLE	Plan							0.00				
CAJA CANARIAS FOUNDATION	Plan							0.00				
MS MARÍA TERESA BASSONS BONCOMPTE	Plan							0.00				
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	Plan							0.00				
MR IGNACIO GARRALDA RUIZ DE VELASCO	Plan							0.00				

iii) Long-term savings systems.

Name	Remuneration from consolidation of rights to savings systems
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	
MR TOMÁS MUNIESA ARANTEGUI	
MR GONZALO GORTAZAR ROTAECHE	

Name	Remuneration from consolidation of rights to savings systems
MR JOHN S. REED	
MR JOAQUIN AYUSO GARCÍA	
MR FRANCISCO JAVIER CAMPO GARCÍA	
MS EVA CASTILLO SANZ	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	
MS MARÍA VERÓNICA FISAS VERGÉS	
MS CRISTINA GARMENDIA MENDIZÁBAL	
MS MARÍA AMPARO MORALEDA MARTÍNEZ	
MR EDUARDO JAVIER SANCHIZ IRAZU	
MS MARÍA TERESA SANTERO QUINTILLÁ	
MR JOSÉ SERNA MASIÁ	
MS KORO USARRAGA UNSAIN	
MR JORDI GUAL SOLE	
CAJA CANARIAS FOUNDATION	
MS MARÍA TERESA BASSONS BONCOMPTE	
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	
MR IGNACIO GARRALDA RUIZ DE VELASCO	

Name	Contribution by the company in the year (thousands of EUR)				Cumulative amount of funds (thousands of EUR)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE								
MR TOMÁS MUNIESA ARANTEGUI					29	30		
MR GONZALO GORTAZAR ROTAECHE			505	511	2,768	2,502	2,690	2,176
MR JOHN S. REED								
MR JOAQUIN AYUSO GARCÍA								
MR FRANCISCO JAVIER CAMPO GARCÍA								
MS EVA CASTILLO SANZ								
MR FERNANDO MARÍA COSTA DUARTE ULRICH								
MS MARÍA VERÓNICA FISAS VERGÉS								
MS CRISTINA GARMENDIA MENDIZÁBAL								
MS MARÍA AMPARO MORALEDA MARTÍNEZ								
MR EDUARDO JAVIER SANCHIZ IRAZU								

	Contribution by the company in the year (thousands of EUR)				Cumulative amount of funds (thousands of EUR)			
Name	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020
MS MARÍA TERESA SANTERO QUINTILLÁ								
MR JOSÉ SERNA MASIÁ								
MS KORO USARRAGA UNSAIN								
MR JORDI GUAL SOLE								
CAJA CANARIAS FOUNDATION								
MS MARÍA TERESA BASSONS BONCOMPTE								
MR ALEJANDRO GARCÍA-BRAGADO DALMAU								
MR IGNACIO GARRALDA RUIZ DE VELASCO								

iv) Details of other items

Name	Item	Remuneration amount
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Health Insurance	2
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Life insurance risk premium	71
MR TOMÁS MUNIESA ARANTEGUI	Item	
MR GONZALO GORTAZAR ROTAECHE	Health Insurance	5

Name	Item	Remuneration amount
MR GONZALO GORTAZAR ROTAECHE	Life insurance risk premium	65
MR GONZALO GORTAZAR ROTAECHE	Remuneration in kind medical check-up	2
MR JOHN S. REED	Item	
MR JOAQUIN AYUSO GARCÍA	Item	
MR FRANCISCO JAVIER CAMPO GARCÍA	Item	
MS EVA CASTILLO SANZ	Item	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Item	
MS MARÍA VERÓNICA FISAS VERGÉS	Item	
MS CRISTINA GARMENDIA MENDIZÁBAL	Item	
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Item	
MR EDUARDO JAVIER SANCHIZ IRAZU	Item	
MS MARÍA TERESA SANTERO QUINTILLÁ	Item	
MR JOSÉ SERNA MASIÁ	Item	
MS KORO USARRAGA UNSAIN	Item	
MR JORDI GUAL SOLE	Item	
CAJA CANARIAS FOUNDATION	Item	
MS MARÍA TERESA BASSONS BONCOMPTE	Item	
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	Item	
MR IGNACIO GARRALDA RUIZ DE VELASCO	Item	

b) Remuneration paid to directors of the listed company for their membership of the governing bodies of its subsidiaries

i) Remuneration in cash (in thousands of EUR)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE										
MR TOMÁS MUNIESA ARANTEGUI	435								435	435
MR GONZALO GORTAZAR ROTAECHE	204								204	560
MR JOHN S. REED										
MR JOAQUIN AYUSO GARCÍA										
MR FRANCISCO JAVIER CAMPO GARCÍA										
MS EVA CASTILLO SANZ										
MR FERNANDO MARÍA COSTA DUARTE ULRICH	750								750	
MS MARÍA VERÓNICA FISAS VERGÉS										
MS CRISTINA GARMENDIA MENDIZÁBAL										
MS MARÍA AMPARO MORALEDA MARTÍNEZ										
MR EDUARDO JAVIER SANCHIZ IRAZU										
MS MARÍA TERESA SANTERO QUINTILLÁ										
MR JOSÉ SERNA MASIÁ										
MS KORO USARRAGA UNSAIN										
MR JORDI GUAL SOLE										
CAJA CANARIAS FOUNDATION										

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
MS MARÍA TERESA BASSONS BONCOMPTE										
MR ALEJANDRO GARCÍA-BRAGADO DALMAU										
MR IGNACIO GARRALDA RUIZ DE VELASCO										

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments.

Name		Financial instruments at the start of 2021		Financial instruments granted during in 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at the end of 2021	
	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. instruments	No. instruments	No. of equivalent shares
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Plan							0.00				
MR. TOMÁS MUNIESA ARANTEGUI	Plan							0.00				

Name		Financial instruments at the start of 2021		Financial instruments granted during 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at the end of 2021	
	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. instruments	No. instruments	No. of equivalent shares
MR GONZALO GORTAZAR ROTAECHE	Plan							0.00				
MR JOHN S. REED	Plan							0.00				
MR JOAQUIN AYUSO GARCÍA	Plan							0.00				
MR FRANCISCO JAVIER CAMPO GARCÍA	Plan							0.00				
MS EVA CASTILLO SANZ	Plan							0.00				
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Plan							0.00				
MS MARÍA VERÓNICA FISAS VERGÉS	Plan							0.00				

Name	Plan name	Financial instruments at the start of 2021		Financial instruments granted during in 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at the end of 2021	
		No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. instruments	No. instruments	No. of equivalent shares
MS CRISTINA GARMENDIA MENDIZÁBAL	Plan							0.00				
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Plan							0.00				
MR EDUARDO JAVIER SANCHIZ IRAZU	Plan							0.00				
MS MARÍA TERESA SANTERO QUINTILLÁ	Plan							0.00				
MR JOSÉ SERNA MASIÁ	Plan							0.00				
MS KORO USARRAGA UNSAIN	Plan							0.00				
MR JORDI GUAL SOLE	Plan							0.00				

Name	Financial instruments at the start of 2021			Financial instruments granted during 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at the end of 2021	
	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. instruments	No. instruments	No. of equivalent shares
CAJA CANARIAS FOUNDATION	Plan							0.00				
MS MARÍA TERESA BASSONS BONCOMPTE	Plan							0.00				
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	Plan							0.00				
MR IGNACIO GARRALDA RUIZ DE VELASCO	Plan							0.00				

iii) Long-term savings systems.

Name	Remuneration from consolidation of rights to savings systems
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	
MR TOMÁS MUNIESA ARANTEGUI	

Name	Remuneration from consolidation of rights to savings systems
MR GONZALO GORTAZAR ROTAECHE	
MR JOHN S. REED	
MR JOAQUIN AYUSO GARCÍA	
MR FRANCISCO JAVIER CAMPO GARCÍA	
MS EVA CASTILLO SANZ	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	
MS MARÍA VERÓNICA FISAS VERGÉS	
MS CRISTINA GARMENDIA MENDIZÁBAL	
MS MARÍA AMPARO MORALEDA MARTÍNEZ	
MR EDUARDO JAVIER SANCHIZ IRAZU	
MS MARÍA TERESA SANTERO QUINTILLÁ	
MR JOSÉ SERNA MASIÁ	
MS KORO USARRAGA UNSAIN	
MR JORDI GUAL SOLE	
CAJA CANARIAS FOUNDATION	
MS MARÍA TERESA BASSONS BONCOMPTE	
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	
MR IGNACIO GARRALDA RUIZ DE VELASCO	

Name	Contribution by the company in the year (thousands of EUR)				Cumulative amount of funds (thousands of EUR)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE								
MR TOMÁS MUNIESA ARANTEGUI								
MR GONZALO GORTAZAR ROTAECHE								
MR JOHN S. REED								
MR JOAQUIN AYUSO GARCÍA								
MR FRANCISCO JAVIER CAMPO GARCÍA								
MS EVA CASTILLO SANZ								
MR FERNANDO MARÍA COSTA DUARTE ULRICH								
MS MARÍA VERÓNICA FISAS VERGÉS								
MS CRISTINA GARMENDIA MENDIZÁBAL								
MS MARÍA AMPARO MORALEDA MARTÍNEZ								
MR EDUARDO JAVIER SANCHIZ IRAZU								

	Contribution by the company in the year (thousands of EUR)				Cumulative amount of funds (thousands of EUR)			
Name	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020
MS MARÍA TERESA SANTERO QUINTILLÁ								
MR JOSÉ SERNA MASIÁ								
MS KORO USARRAGA UNSAIN								
MR JORDI GUAL SOLE								
CAJA CANARIAS FOUNDATION								
MS MARÍA TERESA BASSONS BONCOMPTE								
MR ALEJANDRO GARCÍA-BRAGADO DALMAU								
MR IGNACIO GARRALDA RUIZ DE VELASCO								

iv) Details of other items

Name	Item	Remuneration amount
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Item	
MR TOMÁS MUNIESA ARANTEGUI	Item	
MR GONZALO GORTAZAR ROTAECHE	Item	
MR JOHN S. REED	Item	

Name	Item	Remuneration amount
MR JOAQUIN AYUSO GARCÍA	Item	
MR FRANCISCO JAVIER CAMPO GARCÍA	Item	
MS EVA CASTILLO SANZ	Item	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Item	
MS MARÍA VERÓNICA FISAS VERGÉS	Item	
MS CRISTINA GARMENDIA MENDIZÁBAL	Item	
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Item	
MR EDUARDO JAVIER SANCHIZ IRAZU	Item	
MS MARÍA TERESA SANTERO QUINTILLÁ	Item	
MR JOSÉ SERNA MASIÁ	Item	
MS KORO USARRAGA UNSAIN	Item	
MR JORDI GUAL SOLE	Item	
CAJA CANARIAS FOUNDATION	Item	
MS MARÍA TERESA BASSONS BONCOMPTE	Item	
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	Item	
MR IGNACIO GARRALDA RUIZ DE VELASCO	Item	

c) Summary of remuneration (in thousands of EUR):
The summary should include amounts for all remuneration components referred to in this report accrued by the Director, in thousands of euros.

	Remuneration accrued in the company					Remuneration accrued in group companies					
Name	Total cash remuneration	Gross profit of consolidated financial instruments or shares	Remuneration under savings systems	Remuneration for other items	Company total 2021	Total cash remuneration	Gross profit of consolidated financial instruments or shares	Remuneration under savings systems	Remuneration for other items	Group total 2021	Company + group total 2021
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	1,353	116		73	1,542						1,542
MR TOMÁS MUNIESA ARANTEGUI	190				190	435				435	625
MR GONZALO GORTAZAR ROTAECHE	2,470	412		72	2,954	204				204	3,158
MR JOHN S. REED	164				164						164
MR JOAQUIN AYUSO GARCÍA	129				129						129
MR FRANCISCO JAVIER CAMPO GARCÍA	129				129						129
MS EVA CASTILLO SANZ	129				129						129
MR FERNANDO MARÍA COSTA DUARTE ULRICH	129				129	750				750	879
MS MARÍA VERÓNICA FISAS VERGÉS	190				190						190

	Remuneration accrued in the company					Remuneration accrued in group companies					
Name	Total cash remuneration	Gross profit of consolidated financial instruments or shares	Remuneration under savings systems	Remuneration for other items	Company total 2021	Total cash remuneration	Gross profit of consolidated financial instruments or shares	Remuneration under savings systems	Remuneration for other items	Group total 2021	Company + group total 2021
MS CRISTINA GARMENDIA MENDIZÁBAL	200				200						200
MS MARÍA AMPARO MORALEDA MARTÍNEZ	206				206						206
MR EDUARDO JAVIER SANCHIZ IRAZU	230				230						230
MS MARÍA TERESA SANTERO QUINTILLÁ	107				107						107
MR JOSÉ SERNA MASIÁ	163				163						163
MS KORO USARRAGA UNSAIN	250				250						250
MR JORDI GUAL SOLE	272				272						272
CAJA CANARIAS FOUNDATION	33				33						33
MS MARÍA TERESA BASSONS BONCOMPTE	28				28						28
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	28				28						28

Name	Remuneration accrued in the company					Remuneration accrued in group companies					Company + group total 2021
	Total cash remuneration	Gross profit of consolidated financial instruments or shares	Remuneration under savings systems	Remuneration for other items	Company total 2021	Total cash remuneration	Gross profit of consolidated financial instruments or shares	Remuneration under savings systems	Remuneration for other items	Group total 2021	
MR IGNACIO GARRALDA RUIZ DE VELASCO	21				21						21
TOTAL	6,421	528		145	7,094	1,389				1,389	8,483

C.2. Indicate the changes over the last five years in the amount and percentage of the remuneration earned by each of the listed company's directors during the year, in the consolidated results of the company, and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019	% Variation 2019/2018	Financial year 2018	% Variation 2018/2017	Financial year 2017
Executive Directors									
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	1,542	-	0	-	0	-	0	-	0
MR GONZALO GORTAZAR ROTAECHE	3,158	35.83	2,325	-24.56	3,082	4.05	2,962	6.13	2,791
External Directors									
MR JOAQUIN AYUSO GARCÍA	129	-	0	-	0	-	0	-	0
MS MARÍA TERESA BASSONS BONCOMPTE	28	-76.67	120	0.00	120	-2.44	123	-13.99	143

	Total amounts accrued and % annual variation								
	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019	% Variation 2019/2018	Financial year 2018	% Variation 2018/2017	Financial year 2017
MR FRANCISCO JAVIER CAMPO GARCÍA	129	-	0	-	0	-	0	-	0
MS EVA CASTILLO SANZ	129	-	0	-	0	-	0	-	0
MS MARÍA VERÓNICA FISAS VERGÉS	190	3.83	183	12.96	162	15.71	140	26.13	111
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	28	-76.67	120	0.00	120	1.69	118	31.11	90
MS CRISTINA GARMENDIA MENDIZÁBAL	200	18.34	169	177.05	61	-	0	-	0
MR IGNACIO GARRALDA RUIZ DE VELASCO	21	-76.67	90	-12.62	103	-24.26	136	147.27	55
MR JORDI GUAL SOLE	272	-76.35	1,150	0.00	1,150	0.00	1,150	0.00	1,150
MS MARÍA AMPARO MORALEDA MARTÍNEZ	206	0.00	206	6.19	194	6.01	183	-28.52	256
MR TOMÁS MUNIESA ARANTEGUI	625	3.14	606	5.39	575	-43.68	1.021	-	0
MR JOHN S. REED	164	10.07	149	18.25	126	2.44	123	36.67	90
MR EDUARDO JAVIER SANCHIZ IRAZU	230	5.50	218	10.66	197	8.24	182	628.00	25
MS MARÍA TERESA SANTERO QUINTILLÁ	107	-	0	-	0	-	0	-	0
MR JOSÉ SERNA MASIÁ	163	16.43	140	0.00	140	0.00	140	8.53	129
MS KORO USARRAGA UNSAIN	250	8.23	231	17.26	197	5.91	186	32.86	140

	Total amounts accrued and % annual variation								
	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019	% Variation 2019/2018	Financial year 2018	% Variation 2018/2017	Financial year 2017
CAJA CANARIAS FOUNDATION	33	-76.43	140	0.00	140	2.94	136	83.78	74
MR FERNANDO MARÍA COSTA DUARTE ULRICH	879	-	0	-	0	-	0	-	0

D. OTHER INFORMATION OF INTEREST

This annual remuneration report has been approved by the company's Board of Directors, in its meeting on:

17/02/2022

State whether any Directors voted against or abstained from voting on the approval of this Report.

[ ] Yes
[√] No

DECLARACIÓN DE RESPONSABILIDAD SOBRE EL CONTENIDO DEL INFORME FINANCIERO ANUAL DEL GRUPO CAIXABANK CORRESPONDIENTE AL EJERCICIO 2021

Los miembros del Consejo de Administración de CaixaBank, S.A. declaran que, hasta donde alcanza su conocimiento, las cuentas anuales elaboradas con arreglo a los principios de contabilidad aplicables ofrecen la imagen fiel del patrimonio, de la situación financiera y de los resultados de CaixaBank, S.A. y de las empresas comprendidas en la consolidación tomados en su conjunto, y que el informe de gestión incluye un análisis fiel de la evolución y los resultados empresariales y de la posición de CaixaBank, S.A. y de las empresas comprendidas en la consolidación tomadas en su conjunto, junto con la descripción de los principales riesgos e incertidumbres a que se enfrenta.

Las Cuentas Anuales e Informe de Gestión de CAIXABANK, S.A. Y SOCIEDADES QUE COMPONEN EL GRUPO CAIXABANK, correspondientes al ejercicio anual cerrado el 31 de diciembre de 2021 han sido formulados en formato electrónico por el Consejo de Administración de CaixaBank, S.A, en su reunión de 17 de febrero de 2022, siguiendo los requerimientos establecidos en el Reglamento Delegado UE 2019/815.

Valencia, a 17 de febrero de 2022

____
Don José Ignacio Goirigolzarri Tellaeche
Presidente

____
Don Tomás Muniesa Arantegui
Vicepresidente
Diligencia del Secretario para hacer constar la no firma del Sr. Vicepresidente por no haber asistido físicamente a la sesión del Consejo, sino por medios telemáticos.
El Secretario,

____
Don Gonzalo Gortázar Rotaeche
Consejero Delegado

____
Don John Shepard Reed
Consejero Coordinador
Diligencia del Secretario para hacer constar la no firma del Sr. Consejero Coordinador por no haber asistido físicamente a la sesión del Consejo, sino por medios telemáticos.
El Secretario,

____
Don Joaquín Ayuso García
Consejero

____
Don Francisco Javier Campo García
Consejero

____
Doña Eva Castillo Sanz
Consejera

____
Doña María Verónica Fisas Vergés
Consejera

____
Doña Cristina Garmendia Mendizábal
Consejera

____
Doña María Amparo Moraleda Martínez
Consejera

____
Don Eduardo Javier Sanchiz Irazu
Consejero

____
Doña Teresa Santero Quintillá
Consejera

____
Don José Serna Masiá
Consejero

____
Don Fernando Maria Costa Duarte Ulrich
Consejero

____
Doña Koro Usarraga Unsain
Consejera