Business activity and results

January-March

2019

Contents

Note: The financial information contained in this document is unaudited and, accordingly, is subject to change. The income statement and the consolidated balance sheet and the corresponding breakdowns of those statements provided in this report, are presented under management criteria, but have still been prepared in accordance with International Financial Reporting Standards (IFRS-EU) as adopted by the European Union under the terms of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, as subsequently 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.
This report has been prepared from the accounting records of CaixaBank, S.A. and the other Group companies, and includes certain adjustments and reclassifications required to apply the policies and criteria used by the Group companies on a consistent basis with those of CaixaBank. For this reason, and in relation to BPI specifically, the information set out in this report is not entirely consistent with the Group's published financial statements *(see "Reconciliation with the financial information released by BPI following the presentation format of the CaixaBank Group" under "Appendices - Glossary" below)*. Likewise, the financial information regarding investees has been prepared primarily on the basis of estimates made by the Company.
Figures are presented in millions of euros unless the use of another monetary unit is stated explicitly, and may be expressed as either million euros or € million.

In accordance with the Guidelines on Alternative Performance Measures (APMs) published by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057), the appendices hereto provide the definition of certain alternative financial measures and, where appropriate, the reconciliation with the items contained on the financial statements for the period in question.

In accordance with the Amendments to IFRS 4: *Applying IFRS 9 Financial Instruments*, the adoption of IFRS 9 can be deferred for insurers that belong to a financial conglomerate. In fact, the Group has decided to apply temporary exemption from IFRS 9 in respect of the financial investments of the Group's insurance firms for all periods that come before 1 January 2021 as it awaits the entry into force of the new IFRS 17: Insurance Contracts, which will govern the presentation and measurement of insurance contracts (including technical provisions). Accordingly, the information shown below does not reflect the change of accounting policy in relation to the investments undertaken by the Group's insurance firms, which are grouped under the heading 'Assets associated with the insurance businesses on the balance sheet. For the purpose of facilitating the comparison of information, the balances of the technical provisions corresponding to Unit Link and Flexible Investment Life Annuity (the part managed) have also been reclassified, in order to include them under the heading "Liabilities under the insurance business".

Commercial positioning

CaixaBank Group

15.6
million customers

29.3%
market penetration among individual customers in Spain

26.3%
market penetration as main bank among individual customers in Spain

404,136
in total assets (€ million)

369,463
in customer funds (€ million)

226,432
in loans and advances to customers (€ million)

Balance sheet indicators

LIQUIDITY

86,018
in total liquid assets (€ million)

198%
liquidity coverage ratio (LCR), average 12 months

CAPITAL ADEQUACY

11.6%
CET1

15.3%
Total Capital

RISK MANAGEMENT

4.6%
NPL ratio

54%
NPL coverage ratio

Profitability and cost-to-income

533
profit attributable to the Group (€ million)

415 Banking and insurance business

60 Equity investments

58 BPI

54.4%
cost-to-income ratio, stripping out extraordinary expenses

8.7%
ROTE

9.9%
recurring ROTE for the banking and insurance business

Key Group figures

€ million / %	January - March 2019	January - March 2018	Change
INCOME STATEMENT			
Net interest income	1,237	1,203	2.9%
Net fee and commission income	612	625	(2.2%)
Gross income	2,109	2,262	(6.8%)
Recurring administrative expenses, depreciation and amortisation	(1,204)	(1,149)	4.7%
Pre-impairment income	905	1,110	(18.5%)
Profit/(loss) attributable to the Group	533	704	(24.3%)
INDICATORS OF PROFITABILITY (Last 12 months)			
Cost-to-income ratio	54.7%	53.9%	0.8
Cost-to-income ratio stripping out extraordinary expenses	54.4%	52.7%	1.7
ROE[1]	7.1%	8.1%	(1.0)
ROTE[1]	8.7%	9.8%	(1.1)
ROA	0.4%	0.5%	(0.1)
RORWA	1.2%	1.3%	(0.1)

OTHER INDICATORS	March 2019	December 2018	Change
BALANCE SHEET			
Total assets	404,136	386,622	4.5%
Equity	24,750	24,058	2.9%
Customer funds	369,463	358,482	3.1%
Loans and advances to customers, gross	226,432	224,693	0.8%
RISK MANAGEMENT			
Non-performing loans (NPL)	10,983	11,195	(212)
Non-performing loan ratio	4.6%	4.7%	(0.1)
Cost of risk (last 12 months)	0.03%	0.04%	(0.01)
Provisions for insolvency risk	5,908	6,014	(106)
NPL coverage ratio	54%	54%	-
Net foreclosed available for sale real estate assets[2]	813	740	73
Foreclosed available for sale real estate assets coverage ratio	39%	39%	-
LIQUIDITY			
Total Liquid Assets	86,018	79,530	6,488
Liquidity Coverage Ratio (last 12 months)	198%	196%	2
Net Stable Funding Ratio (NSFR)	121%	117%	4
Loan to deposits	102%	105%	(3)
CAPITAL ADEQUACY			
Common Equity Tier 1 (CET1)	11.6%	11.5%	0.1
Tier 1	13.1%	13.0%	0.1
Total capital[3]	15.3%	15.3%	-
Risk-Weighted Assets (RWAs)[3]	148,777	145,942	2,835
Leverage ratio	5.5%	5.5%	-
SHARE INFORMATION			
Share price (€/share)	2.784	3.164	(0.380)
Market capitalization	16,642	18,916	(2,274)
Book value per share (€/share)	4.14	4.02	0.12
Tangible book value per share (€/share)	3.42	3.30	0.12
Net income attributable per share (€/share) (12 months)	0.29	0.32	(0.03)
PER (Price/Profit)	9.68	9.95	(0.27)
Tangible PBV (Market value/ book value of tangible assets)	0.81	0.96	(0.15)
OTHER DATA (units)			
Employees	37,503	37,440	63
Branches[4]	5,033	5,103	(70)

(1) As of 2019, ROTE and ROE calculation includes valuation adjustments in the denominator, 2018 re-expressed. See 'Appendices-Glossary'.
(2) Exposure in Spain.
(3) Data at December 2018 updated using the latest official information.
(4) Does not include branches outside Spain and Portugal or representative offices.

Key information

The vision of **CaixaBank's new Strategic Plan is to be a leading and highly innovative financial group** with the best customer service, while making it a benchmark for socially responsible banking. The Strategic Plan (2019-2021) lines are as follows:

Customer experience

- Unique omnichannel distribution platform with multi-product capabilities that continuously evolves to anticipate customer needs and preferences.

  With upwards of **13.7 million customers in Spain**, CaixaBank is the main bank for one out of every four retail customers. It has a market penetration[1] among individual customers of 29.3% and for 26.3% CaixaBank is their main bank.

  Our service vocation helps us establish solid market shares[2] in the main products and services:

Loans	Deposits	Payroll deposits	Investment funds	Saving insurances	Pension plans	Card turnover	Consumer lending
15.7%	15.2%	26.9%	17.0%	27.3%	24.6%	23.4%	16.2%

  Named **Best Bank** in Spain in the first quarter of 2019 by Global Finance for the fifth year in a row.

  Global Finance also acknowledges CaixaBank as the **Best Bank in Western Europe**, assessing factors such as growth, financial soundness and product and service innovation.

- BPI also boasts a customer base of over **1.9 million customers in Portugal**, with a market share[3] of 10.2% in lending activity and 11.0% in customer funds.

Digital transformation

- CaixaBank continues to strengthen its **leadership of the digital banking market** with 58.5% **digital customers**[4] in Spain (6.1 million customers).
- The world's first financial institution to offer its customers the ability to use **facial recognition** to withdraw cash at ATMs, without having to enter their PIN. Based on biometric technology, it offers an enhanced user experience and provides further security in transactions.

People centric culture

- **Our staff** is the heart of the organisation and employ new working methods that are more flexible and collaborative.
- CaixaBank has been added to the **2019 Bloomberg Gender-Equality Index**, which distinguishes companies committed to transparency in gender reporting and advancing equality between men and women in the workplace.

(1) Latest information available. Source: FRS Inmark.

(2) Latest information available. Market shares in Spain. Data prepared in-house. Source: Bank of Spain, Social Security, INVERCO, ICEA and Sistemas de tarjeta y medios de pago. Lending and deposits market share corresponding to the resident private sector.

(3) Latest information available. Data prepared in-house (includes deposits, mutual funds, capitalisation insurance, PPRs and OTRVs). Source: Banco de Portugal, APS, APFIPP.

(4) Individual customers between 20-74, with at least one transaction in CaixaBank Now in the last 12 months.

Responsible management and social commitment

- Featured on the main **sustainability indexes**: Dow Jones Sustainability Index, FTSE4Good, Ethibel Sustainability Index Excellence Europe, MSCI Global Sustainability Indexes and Advanced Sustainable Performance Indices.
- Merco named CaixaBank the **Best financial sector institution** in Spain **in corporate social responsibility and corporate governance** in 2018.

Attractive return and solid financials

Results and business activity

- **Attributable profit for the first quarter of 2019 reached €533 million** (-24.3% year on year).

  Performance is mainly impacted by the drop in the share of profits of entities accounted for using the equity method (-59.6%), which was a consequence of **not accounting for Repsol's and BFA's profits** and the lower gains on financial assets and liabilities and others, which in the **first quarter of 2018 included the revaluation of Viacer**. **When excluding these effects, the profit for 2019 grew 4.3% on the prior year** (€511 million).

- Total **funds** grew to €369,463 million (+**3.1% in 2019**).
- **Total loans and advances to customers, gross** came to €226,432 million (+0.8% in the year), while **the performing portfolio was up 0.9%**.

Risk management

- NPLs were down €212 million in the quarter, bringing the **NPL ratio** down to **4.6%** (-13 basis points in the quarter).
- The **coverage ratio** remains at **54%**.

Capital management

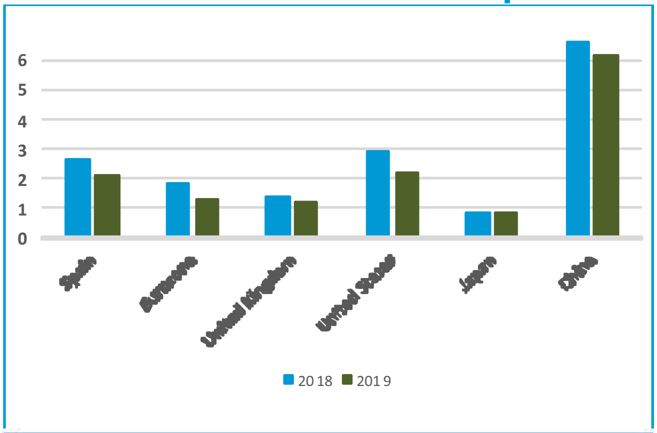
- The **Common Equity Tier 1 (CET1) ratio stands at 11.6% at 31 March 2019**. Stripping out the non-recurring impacts of higher capital requirements as per IFRS 16 and on financing of real estate assets, -11 and -5 basis points, respectively, the quarter's growth was +13 basis points from organic capital generation and +12 basis points mainly due to the evolution of the markets and other impacts.
- CaixaBank has received the notification from the Bank of Spain that establishes the minimum MREL requirement to 22.5% for 1 January 2021. Currently, the volume of subordinated instruments, including senior non-preferred debt, stands at 17.5%. However, the resolution authority also accounts for other instruments, such as the senior preferred debt and other pari-passu liabilities, the ratio thus reaching 20.2%.
- The **Tier 1** ratio was **13.1%.** Since the last year, the Group has maintained 1.5% of AT1 instruments, in accordance with the provisions of Pillar 1 of the equity regulations.
- The **Total Capital ratio** stood at **15.3%**.
- Meanwhile, the leverage ratio was 5.5%.

From 1 January 2019, CaixaBank's capital ratios in a fully-loaded perspective are equal to the regulatory ratios.

Macroeconomic trends
and state of the financial markets

Global economic outlook

The first quarter's indicators of **global activity** reflect that the pace of economic activity is easing, mainly due to the impact of negative seasonal factors in the advanced economies, such as the shutdown of the US Federal Government together with the bad weather in the United States and the hardships experienced in the automotive sector within the eurozone. All in all, the estimated global growth rate will be similar to that of the fourth quarter of 2018 (approximately 3.3%), as the slowdown in advanced economies is being compensated by the slight improvement in the emerging economies. Among the advanced economies, highlights included the fact that the pace of the economic activity of the United States is easing at the beginning of 2019. This trend will continue, with some difficulties, in the rest of the year, as the momentum created by the tax measures implemented at the end of 2017 and the beginning of 2018 will dwindle in the upcoming quarters.



GDP[1], main economies
Annual change (%)

Overall, the indicators consolidate the macroeconomic scenario forecast by CaixaBank Research, which expects a slight slowdown in world growth from 3.6% in 2018 to 3.2% in 2019. In spite of this reasonable growth rate, the downside risk factors play a predominant role in this scenario, such as the high global geopolitical uncertainty and the doubts regarding China's performance in 2019; in recent months the trade tensions between the United States and China have eased.

(1) Forecasts for 2019 made by CaixaBank Research.

Given that the global prospects are cooling off for the entire year, the main central banks have started to adjust their positions. As a result of the limited inflationary pressures in the United States and the aforementioned slowdown, the Federal Reserve continued asking for patience, as it has been doing since the beginning of the year, and maintained the reference rate between 2.25%-2.50%.

Economic scenario - Europe, Spain and Portugal

Within the **eurozone**, the indicators of economic activity and confidence in the first quarter of 2019 showed a slight improvement on the last quarter of 2018, and they are in line with the dynamics of a moderate growth. Therefore, it is expected that the European economy grows moderately in the first half of the year (slightly below 1.0% year-on-year) and slightly accelerates in the second half, provided that the seasonal impacts ease, that a constructive solution is given to the Brexit, that the trade tensions drop and that the automotive sector progresses towards a full alignment with the new regulations. In this context, the ECB, despite interpreting the causes of the European slowdown as temporary, emphasised its intention of not changing the interest rates at least until the end of 2019 (in previous meetings the specified date was until after the summer of 2019) and announced a new set of TLTROs as of September, with a quarterly issue up to March 2021.

Turning to **Spain**, the nation's economy remains in reasonably good health. Activity indicators suggest that the economy is weathering the economic slowdown better than the other members in the eurozone and that GDP growth for the first quarter could be roughly on par with the levels reported in the previous quarter, i.e. at around 2.3% year on year. The internal demand is benefitting from positive labour dynamics and the real estate sector's recovery. The public deficit stood at 2.6% of the GDP in 2018, down half a percentage point in a year, so Spain will no longer show an excessive deficit soon. We expect it to drop 3 tenths more this year due to cyclical effects. Against this backdrop, CaixaBank Research maintains its growth prediction of 2.1% for 2019.

Moving across to **Portugal,** the economy slowed down and closed in 2018 with a growth of 2.1%. At the beginning of 2019, indicators show that the growth rate remained slightly below 2% in the first quarter, similar to the rate registered in the fourth quarter of 2018 (1.7%). The growth is expected to remain in similar figures in the coming quarters, as the lower impetus of internal demand -the labour market is close to full employment- will be accompanied by a positive performance of the external sector. As a whole, we expect a growth of 1.8% for 2019. As far as the public accounts are concerned, they continue to improve.

State of the financial markets

The year 2019 kicked off with renewed optimism in the **markets**, with major developments in the main world exchanges. The Dow Jones (+11.2%), the S&P 500 (+13.1%) and the EURO STOXX 50 (+11.7%) closed the quarter with a double-digit growth; the IBEX 35 also rose 8.2% in the first quarter of the year. To a certain extent, the weakness experienced in the fourth quarter of 2018 helped the markets recover in the first quarter, as it helped ease the main factors behind the turbulences. On the one hand, the lower impetus of the global economy fed the expectation that the rise of interest rates in the United States would be delayed; this expectation, in turn, gave place to a stock market rally in the first quarter, which was supported by the Fed's recent decision to maintain stable rates between 2.25% - 2.50%, while ruling out any changes in 2019. On the other hand, the plummeting of the US stock exchange at the end of 2018 could have contributed to discouraging the Trump administration's protectionist push.

In Europe, the Wall Street's bullish trend, the positive business results and the easing of political tensions in Italy maintained the investors' sentiment despite the weak macroeconomic data and the uncertainty surrounding the Brexit. With regard to the European banking sector, it also closes the quarter with positive figures (+7.1%), although with a more subdued trend than the EURO STOXX 50, mainly reflecting the ECB's announcement in March, postponing even further the interest rate increases and announcing new TLTROs, as well as lowering the macroeconomic expectations for the eurozone.

Furthermore, the sovereign interest rates, which remained relatively stable until February, fell in March after the meetings held by the main central banks. In the USA and Germany they fell to levels not seen since the end of 2017 and 2016, respectively, with the return of the Bund entering negative figures. The Brent maintained its upward trend reaching 68 dollars/barrel, favoured by the cuts in crude oil production announced by the OPEC and its partners.

Results

The Group's income statement

Year-on-year and quarterly performance

€ million	2019	2018	%	4Q18	%
Net interest income	**1,237**	**1,203**	**2.9**	**1,236**	**0.1**
Dividend income	10	5		24	(58.7)
Share of profit/(loss) of entities accounted for using the equity method	107	266	(59.6)	101	6.7
Net fee and commission income	612	625	(2.2)	645	(5.2)
Gains/(losses) on financial assets and liabilities and others	48	136	(65.6)	(45)	
Income and expense under insurance or reinsurance contracts	130	138	(5.8)	132	(1.5)
Other operating income and expense	(35)	(111)	(68.6)	(227)	(84.7)
Gross income	**2,109**	**2,262**	**(6.8)**	**1,866**	**13.0**
Recurring administrative expenses, depreciation and amortisation	(1,204)	(1,149)	4.7	(1,168)	3.1
Extraordinary expenses		(3)		(13)	
Pre-impairment income	**905**	**1,110**	**(18.5)**	**685**	**32.2**
Pre-impairment income stripping out extraordinary expenses	**905**	**1,113**	**(18.7)**	**698**	**29.7**
Allowances for insolvency risk	(123)	(139)	(11.2)	(47)	
Other charges to provisions	(48)	(50)	(6.3)	(143)	(66.7)
Gains/(losses) on disposal of assets and others	(16)	(2)		(258)	(93.7)
Profit/(loss) before tax	**718**	**919**	**(21.9)**	**237**	
Income tax expense	(185)	(182)	1.4	8	
Profit/(loss) after tax	**533**	**737**	**(27.7)**	**245**	
Profit/(loss) attributable to minority interest and others		33		28	
Profit/(loss) attributable to the Group	**533**	**704**	**(24.3)**	**217**	

- **Attributable profit for the first quarter of 2019 amounts to €533 million**, -24.3% when compared to the same period in 2018.

  The **gross income** stands at €2,109 million boosted by the growth in core income[1], €2,027 million in 2019 (+0.9%).

  The drop in gross income (-6.8%) is mainly due to the reduction in the **share of profits of entities accounted for using the equity method** (-59.6%), which was a consequence of not accounting for Repsol's (after the sale agreement) and BFA's (after re-estimating the significant influence and its accounting reclassification at the end of 2018[2]) profits and **the lower extraordinary gains on financial assets and liabilities and others in** 2019 (-65.6%).

  Recurring administrative expenses, depreciation and amortisation increased 4.7%.

  Allowances for insolvency risk and **other charges to provisions** were down 9.9% when compared to last year.

- The **quarterly change** is marked by an increase in **gross income** of 13.0%, among other factors, due to higher earnings on financial assets and liabilities and to the contribution of €-228 million paid to the Deposit Guarantee Fund in the previous quarter.

  Recurring administrative expenses, depreciation and amortisation were up 3.1%.

  The greater **Allowances for insolvency risk** and lower **charges to provisions** were both down to a number of one-off impacts in the previous quarter.

(1) Includes net interest income, fee and commission income, income from the life-risk insurance business, the result of using the equity method for SegurCaixa Adeslas and income from the insurance investees of BPI.

(2) From Investments in joint ventures and associates to Financial assets at fair value with changes in other comprehensive income.

The change in **Gains/(losses) on disposal of assets and others** is explained by the negative result of €154 million due to the change of accounting classification of the stake in BFA registered in the previous quarter, after re-estimating the Group's significant influence on said stake, as well as the completion of the deal to sell the real estate business.

Returns on average total assets[1]

In %	1Q19	4Q18	3Q18	2Q18	1Q18
Interest income	1.76	1.81	1.77	1.83	1.83
Interest expense	(0.49)	(0.53)	(0.50)	(0.55)	(0.54)
Net interest income	**1.27**	**1.28**	**1.27**	**1.28**	**1.29**
Dividend income	0.01	0.02	0.00	0.12	0.01
Share of profit/(loss) of entities accounted for using the equity method	0.11	0.10	0.23	0.25	0.29
Net fee and commission income	0.63	0.67	0.66	0.70	0.67
Gains/(losses) on financial assets and liabilities and others	0.05	(0.05)	0.03	0.16	0.15
Income and expense under insurance or reinsurance contracts	0.13	0.14	0.14	0.15	0.15
Other operating income and expense	(0.03)	(0.23)	(0.03)	(0.17)	(0.13)
Gross income	**2.17**	**1.93**	**2.30**	**2.49**	**2.43**
Recurring administrative expenses, depreciation and amortisation	(1.24)	(1.21)	(1.19)	(1.20)	(1.24)
Extraordinary expenses	0.00	(0.01)	0.00	(0.01)	0.00
Pre-impairment income	**0.93**	**0.71**	**1.11**	**1.28**	**1.19**
Pre-impairment income stripping out extraordinary expenses	**0.93**	**0.72**	**1.11**	**1.29**	**1.19**
Allowances for insolvency risk	(0.13)	(0.05)	0.20	(0.11)	(0.15)
Other charges to provisions	(0.05)	(0.15)	(0.04)	(0.24)	(0.05)
Gains/(losses) on disposal of assets and others	(0.01)	(0.27)	(0.42)	(0.07)	0.00
Profit/(loss) before tax	**0.74**	**0.24**	**0.85**	**0.86**	**0.99**
Income tax expense	(0.19)	0.01	(0.33)	(0.23)	(0.20)
Profit/(loss) after tax	**0.55**	**0.25**	**0.52**	**0.63**	**0.79**
Profit/(loss) attributable to minority interest and others	0.00	0.03	0.04	0.01	0.03
Profit/(loss) attributable to the Group	**0.55**	**0.22**	**0.48**	**0.62**	**0.76**
Average total net assets (€ million)	393,767	384,500	388,276	385,155	377,143

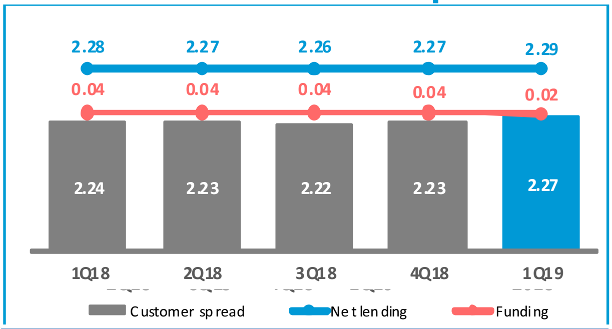
(1) Annualised quarterly income/cost to total average assets.

Gross income

Net interest income

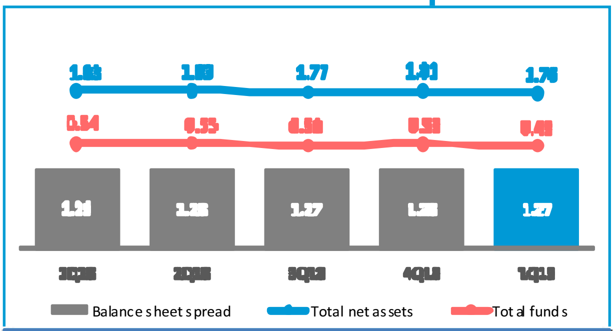
- The Group's **net interest income in the first quarter** of 2019 totalled €1,237 million (+2.9% on the same period in 2018) mainly boosted by the increase of income from loans and lower funding expenses.

- In the environment of continued low interest rates, this growth is due to:
  - Higher income from loans mainly due to a rise in volume and a change in the product mix towards higher performing products.
  - Sound management of retail financing, which involved a reduction of the cost after cancelling retail subordinated debt in June 2018 and of 4 basis points in the cost of maturity deposits.



Customer spread, Group
(%)

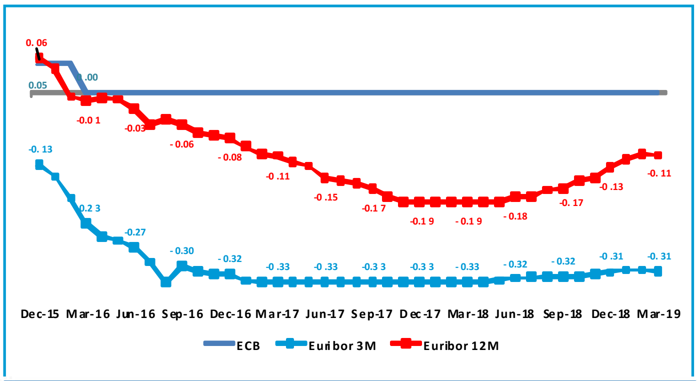
- Net interest income grew €1 million **quarter on quarter** due to:
  - Increase of the net financial income / costs of other assets with returns and other liabilities with cost, mainly due to the greater contribution of the insurance business and a non-recurring and neutral adjustment in the previous quarter's income statement (lower net interest income and lower charges to provisions) resulting from updating the pension liabilities.
  - A reduction in the cost of retail deposits, in both demand deposits and maturity deposits, and an increase in the cost of wholesale funding.



Balance sheet spread on average total assets, Group
(%)

The **customer spread** in the first quarter went up 4 basis points to 2.27%, following the increase in the return on lending activity and, to a lesser extent, reduction in the cost of deposits.

The **balance sheet spread** drops one basis point to 1.27%, mainly explained by a rise of liquidity remunerated at negative interest rates and an increase in the fixed-income portfolio.



Interest rates
(%)

Quarterly cost and income

€ million		1Q19 Average balance	1Q19 Income or expense	1Q19 Rate %	4Q18 Average balance	4Q18 Income or expense	4Q18 Rate %	3Q18 Average balance	3Q18 Income or expense	3Q18 Rate %
Financial Institutions		23,555	44	0.76	20,980	45	0.85	23,981	45	0.74
Loans and advances	(a)	210,726	1,188	2.29	208,608	1,195	2.27	208,805	1,190	2.26
Fixed income securities portfolio		39,323	90	0.93	36,067	90	1.00	35,261	92	1.03
Other assets with returns		56,592	383	2.75	54,478	416	3.03	54,667	393	2.85
Other assets		63,571	6		64,367	8		65,562	8	
Total average assets	**(b)**	**393,767**	**1,711**	**1.76**	**384,500**	**1,754**	**1.81**	**388,276**	**1,728**	**1.77**
Financial Institutions		42,505	(62)	0.60	41,475	(51)	0.49	43,893	(51)	0.46
Retail customer funds	(c)	205,680	(13)	0.02	203,366	(20)	0.04	204,189	(18)	0.04
Demand deposits		173,969	(9)	0.02	171,236	(11)	0.03	170,106	(9)	0.02
Maturity deposits		31,711	(4)	0.05	32,130	(9)	0.12	34,083	(9)	0.11
Time deposits		29,004	(4)	0.06	29,343	(9)	0.13	31,022	(9)	0.12
Retail repurchase agreements and marketable debt securities		2,706			2,787			3,061		
Wholesale marketable debt securities & other		26,734	(61)	0.92	25,935	(62)	0.95	25,941	(65)	1.00
Subordinated liabilities		5,400	(18)	1.36	5,723	(21)	1.44	6,150	(24)	1.55
Other funds with cost		65,286	(307)	1.91	63,100	(352)	2.21	63,557	(320)	2.00
Other funds		48,162	(13)		44,901	(12)		44,546	(11)	
Total average funds	**(d)**	**393,767**	**(474)**	**0.49**	**384,500**	**(518)**	**0.53**	**388,276**	**(489)**	**0.50**
Net interest income			**1,237**			**1,236**			**1,239**	
Customer spread (%)	**(a-c)**		**2.27**			**2.23**			**2.22**	
Balance sheet spread (%)	**(b-d)**		**1.27**			**1.28**			**1.27**	

€ million		2Q18 Average balance	2Q18 Income or expense	2Q18 Rate %	1Q18 Average balance	1Q18 Income or expense	1Q18 Rate %
Financial Institutions		22,360	43	0.76	17,577	43	1.00
Loans and advances	(a)	208,857	1,182	2.27	207,592	1,169	2.28
Fixed income securities portfolio		34,365	98	1.14	33,160	85	1.04
Other assets with returns		55,369	431	3.12	52,152	400	3.11
Other assets		64,204	5		66,662	8	
Total average assets	**(b)**	**385,155**	**1,759**	**1.83**	**377,143**	**1,705**	**1.83**
Financial Institutions		44,052	(48)	0.44	45,019	(45)	0.40
Retail customer funds	(c)	198,910	(18)	0.04	190,216	(17)	0.04
Demand deposits		164,979	(9)	0.02	155,860	(9)	0.02
Maturity deposits		33,931	(9)	0.11	34,357	(8)	0.09
Time deposits		31,849	(9)	0.11	32,859	(7)	0.09
Retail repurchase agreements and marketable debt securities		2,082			1,497	(1)	
Wholesale marketable debt securities & other		27,200	(66)	0.97	28,246	(69)	0.99
Subordinated liabilities		7,404	(33)	1.77	6,114	(32)	2.14
Other funds with cost		63,780	(356)	2.24	63,023	(328)	2.11
Other funds		43,809	(9)		44,525	(11)	
Total average funds	**(d)**	**385,155**	**(530)**	**0.55**	**377,143**	**(502)**	**0.54**
Net interest income			**1,229**			**1,203**	
Customer spread (%)	**(a-c)**		**2.23**			**2.24**	
Balance sheet spread (%)	**(b-d)**		**1.28**			**1.29**	

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 TLTRO II income. Conversely, the heading financial intermediaries on the liabilities side shows the negative interest on the balances of financial intermediaries on the assets side. Only the net amount between income and expense for both headings has economic significance.
- "Other assets with returns" and "Other funds with cost" relate largely to the Group's life insurance activity.
- The balances of all headings except "other assets" and "other funds" correspond to balances with returns/cost. "Other assets" and "other 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.
- Until the fourth quarter of 2018, BPI's interest rate hedges were accounted for at net value in the Other funds heading. As of the first quarter of 2019, the presentation criteria has been unified with the rest of the Group's, and the impacts are recognised in the headings that include the hedged elements. The overall net impact of the hedges have remained the same in 1Q19 as in 4Q18; however, the reclassification has had a positive impact on Maturity deposits and Other funds and a negative impact on Fixed income securities portfolio and Loans and advances with returns.

Fees and commissions

- **Fee and commission income reached €612 million**, -2.2.% on the same period of the previous year:
  - **Banking services, securities and other fees** amounted to €352 million, remaining stable when compared to 2018. This includes income on securities transactions and fees on other transactions, as well as fees relating to risk activities, deposit management, payment methods and investment banking. The quarterly change is down to the reduction in fees from the investment banking activity and a lower number of days in the first quarter.
  - The **fees and commissions from sale of insurance products** dropped when compared to 2018 (-10.0%), which included, among others, non-recurring income. Positive performance when compared to the previous quarter (+3.8%).
  - **Commissions from mutual funds, managed accounts and SICAVs** came to €127 million (-4.0%). This change was impacted by, among other factors, the reduction of the average net assets managed as a result of the negative market effect in the end of 2018. In addition to a reduction of the average net assets, the change with respect to the fourth quarter is due to a lower number of days.
  - **Commissions from managing pension plans stand at €51 million** (-10.6%). This year-on-year change was impacted by, among other factors, the entry into force of the limitation in pension plan management fees (MiFID II) and the product mix. The change in the quarter (-7.3%) was partly down to the number of days and other one-off fees and commissions in the fourth quarter.
  - Growth in **Unit Link fees and commissions** in the year (+19.8%) and in the quarter (+8.8%).

€million	2019	2018	Year-on-year %	1Q19	4Q18	3Q18	2Q18	1Q18
Banking services, securities and other fees	352	353	(0.2)	352	375	371	389	353
Sale of insurance products	55	61	(10.0)	55	52	52	62	61
Mutual funds, managed accounts and SICAVs	127	132	(4.0)	127	137	141	142	132
Pension plans	51	57	(10.6)	51	56	54	50	57
Unit Link and other[1]	27	22	19.8	27	25	27	25	22
Net fee and commission income	**612**	**625**	**(2.2)**	**612**	**645**	**645**	**668**	**625**

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

Income from equity investments

- **Dividend income** included €104 million from Telefónica in the second quarter of 2018. The fourth quarter of 2018 included a dividend of €23 million for the remaining investment in Repsol.
- The **share of profits of entities accounted for using the equity method** drops €159 million (-59.6%) on the same period of the previous year, mainly due to not accounting for Repsol's and BFA's profits in 2019 (€63 and €100 million accounted for in 2018, respectively).

€million	2019	2018	Year-on-year %	1Q19	4Q18	3Q18	2Q18	1Q18
Dividend income	10	5		10	24	1	116	5
Share of profit/(loss) of entities accounted for using the equity method	107	266	(59.6)	107	101	222	237	266
Income from equity investments	**117**	**271**	**(56.4)**	**117**	**125**	**223**	**353**	**271**

Gains/(losses) on financial assets and liabilities and others

- **Gains/(losses) on financial assets and liabilities and others** amounted to €48 million (-65.6%).

  The year-on-year performance is impacted mainly by accounting for the repricing of BPI's stake in Viacer in relation to the divestment process and the materialisation of unrealised capital gains on financial assets available for sale, both in the first quarter of 2018.

  Further gains when compared to the previous quarter, which was impacted by the negative development of the markets.

€million	2019	2018	Year-on-year %	1Q19	4Q18	3Q18	2Q18	1Q18
Gains/(losses) on financial assets and liabilities	48	136	(65.6)	48	(45)	30	157	136

Income and expense under insurance and reinsurance contracts

- The income from life-risk insurance business stands at €130 million, -5.8% in the year and -1.5% on the previous quarter, impacted among other effects, by the different timing in product roll out.

€million	2019	2018	Year-on-year %	1Q19	4Q18	3Q18	2Q18	1Q18
Income/expense under insurance or reinsurance contracts	130	138	(5.8)	130	132	137	144	138

Other operating income and expenses

- At the end of the first quarter of 2019, **Other operating income and expenses** amounted to €-35 million, impacted by lower real estate expenses (Property Tax and maintenance and management costs from the portfolio of foreclosed assets), as a result of the sale of the real estate business in the fourth quarter of 2018.

  The heading includes, among other items, income and expenses at non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes. With regard to the latter, its timing generates a seasonal impact on the quarterly performance under this heading:

  - Recognition in the first quarter of each year of an estimation of the Spanish property tax that will likely accrue (estimated at €16 million for 2019 on the €48 million in 2018).
  - Contribution to the Deposit Guarantee Fund (DGF) of €228 million reported in the previous quarter.
  - The second quarter of 2018 included the contribution to the Single Resolution Fund of €97 million.

€million	2019	2018	Year-on-year %	1Q19	4Q18	3Q18	2Q18	1Q18
SRF / DGF					(228)		(97)	
Other real estate operating income and expense (including Spanish property tax)	(12)	(87)		(12)	(29)	3	(34)	(87)
Other	(23)	(24)	(4.2)	(23)	30	(30)	(28)	(24)
Other operating income and expense	(35)	(111)	(68.6)	(35)	(227)	(27)	(159)	(111)

Administration expenses, depreciation and amortisation

- **Recurring administrative expenses, depreciation and amortisation** stood at €1,204 million (+4.7%), impacted by:
  - Personnel expenses rose by 4.6% due to their organic increase.
  - General expenses dropped 1.5% when compared to the same period of the previous year due, among other factors, to the coming into force of the IFRS 16 (€37 million). Excluding this effect, increased expenditure due to the transformation of the distribution model (store branches, InTouch), greater expenditure on technology, and new regulatory requirements have an impact on its growth.
  - Depreciations and amortisations rose 25.5% mainly as a result of the coming into force of the IFRS 16, which involves the recognition and subsequent amortisation of leased property usage rights, and is mainly compensated by a reduction of general expenses.

  With respect to the previous quarter, the Property Tax on own buildings for €7 million reported in the first quarter also had an impact.

€million	2019	2018	Year-on-year %	1Q19	4Q18	3Q18	2Q18	1Q18
Gross income	2,109	2,262	(6.8)	2,109	1,866	2,247	2,392	2,262
Personnel expenses	(764)	(731)	4.6	(764)	(733)	(741)	(732)	(731)
General expenses	(312)	(317)	(1.5)	(312)	(331)	(320)	(324)	(317)
Depreciation and amortisation	(128)	(101)	25.5	(128)	(104)	(101)	(99)	(101)
Recurring administrative expenses, depreciation and amortisation	**(1,204)**	**(1,149)**	**4.7**	**(1,204)**	**(1,168)**	**(1,162)**	**(1,155)**	**(1,149)**
Extraordinary expenses		(3)			(13)	(3)	(5)	(3)

Cost-to-income ratio[1]	1Q19	4Q18	3Q18	2Q18	1Q18
Cost-to-income ratio (%)	54.7	53.1	53.3	53.1	53.9
Cost-to-income stripping out extraordinary expenses (%)	54.4	52.9	53.2	53.0	52.7
Core cost-to-income ratio[2] (%)	56.9	56.4	56.3	56.5	56.5

(1) Last 12 months.

(2) Recurring administrative expenses, depreciation and amortisation divided by Core income (last 12 months). See 'Annexes – Glossary'.

Allowances for insolvency risk and other charges to provisions

- **Loan loss provisions** totalled €123 million, -11.2% on the same period of the previous year.

  The following one-off impacts affected performance throughout the quarters:

  - Reversal of some €275 million in provisions in the third quarter of 2018 to update the recoverable value of the Group's exposure to a large borrower.
  - In the fourth quarter of 2018 a positive one-off impact of €78 million after reviewing the expected credit losses associated with the credit risk adjustments made at the time BPI was acquired (€+22 million in the first quarter of 2019).

  The **cost of risk (12 months) stands at 0.03%** (0.15% without taking into account the aforementioned reversion of €275 million).

- **Other charges to provisions** shows mainly the coverage of future contingencies and impairment of other assets.

  The second quarter of 2018 includes the recognition of €-152 million resulting from the difference between the repurchase price from TPG for 51% of the servicer and the fair value assigned to this holding. In the fourth quarter, it includes the recognition of €-53 million in connection with early retirements and, among other impacts, impairment due to the adjustments made to the recoverable value of certain assets.

€million	2019	2018	Year-on-year %	1Q19	4Q18	3Q18	2Q18	1Q18
Allowances for insolvency risk	(123)	(139)	(11.2)	(123)	(47)	198	(109)	(139)
Other charges to provisions	(48)	(50)	(6.3)	(48)	(143)	(44)	(233)	(50)
Allowances for insolvency risk and other charges to provisions	**(171)**	**(189)**	**(9.9)**	**(171)**	**(190)**	**154**	**(342)**	**(189)**

Gains/(losses) on disposal of assets and others

- **Gains/(losses) on disposal of assets and others** includes, essentially, the results of individual operations resulting from the sales of assets and write-offs. The change here was a result of:

  - Real estate results affected in 2018 by the sale of the real estate business. In the fourth quarter this heading included the formalisation of this sale (including expenses, taxes and other costs) for the amount of €-60 million, and, in the second quarter, €-52 million due to the impairment of 49% of shares previously held in Servihabitat to adjust its book value to the new fair value.
  - In the last quarter of 2018, the heading Others includes the result of €-154 million resulting from the change in accounting classification of the equity holding in BFA.

    In the third quarter the negative result arising from the agreement to sell the Repsol stake (€-453 million) and also the profit from the sale of the acquiring business (point of sale terminals) from BPI to Comercia Global Payments (€58 million).

€ million	2019	2018	1Q19	4Q18	3Q18	2Q18	1Q18
Real estate results	(10)	2	(10)	(64)	(2)	(53)	2
Others	(6)	(4)	(6)	(194)	(405)	(15)	(4)
Gains/(losses) on disposal of assets and others	**(16)**	**(2)**	**(16)**	**(258)**	**(407)**	**(68)**	**(2)**

Business activity

Balance sheet

Total assets of the Group stood at €404,136 million at 31 March 2019 +4.5% in the quarter:

€ million	Mar 31, 2019	Dec 31, 2018	Change	Change %
- Cash and cash balances at central banks and other demand deposits	23,857	19,158	4,699	24.5
- Financial assets held for trading	10,434	9,810	624	6.4
- Financial assets not designated for trading compulsorily measured at fair value through profit or loss	638	704	(66)	(9.4)
Equity instruments	*219*	*232*	*(13)*	(5.6)
Debt securities	*91*	*145*	*(54)*	(37.2)
Loans and advances	*328*	*327*	*1*	0.3
- Financial assets at fair value with changes in other comprehensive income	26,145	21,888	4,257	19.4
- Financial assets at amortised cost	245,357	242,582	2,775	1.1
Credit institutions	*8,533*	*7,555*	*978*	12.9
Customers	*219,713*	*217,967*	*1,746*	0.8
Debt securities	*17,111*	*17,060*	*51*	0.3
- Derivatives - Hedge accounting	2,025	2,056	(31)	(1.5)
- Investments in joint ventures and associates	3,991	3,879	112	2.9
- Assets under the insurance business[1]	65,270	61,688	3,582	5.8
- Tangible assets[2]	7,414	6,022	1,392	23.1
- Intangible assets	3,850	3,848	2	0.1
- Non-current assets and disposal groups classified as held for sale	1,290	1,239	51	4.1
- Other assets	13,865	13,748	117	0.9
Total assets	**404,136**	**386,622**	**17,514**	**4.5**
Liabilities	**379,386**	**362,564**	**16,822**	**4.6**
- Financial liabilities held for trading	9,705	9,015	690	7.7
- Financial liabilities at amortised cost	294,937	282,460	12,477	4.4
Deposits from central banks and credit institutions	*41,831*	*37,440*	*4,391*	*11.7*
Customer deposits	*214,189*	*210,200*	*3,989*	*1.9*
Debt securities issued	*33,265*	*29,244*	*4,021*	*13.7*
Other financial liabilities	*5,652*	*5,576*	*76*	*1.4*
- Liabilities under the insurance business[1]	63,779	60,452	3,327	5.5
- Provisions	4,421	4,610	(189)	(4.1)
- Other liabilities	6,544	6,027	517	8.6
Equity	**24,750**	**24,058**	**692**	**2.9**
- Shareholders' equity[3]	25,832	25,384	448	1.8
- Minority interest	30	29	1	3.4
- Accumulated other comprehensive income[3]	(1,112)	(1,355)	243	(17.9)
Total liabilities and equity	**404,136**	**386,622**	**17,514**	**4.5**

(1) In accordance with the Amendments to IFRS 4, the Group has decided to apply temporary exemption from IFRS 9 in respect of the financial investments of the Group's insurance firms for all periods that come before 1 January 2021 as it awaits the entry into force of the new IFRS 17: Insurance Contracts, which will govern the presentation and measurement of insurance contracts (including technical provisions). Accordingly, these investments are grouped under 'Assets under the insurance business' on the balance sheet. To make the information more readily comparable, the Group has also grouped together the technical provisions relating to Unit Link and Flexible Investment Annuity (part under management), which are now reported jointly under 'Liabilities under the insurance business'.

(2) The change in this heading is mainly due to the coming into force of IFRS 16 on 1 January 2019, which involves recognising the assets and liabilities related to leases on the leaseholder's balance sheet for the current value of the payments due in the lease agreement.

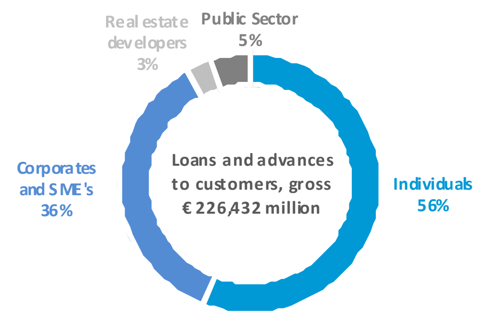
(3) The actuarial losses and gains previously recognised under the heading Shareholders' equity are shown under the heading Accumulated Other Comprehensive Income. As a result of the change of accounting criterion, the equity figures corresponding to 31 December 2018 have been restated for comparison purposes, reclassifying €548 million under both headings, without any impact on total equity.

Loans and advances to customers using management criteria

Loans and advances to customers, gross stands at **€226,432 million**, +0.8% in the quarter with a 0.9% growth in the **performing loan portfolio**.

Highlight changes by segment include:

- **Loans for home purchases** (-0.7% in the quarter) continues to be marked by the deleveraging of families. However, there have been positive indicators of new growth in the last quarters.
- **Loans to individuals – Other** remains stable; however, the sustained positive performance of consumer lending (+3.4%) stands out.
- Financing for **Corporates and SMEs** increased by 1.8% during the year. The market share[1] for loans to businesses came to 14.7%.
- **Financing for real estate developers** remains stable and the exposure to the **public sector** grew by 7.7%, although the change was affected by various one-off transactions.



Composition of the lending portfolio
(% of gross lending)

€ million	Mar 31, 2019	Dec 31, 2018	Change	Change %
Loans to individuals	**126,446**	**127,046**	**(600)**	**(0.5)**
Home purchases	91,038	91,642	(604)	(0.7)
Other	35,408	35,404	4	
Of which: Consumer lending	*13,380*	*12,946*	*434*	*3.4*
Loans to business	**87,248**	**85,817**	**1,431**	**1.7**
Corporates and SMEs	80,943	79,515	1,428	1.8
Real estate developers [2]	6,305	6,302	3	
Public sector	**12,738**	**11,830**	**908**	**7.7**
Loans and advances to customers, gross [3]	**226,432**	**224,693**	**1,739**	**0.8**
Of which:				
Performing loans	*215,914*	*213,962*	*1,952*	0.9
Provisions for insolvency risk	(5,662)	(5,728)	66	(1.2)
Loans and advances to customers, net	**220,770**	**218,965**	**1,805**	**0.8**
Contingent Liabilities	14,802	14,588	214	1.5

(2) After a homogenisation of BPI's segmentation criteria with the Group's criteria, €527 million of real estate developer loans were resegmented at 2018 year-end mainly to financing Corporates and SMEs.
(3) See 'Reconciliation of activity indicators using management criteria' in the 'Appendices - Glossary'.

(1) Latest information available. Data prepared in-house. Source: Bank of Spain. Market share in Spain.

Customer funds using management criteria

Customer funds came to €369,463 million, up 3.1%, impacted among other factors by the strength of the franchise and the positive market performance in the first quarter of 2019.

- On-balance sheet funds stand at €266,674 million (+2.8%):
  - **Demand deposits** were up to €180,033 million. Quarterly change (+3.3%) marked by the strength of the franchise and large accounts, which compensated the seasonal impact of the double salary payments at the end of the previous quarter.
  - Growth in **term deposits** to €31,262 million (+1.8%) boosted, mainly, by issuing a retail debt security in the quarter for €950 million with a 5-year maturity.
  - Increase of **liabilities under insurance contracts**[1] (+3.1%) thanks to the consistent evolution of the product portfolio and adaptation to the customers' needs. The positive trend of the Unit Link and others growing 11.1% in the year stands out.

    CaixaBank has cemented its leadership of the savings insurance market, with a share[2] of 27.3%.

- **Assets under management** grew to €97,454 million. The change here (+3.7%) came largely in response to the good performance of the markets after falling at the end of the fourth quarter of 2018.
  - The assets managed in **investment funds, portfolios and SICAVs** stand at €64,485 million (+3.0%).
  - **Pension plans** stand at €30,969 million (+5.3%).

  CaixaBank has a market share[2] of 17.0% in investment funds, and a share of 24.6% in pension plans.

- Other accounts, without any relevant changes, mainly includes temporary funds associated with transfers and collections, among others.

€ million	Mar 31, 2019	Dec 31, 2018	Change	Change %
Customer funds	211,295	204,980	6,315	3.1
Demand deposits	180,033	174,256	5,777	3.3
Term deposits[3]	31,262	30,724	538	1.8
Insurance contract liabilities	54,005	52,383	1,622	3.1
of which: Unit Link and other[4]	*10,056*	*9,053*	*1,003*	*11.1*
Reverse repurchase agreements and other	1,374	2,060	(686)	(33.3)
On-balance sheet funds	**266,674**	**259,423**	**7,251**	**2.8**
Mutual funds, managed accounts and SICAVs	66,485	64,542	1,943	3.0
Pension plans	30,969	29,409	1,560	5.3
Assets under management	**97,454**	**93,951**	**3,503**	**3.7**
Other accounts	**5,335**	**5,108**	**227**	**4.4**
Total customer funds[5]	**369,463**	**358,482**	**10,981**	**3.1**

(3) Includes retail debt securities amounting to €1,780 million at 31 March 2019, of which €950 million correspond to the retail note issued in the first quarter of 2019.

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

(5) See Reconciliation of activity indicators using management criteria in the Appendices - Glossary.

(1) Excluding the impact of the change in value of the associated financial assets, with the exception of Unit Link and Flexible Investment Life Annuity (the part managed) products.

(2) Latest information available. Source: ICEA/INVERCO. Market share in Spain.

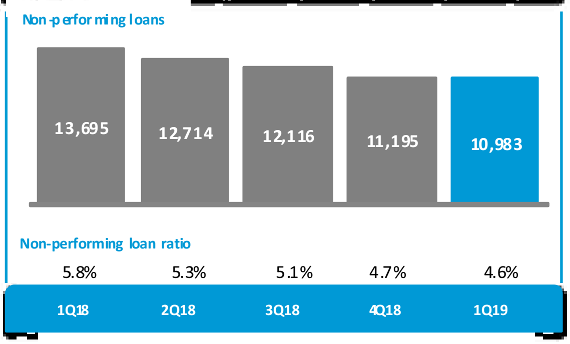
Risk management

Credit risk quality

Non-performing loans

- The **NPL ratio dropped to 4.6%** (-13 basis points in the quarter).
- **Non-performing loans down €212 million** in the quarter following the active management of non-performing loans, amounting to €10,983 million (€-2,712 million in the last 12 months that, in addition to the management of impaired assets and to the normalisation of asset quality indicators, included portfolio sales).

Non-performing loans[1]
(€ million)



(1) Figures include contingent liabilities and loans.

Non-performing assets (loans and contingent liabilities), additions and derecognitions

€ million	1Q18	2Q18	3Q18	4Q18	1Q19
Opening balance	**14,305**	**13,695**	**12,714**	**12,116**	**11,195**
Exposures recognized as non-performing (NPL-inflows)	834	806	886	996	799
Derecognitions from non-performing exposures	(1,444)	(1,787)	(1,484)	(1,917)	(1,011)
of which written off	(266)	(201)	(100)	(354)	(117)
Closing balance	**13,695**	**12,714**	**12,116**	**11,195**	**10,983**

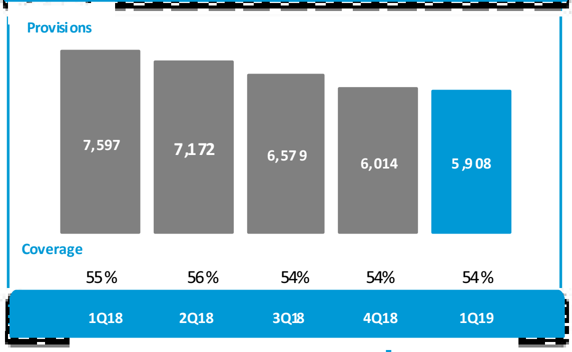
Provisions for insolvency risk

- On 31 March 2019, **provisions for insolvency risk** stood at €5,908 million.

  The change in provisions in the period is largely down to the adjustments made to the recoverable value on credit exposures, the cancellation of debt incurred from the acquisition and foreclosure of real estate assets and the derecognition of assets and write-offs.

- The **coverage ratio remains at 54%** (stable in the quarter).

Provisions[1]
(€ million)



Changes in allowances for insolvency risk

€ million	1Q18	2Q18	3Q18	4Q18	1Q19
Opening balance	**7,135**	**7,597**	**7,172**	**6,579**	**6,014**
Charges to provisions	139	109	(198)	47	123
Amounts used	(399)	(489)	(367)	(584)	(209)
Transfers and other changes	(69)	(45)	(28)	(28)	(20)
Application of IFRS 9	791				
Closing balance	**7,597**	**7,172**	**6,579**	**6,014**	**5,908**

NPL ratio by segment

	Mar 31, 2019	Dec 31, 2018
Loans to individuals	**4.7%**	**4.7%**
Home purchases	3.8%	3.8%
Other	7.2%	7.2%
of which: Consumer lending	4.2%	4.0%
Loans to business	**5.1%**	**5.4%**
Corporates and SMEs	4.5%	4.7%
Real estate developers	12.9%	14.3%
Public sector	**0.4%**	**0.4%**
NPL Ratio (loans and contingent liabilities)	**4.6%**	**4.7%**

The NPL ratio of the real estate developer segment at 31 December 2018 has been restated according to the aforementioned portfolio re-segmentation.

Classification by stages of gross lending and provisions

The following tables show loan book exposure as well as associated provisions, segmented by credit risk stage as per the applicable IFRS 9 regulation:

Mar 31, 2019	Loan book exposure				Provisions			
€ million	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**
Loans and advances	200.145	15.769	10.518	226.432	(677)	(733)	(4.252)	(5.662)
Contingent Liabilities	13.721	616	465	14.802	(32)	(18)	(196)	(246)
Total loans and advances and contingent liabilities	**213.866**	**16.385**	**10.983**	**241.234**	**(709)**	**(751)**	**(4.448)**	**(5.908)**

Dec 31, 2018	Loan book exposure				Provisions			
€ million	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**
Loans and advances	197,618	16,344	10,731	224,693	(697)	(742)	(4,289)	(5,728)
Contingent Liabilities	13,499	625	464	14,588	(37)	(24)	(225)	(286)
Total loans and advances and contingent liabilities	**211,117**	**16,969**	**11,195**	**239,281**	**(734)**	**(766)**	**(4,514)**	**(6,014)**

Refinancing

	Mar 31, 2019		Dec 31, 2018	
€ million	**Total**	**of which: NPL**	**Total**	**of which: NPL**
Individuals	5,480	3,419	5,557	3,444
Corporates and SMEs	3,412	2,060	3,371	2,085
Real estate developers	958	616	1,017	649
Public sector	261	20	218	21
Total	**10,111**	**6,115**	**10,163**	**6,199**
Provisions	2,506	2,317	2,501	2,321

Foreclosed real estate assets

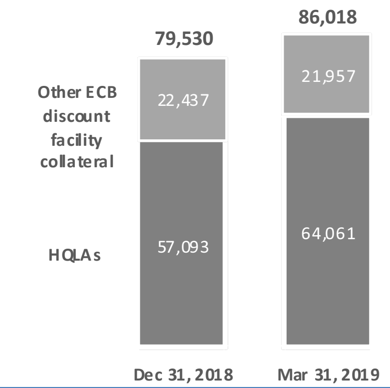
- The portfolio of **net foreclosed real estate assets available for sale**[1] in Spain stood at €813 million (€+73 million in the quarter). **The coverage ratio**[2] **was 39%** while the coverage ratio with accounting provisions[2] was 29%.
- Net foreclosed assets held for **rent** in Spain fell to €2,408 million (€-71 million in the quarter).
- **Total properties sold**[3] **in 2019 amounted to €90 million.**
- Meanwhile, **net foreclosed real estate assets at BPI** amounted to €25 million at 31 March 2019 (€27 million at 31 December 2018).

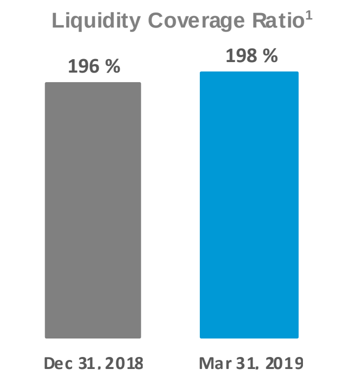
(1) This does not include Real estate assets in the process of foreclosure (€185 million and €213 million (net) on 31 March 2019 and 31 December 2018, respectively).

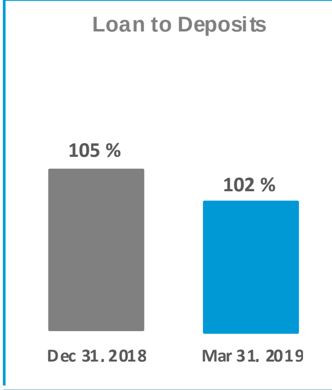
(2) See definition in 'Appendices - Glossary'.

(3) At sale price.

Liquidity
and financing structure

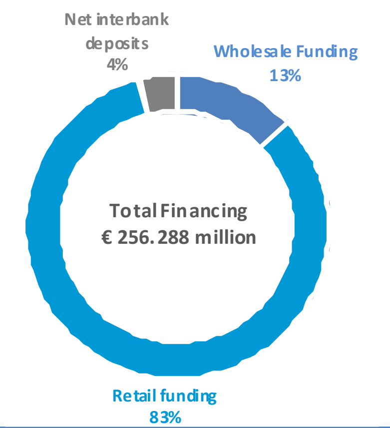


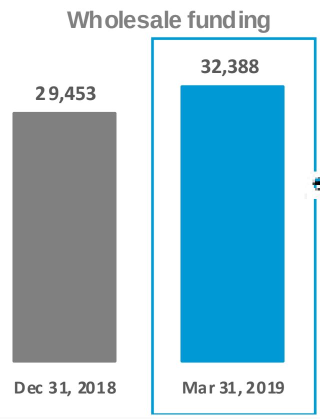




Total liquid assets
(€ million)

Loan to Deposits





Issues by maturity

Year	Amount
2019	2,133
2020	1,381
2021	2,641
>2022	26,233
Total	32,388

Financing structure
(€ million)

- **Total liquid assets amounted to €86,018 million** at 31 March 2019, up €6,488 million in the year due to the shift in the loan-deposit gap and the fact that new issues exceeded maturities.
- The Group's average **Liquidity Coverage Ratio** (LCR)[1] at 31 March 2019 was **198%**, well clear of the minimum requirement of 100% applicable from 1 January 2018 onward.
- The **Net Stable Funding Ratio** (NSFR) stood at 121% at 31 March 2019.
- Robust retail lending structure, with a **loan-to-deposit** (LTD) ratio of 102%.
- The **balance drawn** under the ECB facility at 31 March 2019 stood at **€28,183 million**, all relating to TLTRO II.
- **Wholesale funding**[2] of €32,388 million with **CaixaBank's successful access** to the markets during 2019 by issuing different debt instruments:
- Available capacity to issue mortgage and regional public sector covered bonds at CaixaBank, S.A. came to €3,217 million at 31 March 2019.

(1) Average for the last 12 months.

(2) See Reconciliation of activity indicators using management criteria in the Appendices - Glossary.

Information on the Group's issuances in 2019

€ million						
Issue	Total amount	Amount	Maturity	Cost[1]	Demand	Issuer
Senior debt	1.000	1.000	7 years	1.195 % (midswap +0.90%)	2.250	CaixaBank
Senior debt non-preferred	1.000	1.000	5 years	2.47 % (midswap +2.25%)	2.400	CaixaBank
Mortgage covered bonds	420	50	14 years	1.568 % (midswap +0.49%)	Private	CaixaBank
		50	14 years	1.459 % (midswap +0.47%)	Private	CaixaBank
		220	14 years	1.502 % (midswap +0.50%)	Private	CaixaBank
		50	14 years	1.340 % (midswap +0.42%)	Private	CaixaBank
		50	14 years	1.321 % (midswap +0.40%)	Private	CaixaBank
Obrigações hipotecárias	500	500	5 years	0.343 % (midswap +0.25%)	3.100	BPI

(1) Meaning the yield on the issuance.

Collateralisation of mortgage covered bonds of CaixaBank, S.A.

€ million		Mar 31, 2019
Mortgage covered bonds issued	a	52,433
Loans and credits (collateral for mortgage covered bonds)	b	89,727
Collateralisation	**b/a**	**171%**
Overcollateralisation	**b/a -1**	**71%**
Mortgage covered bond issuance capacity[2]		**1,420**

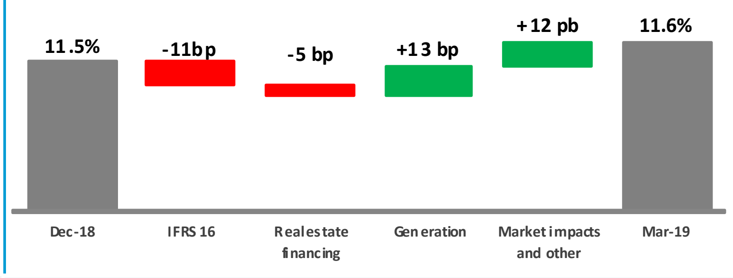
(2) CaixaBank S.A. is also able to issue €1,797 million in regional public-sector covered bonds.

Capital management

- The **Common Equity Tier 1 (CET1) ratio stands at 11.6 %**[1] at 31 March 2019. Excluding the impact of -11 basis points due to the first-time application of the IFRS 16 regulation and -5 basis points due to the adjustment to credit risk requirements for the speculative financing of property according to the applicable regulation[2], the quarter's growth registered +13 basis points due to organic generation of capital and +12 basis points mostly caused by the positive performance of the markets and other impacts.
- These levels of CET1 lay the foundations for achieving the new capital objective set in the 2019-2021 Strategic Plan, which stands at approximately 12% for the end of 2019, with an additional a 1-percentage point prudential buffer being established until the end of 2021 to cover any future regulatory changes, including the end of the Basel 3 framework.
- The **Tier 1** ratio was **13.1%.** Since last year, the Group has maintained 1.5% of AT1 instruments, in accordance with the provisions of Pillar 1 of the capital regulations.
- The **Total Capital ratio** stood at **15.3%.**
- Meanwhile, the leverage ratio was 5.5%.
- On 24 April, the Bank of Spain notified CaixaBank about the MREL requirement. In accordance with this notification, CaixaBank must reach as of 1 January 2021 a volume of equity and eligible liabilities of approximately 22.5% of the RWA at a consolidated level.

  Taking into account all the liabilities currently eligible[3] by the Single Resolution Board for the MREL requirement, at 31 March, CaixaBank has an RWA ratio of 20.2%, which includes the issuances of €1,000 million of Senior non-preferred debt in January and €1,000 million in Senior preferred debt in March. At a subordinated level, primarily including Senior non-preferred debt, the MREL ratio of subordinated instruments reached 17.5%. The established MREL requirement is in line with CaixaBank's forecast, and the funding plan included in the 2019-2021 Strategic Plan will help exceed it comfortably.
- Similarly, **CaixaBank is subject to minimum capital requirements** on an individual basis. The regulatory CET1 ratio under this perimeter is 13.1%, with risk-weighted assets (RWAs) totalling €134,505 million.
- **BPI** is also compliant with its minimum capital requirements. The bank's CET1 ratio at a sub-consolidated level stands at 13.5% at 31 March 2019.
- The decisions of the European Central Bank (ECB) and the national supervisor required the Group to maintain, during 2019, CET1, Tier1 and Total Capital ratios of 8.75%, 10.25% and 12.25%, respectively.
- The Group's current level of capital adequacy confirm that the applicable requirements would not lead to any automatic restrictions of the provision of the capital adequacy regulations regarding the distribution of dividends, variable remuneration, and the interests of holders of Additional Tier 1 capital securities (there is a margin of 285 basis points, or €4,237 million, until the Group's MDA[4] trigger).

  CaixaBank's dividends policy complies with the conditions outlined in the ECB recommendation published on 10 January 2019. Therefore, it does not present any limitations for the Company.



Change in CET1

(1) From 1 January 2019, CaixaBank's capital ratios in a fully-loaded perspective are equal to the regulatory ratios.

(2) See article 128 of Regulation 575/2013 Capital Requirements Regulation (CRR).

(3) Among the liabilities eligible by the Single Resolution Board are the senior preferred debt and other pari-passu liabilities, according to the Single Resolution Board criteria.

(4) See definition in Appendices – Glossary.

Performance and key capital adequacy indicators

€million	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Quarter-on-quarter
	BIS III					
CET1 Instruments	23,517	23,312	23,250	23,257	23,651	394
Shareholders' equity	24,945	25,132	25,581	25,384	25,832	448
Capital	5,981	5,981	5,981	5,981	5,981	
Profit attributable to the Group	704	1,298	1,768	1,985	533	
Reserves and other	18,260	17,853	17,832	17,418	19,318	
Other CET1 Instruments[1]	(1,428)	(1,820)	(2,331)	(2,127)	(2,181)	(54)
Deductions from CET	(6,356)	(6,490)	(6,312)	(6,457)	(6,396)	61
CET1	**17,161**	**16,822**	**16,938**	**16,800**	**17,255**	**455**
AT1 Instruments	2,231	2,232	2,233	2,233	2,234	1
AT1 Deductions						
TIER 1	**19,392**	**19,055**	**19,171**	**19,033**	**19,489**	**456**
T2 Instruments	4,472	4,153	3,382	3,295	3,288	(7)
T2 Deductions						
TIER 2	4,472	4,153	3,382	3,295	3,288	(7)
TOTAL CAPITAL	**23,864**	**23,208**	**22,553**	**22,328**	**22,778**	**450**
Other computable subordinated instruments. MREL[2]				2,303	3,301	998
MREL, subordinated				**24,631**	**26,079**	**1,448**
Risk-weighted assets	148,328	147,754	148,826	145,942	148,777	2,835
CET1 Ratio	11.6%	11.4%	11.4%	11.5%	11.6%	0.1%
Tier 1 Ratio	13.1%	12.9%	12.9%	13.0%	13.1%	0.1%
Total Capital Ratio	16.1%	15.7%	15.2%	15.3%	15.3%	
MREL Ratio, subordinated	17.2%	16.6%	16.0%	16.9%	17.5%	0.6%
Leverage Ratio	5.7%	5.4%	5.6%	5.5%	5.5%	(0.0%)
CET1 Ratio - CABK (non consolidated basis)	13.2%	12.8%	12.6%	13.3%	13.1%	(0.2%)
Tier 1 Ratio CABK (non consolidated basis)	14.8%	14.4%	14.2%	15.0%	14.8%	(0.2%)
Total Capital Ratio - CABK (non consolidated basis)	18.1%	17.5%	16.7%	17.5%	17.3%	(0.2%)
Risk-weighted assets (non consolidated basis)	135,660	136,794	137,723	132,684	134,505	1,821
Profit/loss (non consolidated basis)	118	510	780	1,163	370	(793)
ADIs[3]	1,852	1,715	1,972	1,909	2,215	306
MDA Buffer - CABK (non consolidated basis)	8,944	8,549	8,305	8,985	7,935	(1,050)
Leverage Ratio - CABK (non consolidated basis)	6.4%	6.1%	6.1%	6.3%	6.1%	(0.2%)

From 1 January 2019, the regulatory and fully-loaded data are the same. The data shown for the non-consolidated of 2018 are regulatory. Data at December 2018 updated using the latest official information. The breakdown of the 2018 CET1 instruments have been restated to include the change in accounting criterions to recognize actuarial profit and loss in equity, amending reserves and OCI.
(1) Mainly the forecast for dividends and OCIs. The estimate of dividends for 2019 is 60% of the profit.
(2) Mainly senior non-preferred debt. In the first quarter a new issuance amounting to €1,000 million was made.
(3) Does not include the share premium.

Segment reporting

This section shows financial information on the different businesses of the CaixaBank Group. After the sale of 80% of the real estate business in December 2018, starting from 2019 the non-core real estate business will no longer be reported separately, integrating the remaining assets in the Banking and Insurance business, with the exception of the stake in Coral Homes, which is assigned to the Equity Investment business.

For comparative purposes, the 2018 information is presented aggregating both segments (Banking and Insurance plus Non-core real estate).

As a result, the Group is made up of the following business segments:

- **Banking and Insurance**: includes earnings from the Group's banking, insurance and asset management activity mainly in Spain, as well as liquidity management, ALCO, income from financing the other businesses and the Group-wide corporate centre. In addition, it includes the businesses acquired by CaixaBank from BPI during 2018 (insurance, asset management, and cards).
- **Equity investments:** essentially shows income from dividends and/or profit accounted for using the equity method, net of financing costs, from the Group's interests, as well as gains/(losses) on the financial assets and liabilities held at Erste Group Bank, Repsol, Telefónica, BFA and BCI. From 1 January 2019 the 20% stake in Coral Homes is added to this segment, after the sale of the real estate business at the end of December 2018. Similarly, it includes the significant impacts on income of other relevant stakes recently acquired by the Group in Spain as well as consolidated through BPI .

  Includes the remaining stake in Repsol, following the sale decision, and in BFA, after reassessing the significant influence at year-end 2018, which are classified as financial assets at fair value with changes in other comprehensive income.
- **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), as discussed previously.

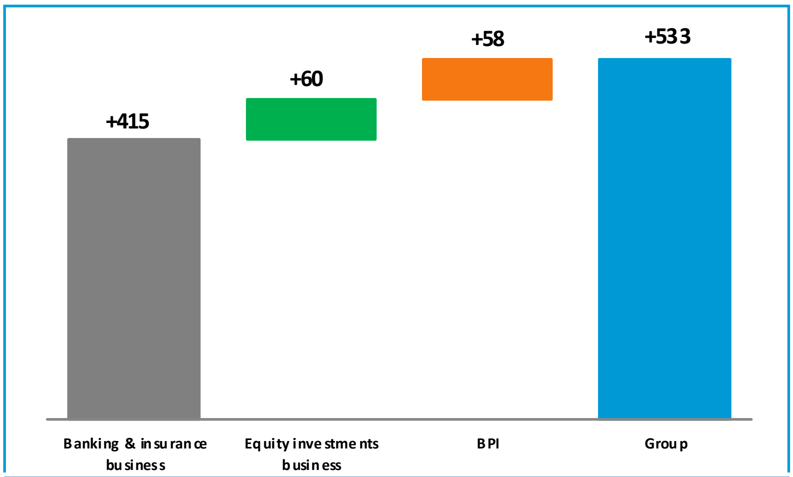
The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods.

In 2019, the allocation of capital to the equity investment business has been adapted to the Group's new capital corporate objective of maintaining a fully-loaded regulatory Common Equity Tier 1 (CET1) ratio of 12%, taking into account both the 12% consumption of capital for risk-weighted assets (11% in 2018) and any applicable deductions.

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 investment business.

The difference between the Group's total own funds and the capital assigned to the other businesses is attributed to the banking and insurance business, which includes the Group's corporate centre.

Results for the first quarter of 2019 by business unit are as follows:



Contribution to the result of the first quarter of 2019 (€ million)

€ million	Banking & insurance business	Equity investments	BPI	Group
Net interest income	1,176	(38)	99	1,237
Dividends and share of profit/(loss) of entities accounted for using the equity method	59	54	4	117
Net fee and commission income	552		60	612
Gains/(losses) on financial assets and liabilities and others	(7)	49	6	48
Income and expense under insurance or reinsurance contracts	130			130
Other operating income and expense	(35)			(35)
Gross income	1,875	65	169	2,109
Recurring administrative expenses, depreciation and amortisation	(1,088)	(1)	(115)	(1,204)
Extraordinary expenses				
Pre-impairment income	787	64	54	905
Pre-impairment income stripping out extraordinary expenses	787	64	54	905
Allowances for insolvency risk	(146)		23	(123)
Other charges to provisions	(48)			(48)
Gains/(losses) on disposal of assets and others	(18)		2	(16)
Profit/(loss) before tax	575	64	79	718
Income tax expense	(160)	(4)	(21)	(185)
Profit/(loss) after tax	415	60	58	533
Profit/(loss) attributable to minority interest and others				
Profit/(loss) attributable to the Group	415	60	58	533

Banking and insurance business

Profit reached €415 million, -8.4%, when compared to the first quarter of 2018.

ROTE[1] for the business, stripping out one-off impacts, was 9.9%.

€ million	2019	2018	Change %	1Q19	4Q18	3Q18	2Q18	1Q18
INCOME STATEMENT								
Net interest income	1,176	1,146	2.7	1,176	1,169	1,175	1,169	1,146
Dividend income and share of profit/(loss) of entities accounted for using the equity method	59	55	11.2	59	37	66	62	55
Net fee and commission income	552	550	0.1	552	573	581	599	550
Gains/(losses) on financial assets and liabilities and others	(7)	59		(7)	(52)	26	186	59
Income and expense under insurance or reinsurance contracts	130	138	(5.8)	130	132	137	144	138
Other operating income and expense	(35)	(108)	(67.9)	(35)	(227)	(22)	(141)	(108)
Gross income	1,875	1,840	2.0	1,875	1,632	1,963	2,019	1,840
Recurring administrative expenses, depreciation and amortisation	(1,088)	(1,030)	5.6	(1,088)	(1,061)	(1,048)	(1,042)	(1,030)
Extraordinary expenses								
Pre-impairment income	787	810	(2.7)	787	571	915	977	810
Pre-impairment income stripping out extraordinary expenses	787	810	(2.7)	787	571	915	977	810
Allowances for insolvency risk	(146)	(139)	5.1	(146)	(135)	187	(112)	(139)
Other charges to provisions	(48)	(50)	(6.6)	(48)	(146)	(45)	(233)	(50)
Gains/(losses) on disposal of assets and others	(18)	(2)		(18)	(98)	(11)	(68)	(2)
Profit/(loss) before tax	575	619	(7.0)	575	192	1,046	564	619
Income tax expense	(160)	(166)	(3.3)	(160)	(30)	(290)	(209)	(166)
Profit/(loss) after tax	415	453	(8.4)	415	162	756	355	453
Profit/(loss) attributable to minority interest and others					24	32	1	
Profit/(loss) attributable to the Group	415	453	(8.4)	415	138	724	354	453
INCOME STATEMENT BREAKDOWN								
NET INTEREST INCOME								
Customer spread (%)	2.30	2.29	0.01	2.30	2.28	2.27	2.28	2.29
FEE AND COMMISSION INCOME								
Banking services, securities and other fees	317	310	2.1	317	332	333	346	310
Mutual funds, managed accounts and SICAVs	42	48	(12.4)	42	38	40	49	48
Pension plans	118	116	1.6	118	126	131	133	116
Sale of insurance products	51	57	(10.9)	51	55	54	50	57
Unit Link and other	24	19	23.0	24	22	23	21	19
Net fee and commission income	552	550	0.1	552	573	581	599	550
AMORTISATION								
Personnel expenses	(702)	(667)	5.2	(702)	(672)	(678)	(673)	(667)
General expenses	(275)	(270)	1.7	(275)	(294)	(279)	(280)	(270)
Depreciation and amortisation	(111)	(93)	19.8	(111)	(95)	(91)	(89)	(93)
Recurring administrative expenses, depreciation and amortisation	(1,088)	(1,030)	5.6	(1,088)	(1,061)	(1,048)	(1,042)	(1,030)
Extraordinary expenses								
OTHER INDICATORS								
ROTE[1]	9.9%	9.5%	0.4	9.9%	10.1%	10.1%	9.8%	9.5%
Cost-to-income ratio stripping out extraordinary expenses	56.6%	54.7%	1.9	56.6%	56.1%	55.5%	55.4%	54.7%
Cost of risk[2]	0.10%	0.34%	(0.2)	0.10%	0.09%	0.10%	0.28%	0.34%
Customers	13.7	13.8	(0.7)	13.7	13.7	13.7	13.8	13.8
Employees	32,682	32,210	1.5	32,682	32,552	32,613	32,443	32,210
Branches	4,537	4,815	(5.8)	4,537	4,608	4,681	4,742	4,815
of which retail	4,326	4,618	(6.3)	4,326	4,409	4,482	4,543	4,618
ATMs	9,335	9,394	(0.6)	9,335	9,425	9,422	9,411	9,394

(1) The ratio for 1Q19 excludes: the extraordinary release of €193 million, net, in provisions carried out in 3Q18, the repurchase of Servihabitat (€-204 million, net) and completion of the sale of the real estate business (arrangement expenses, taxes and other costs to the amount of €-48 million, net). The ratio for 1Q18 excludes: early retirements completed in 2Q17 (€-212 million, net) and extraordinary expenses. The coupon for the part of the AT1 issue assigned to this business has also been deducted.

(2) The ratio for 1Q19 would be 0.23% stripping out the extraordinary release of provisions in 3Q18 (approximately €+275 million).

The following highlights shaped the year-on-year performance of the banking and insurance business (-8.4%):

- **Gross income came to €1,875 million (+2.0%),** driven by the increase in core income (+1.5%).
  - The **net interest income, €1,176 million, grows 2.7%**, due, among other factors, to an increase of income from loans due to a higher volume and a change of product mix with higher yield products. The customer spread improved by 1 basis point to 2.30%.
  - **Fee and commission income** climbed to **€552 million**, and remain stable with respect to the same period in the previous year. The change is positively impacted by the incorporation of BPI's business (asset management and cards), which compensate the lower fees and commissions from insurance distribution and asset management after the markets plummeting in the fourth quarter of 2018 and after the regulatory cap on pension plan fees (MiFID II).
  - **Gains/(losses) on financial assets and liabilities and others** in the first quarter of 2018 amounted to €59 million, which included the materialisation of unrealised capital gains on financial assets available for sale.
  - **Income and expense under insurance or reinsurance contracts** reached €130 million, -5.8% in the year.
  - **Other operating income and expenses** amounted to €-35 million in the first quarter of 2019 (€-108 million in the same period of the previous year), mainly as a result of the sale of the real estate business.
- **Recurring administrative expenses, depreciation and amortisation** came to €1,088 million, up 5.6% on the first quarter of 2018.
- **Allowances for insolvency risk** stands at €-146 million, +5.1%, while **Other charges to provisions (€-48 million) dropped 6.6%** when compared to the same period of 2018.

The following aspects were largely behind the quarterly change:

- **Net interest income** rose 0.6% on the fourth quarter of 2018.
- **Fees and commissions** drop 3.7% in the quarter, mainly due to lower banking fees and commissions after the seasonal nature of the last quarter of the year. In addition, the first quarter shows lower fees and commissions from investment funds and pension plans due to a lower number of days.
- **Gains/(losses) on financial assets and liabilities** reached €-7 million (€-52 million in the fourth quarter of 2018, mainly impacted by the negative market performance).
- **Other operating income and expense** included, in the fourth quarter, the contribution of €228 million paid to the Deposit Guarantee Fund (DGF).
- **Impairment losses on financial assets and others** stood at €-146 million in the quarter, +8.1% with respect to the previous quarter.
- In the fourth quarter, **Other charges to provisions** includes the recognition of €53 million in connection with early retirements and, among other impacts, impairment due to the adjustments made to the recoverable value of certain assets.
- **Gains/(losses) on disposals of assets and others** recognised in the fourth quarter of 2018 the expenses associated with the sale of the real estate business.
- **Profit/(loss) attributable to minority interest and others** shows in the fourth quarter of 2018 the profit/(loss) from discontinued operations in relation to Servihabitat's contribution to the consolidated earnings until the sale of the real estate business.

The following table shows business activity and asset quality indicators at 31 March 2019:

- **Loans and advances to customers, gross stood at €203,058 million** (+0.8% in the year), while the performing portfolio has gained 1.0% in 2019.
- **Customer funds were up 3.2% in the year** to €340,055 million.
- The **NPL ratio** fell to 4.6% (-10 basis points), with a **coverage ratio of 51%**.

€ million	Mar 31, 2019	Dec 31, 2018	Change	Change %
BALANCE SHEET				
Assets	367,023	350,859	16,164	4.6
Liabilities	346,318	330,554	15,764	4.8
Assigned capital	20,675	20,276	399	2.0
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	113,833	114,403	(570)	(0.5)
Home purchases	79,923	80,471	(548)	(0.7)
Other	33,910	33,932	(22)	(0.1)
Of which: Consumer lending[1]	12,231	11,836	395	3.3
Loans to business	78,110	76,812	1,298	1.7
Corporates and SMEs	71,985	70,687	1,298	1.8
Real estate developers	6,125	6,125		
Public sector	11,115	10,202	913	8.9
Loans and advances to customers, gross	**203,058**	**201,417**	**1,641**	**0.8**
Of which performing loans	193,468	191,636	1,832	1.0
Of which non-performing loans	9,590	9,781	(191)	(2.0)
Provisions for insolvency risk	(4,881)	(4,914)	33	(0.7)
Loans and advances to customers, net	**198,177**	**196,503**	**1,674**	**0.9**
Contingent Liabilities	13,211	12,952	259	2.0
CUSTOMERS FUNDS				
Customer funds	189,020	182,944	6,076	3.3
Demand deposits	166,441	160,922	5,519	3.4
Term deposits	22,579	22,022	557	2.5
Insurance contract liabilities	54,005	52,383	1,622	3.1
of which: Unit Link and other	10,056	9,053	1,003	11.1
Reverse repurchase agreements and other	1,357	2,044	(687)	(33.6)
On-balance sheet funds	244,382	237,371	7,011	3.0
Mutual funds, managed accounts and SICAVs	61,280	59,459	1,821	3.1
Pension plans	30,969	29,409	1,560	5.3
Assets under management	92,249	88,868	3,381	3.8
Other accounts	3,424	3,156	268	8.5
Total customer funds	**340,055**	**329,395**	**10,660**	**3.2**
ASSET QUALITY				
Non-performing loan ratio (%)	4.6%	4.7%		(0.1)
Non-performing loan coverage ratio (%)	51%	50%		1.0

(1) Includes the consumer lending of BPI Payments after purchasing the company by CaixaBank from BPI in November 2018.

Insurance activity

The banking and insurance business embraces all activity carried out by the Group's various insurance firms, mainly VidaCaixa de Seguros y Reaseguros and BPI Vida e Pensões. These companies offer a highly specialised range of life insurance, pensions and general insurance products, all of which are marketed to the Group's customer base.

The following table shows the income statement of the **insurance firms[1], which came to €154 million, up 6.6%** on the first quarter of 2018:

€ million	2019	2018	Change %	1Q19	4Q18	3Q18	2Q18	1Q18
Net interest income	**75**	**72**	**4.2**	**75**	**78**	**78**	**77**	**72**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	43	41	4.6	43	28	64	38	41
Net fee and commission income	(19)	(40)	(51.4)	(19)	(12)	(33)	(39)	(40)
Gains/(losses) on financial assets and liabilities and others		1						1
Income and expense under insurance or reinsurance contracts	130	138	(5.8)	130	132	137	144	138
Other operating income and expense	2	2		2	45	4		2
Gross income	**231**	**214**	**7.4**	**231**	**271**	**250**	**220**	**214**
Recurring administrative expenses, depreciation and amortisation	(31)	(27)	13.6	(31)	(27)	(26)	(28)	(27)
Extraordinary expenses								
Pre-impairment income	**200**	**187**	**6.5**	**200**	**244**	**224**	**192**	**187**
Pre-impairment income stripping out extraordinary expenses	**200**	**187**	**6.5**	**200**	**244**	**224**	**192**	**187**
Allowances for insolvency risk					1			
Other charges to provisions								
Gains/(losses) on disposal of assets and others					1			
Profit/(loss) before tax	**200**	**187**	**6.5**	**200**	**246**	**224**	**192**	**187**
Income tax expense	(46)	(43)	5.9	(46)	(50)	(47)	(46)	(43)
Profit/(loss) after tax	**154**	**144**	**6.6**	**154**	**196**	**177**	**146**	**144**
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	**154**	**144**	**6.6**	**154**	**196**	**177**	**146**	**144**

- **Net interest income** includes the margin on life savings insurance products, which were up 4.2% on the first quarter of 2018, mainly due to a higher volume of the managed funds.
- **Share of profit/(loss) of entities accounted for using the equity method** shows the contribution made by Segurcaixa Adeslas, 49.9% of which is owned by VidaCaixa. The heading was up 4.6% in the year. The quarter's performance is impacted by the profit from financial investments and a lower technical margin associated with a higher rate of claims, which is usual in the fourth quarter.
- **Fees and commissions[2]** is the net result of:
  - The fees and commissions received by VidaCaixa from managing Unit Linked products and pension plans.
  - The fees and commissions the Group's insurance firms pay the Group's banks for marketing their products.
- **Income and expense under insurance contracts**, which shows the margin obtained from the difference between premia and the technical provisions, claims and other expenses of life-risk products, dropped 5.8% in the year and 1.5% on the previous quarter due, among others, to different timing in product roll out.
- **Recurring administrative expenses, depreciation and amortisation** reached €-31 million, supporting the business' growth and evolution objectives.

(1) VidaCaixa pre-consolidation adjustment results.

(2) The commercial network in Spain also receives fees from Segurcaixa Adeslas for distributing its products through the branch network, although these fees are not included in the income statement for the insurance business because they relate instead to the banking business ex insurance.

Equity investments business

The segment contributed a profit of €60 million to the Group in the first quarter of 2019.

Its year-on-year trend is mainly impacted by not accounting for Repsol's and BFA's profits.

- The net interest income corresponds to the cost of financing the investee business, which drops 5.7% mainly due to the reduction of the asset financed in the framework of Repsol's divestment, partly compensated by incorporating Coral Homes in this business from 1 January 2019.
- The **share of profit/(loss) of entities accounted for using the equity method** stand at €54 million (€214 million accounted for in the same period of the previous year). Repsol's and BFA's contribution to this heading in the first quarter of 2018 was €163 million.
- **Gains/(losses) on financial assets and liabilities and others** reached €49 million in the first quarter of 2019 and includes the gains from hedge contracts on investees. The first quarter of 2018 includes the repricing of Viacer.

The quarter-on-quarter comparison reflects:

- **Dividend income** from Telefónica for €104 million in the second quarter of 2018. In the fourth quarter of 2018, it shows a dividend of €23 million accruing on CaixaBank's remaining stake in Repsol.
- **Gains/(losses) on disposal of assets and others** included €-154 million in the fourth quarter of 2018 due to the change of accounting classification of the stake in BFA. The third quarter of 2018 included the negative result (€-453 million) due to the decision to sell the stake in Repsol.

€ million	2019	2018	Change %	1Q19	4Q18	3Q18	2Q18	1Q18
Net interest income	(38)	(40)	(5.7)	(38)	(32)	(37)	(40)	(40)
Dividend income					23		104	
Share of profit/(loss) of entities accounted for using the equity method	54	214	(74.7)	54	72	151	182	214
Net fee and commission income								
Gains/(losses) on financial assets and liabilities and others	49	60	(18.5)	49	1	(7)	(43)	60
Income and expense under insurance or reinsurance contracts								
Other operating income and expense								
Gross income	65	234	(71.9)	65	64	107	203	234
Recurring administrative expenses, depreciation and	(1)	(1)		(1)	(1)	(1)	(1)	(1)
Extraordinary expenses								
Pre-impairment income	64	233	(72.2)	64	63	106	202	233
Pre-impairment income stripping out extraordinary expenses	64	233	(72.2)	64	63	106	202	233
Allowances for insolvency risk								
Other charges to provisions								
Gains/(losses) on disposal of assets and others					(154)	(453)		
Profit/(loss) before tax	64	233	(72.2)	64	(91)	(347)	202	233
Income tax expense	(4)	2		(4)	77	5	6	2
Profit/(loss) after tax	60	235	(74.2)	60	(14)	(342)	208	235
Profit/(loss) attributable to minority interest and others		24			1	4	4	24
Profit/(loss) attributable to the Group	60	211	(71.2)	60	(15)	(346)	204	211
ROTE [1]	28.8%	30.2%	(1.4)	28.8%	40.1%	35.7%	33.7%	30.2%

(1) ROTE for 2018 excludes the impact of the decision to sell Repsol.

€ million	Mar 31, 2019	Dec 31, 2018	Change	Change %
BALANCE SHEET				
Assets				
Investments (Financial assets at fair value with changes in other comprehensive income and associated) and other [2]	5,576	4,685	891	19.0
Liabilities				
Intra-group financing and other liabilities	4,285	3,653	632	17.3
Assigned capital [3]	1,291	1,032	259	25.1

(2) The figures for March 2019 include the investment in Coral Homes.

(3) The capital assigned to BFA and BCI is the amount required at sub-consolidated level for BPI for those interests.

BPI

Profit from the banking business of BPI amounted to €58 million (+45.0% with respect to 2018).

ROTE for the business, stripping out extraordinary impacts[1], was 7.5%.

€ million	2019	2018	Change %	1Q19	4Q18	3Q18	2Q18	1Q18
INCOME STATEMENT								
Net interest income	99	97	2.2	99	99	101	100	97
Dividend income and share of profit/(loss) of entities accounted for using the equity method	4	2	95.3	4	(7)	6	5	2
Net fee and commission income	60	75	(19.2)	60	72	64	69	75
Gains/(losses) on financial assets and liabilities and others	6	17	(69.0)	6	6	11	14	17
Income and expense under insurance or reinsurance contracts								
Other operating income and expense		(3)	(90.9)			(5)	(18)	(3)
Gross income	169	188	(10.6)	169	170	177	170	188
Recurring administrative expenses, depreciation and amortisation	(115)	(118)	(2.8)	(115)	(106)	(113)	(112)	(118)
Extraordinary expenses		(3)			(13)	(3)	(5)	(3)
Pre-impairment income	54	67	(20.9)	54	51	61	53	67
Pre-impairment income stripping out extraordinary expenses	54	70	(24.3)	54	64	64	58	70
Allowances for insolvency risk	23			23	88	11	3	
Other charges to provisions					3	1		
Gains/(losses) on disposal of assets and others	2			2	(6)	57		
Profit/(loss) before tax	79	67	17.9	79	136	130	56	67
Income tax expense	(21)	(18)	15.7	(21)	(39)	(34)	(16)	(18)
Profit/(loss) after tax	58	49	18.4	58	97	96	40	49
Profit/(loss) attributable to minority interest and others		9			3	4	4	9
Profit/(loss) attributable to the Group	58	40	45.0	58	94	92	36	40

€ million	2019	2018	Change %	1Q19	4Q18	3Q18	2Q18	1Q18
INCOME STATEMENT BREAKDOWN								
NET INTEREST INCOME								
Customer spread (%)	1.87	1.83	0.04	1.87	1.79	1.84	1.84	1.83
FEE AND COMMISSION INCOME								
Banking services, securities and other fees	35	43	(17.3)	35	43	38	43	43
Sale of insurance products	13	13		13	14	12	13	13
Mutual funds, managed accounts and SICAVs	9	16	(44.9)	9	11	10	9	16
Pension plans					1			
Unit Link and other	3	3	1.9	3	3	4	4	3
Net fee and commission income	60	75	(19.2)	60	72	64	69	75
ADMINISTRATIVE EXPENSES, DEPRECIATION AND AMORTISATION								
Personnel expenses	(61)	(63)	(2.0)	(61)	(60)	(62)	(58)	(63)
General expenses	(37)	(47)	(20.5)	(37)	(37)	(41)	(44)	(47)
Depreciation and amortisation	(17)	(8)	85.3	(17)	(9)	(10)	(10)	(8)
Recurring administrative expenses, depreciation and amortisation	(115)	(118)	(2.8)	(115)	(106)	(113)	(112)	(118)
Extraordinary expenses		(3)			(13)	(3)	(5)	(3)

€ million	2019	2018	Change %	1Q19	4Q18	3Q18	2Q18	1Q18
OTHER INDICATORS								
ROTE[1]	7.5%	9.4%	(1.9)	7.5%	8.0%	8.2%	8.9%	9.4%
Cost-to-income ratio stripping out extraordinary expenses	65.0%	63.4%	1.6	65.0%	63.7%	63.1%	62.5%	63.4%
Customers	1.9	1.9	(1.5)	1.9	1.9	1.9	1.9	1.9
Employees	4,821	4,897	(1.6)	4,821	4,888	4,898	4,843	4,897
Branches	496	503	(1.4)	496	495	495	497	503

(1) RoTE 12 months excludes the following net attributable one-off impacts: result on the sale of BPI's acquiring business to Comercia Global Payments (€40 million); the review carried out, due to the passing of time, in relation to the expected credit losses originally calculated at the time BPI was acquired in February 2017 (€16 million in the first quarter of 2019 and €57 million in the fourth quarter of 2018); and the extraordinary expenses.

Gross income was down 10.6% year-on-year, mainly because of the changes in scope and because of the decline in profit on financial assets and liabilities:

- **Net interest income** is up 2.2%.
- **Fee and commission income** totalled €60 million (-19.2%). In 2018 the heading includes fees from the businesses of asset management, cards and POS sold by BPI to CaixaBank Asset Management, CaixaBank Payments and Comercia, respectively, throughout the year. Stripping out this effect, fee and commission income was flat in the period.
- **Gains/(losses) on financial assets and liabilities and others** amounted to €6 million (-69.0%) due to lower non-recurring income.

Recurring administrative expenses, depreciation and amortisation was down to €115 million (-2.8%).

The year-on-year performance of the Group had a positive impact of €22 million on the **Allowances for insolvency risk**, in the first quarter of 2019, from reviewing the expected credit losses associated with the adjustment of credit risk calculated at the time BPI was acquired in February 2017.

The following aspects were largely behind the quarterly change:

- **Net fee and commission income** dropped 16.9% following the recognition in the fourth quarter of 2018 of non-recurring fees from investment banking.
- In the fourth quarter of 2018, €-13 million of **extraordinary expenses** associated with the integration of BPI were recognised.
- **Allowances for insolvency risk** shows, in the previous quarter, a positive impact of €78 million from reviewing the expected credit losses calculated at the time BPI was acquired in February 2017.

BPI's balance sheet grew 1.5% in the quarter:

- Loans and advances to customers, gross, came to €23,374 million, +0.4% in the year.
- **Customer funds stood at €29,408 million**, up 1.1% in the year.
- BPI's **NPL ratio** fell to 4.1% (-10 basis points in the year), as per the CaixaBank Group's NPL classification criteria.
- The NPL coverage ratio, including the provisions posted by CaixaBank due to business combination, came to 85%. The quarterly change (-2 percentage points) came in response to the aforementioned review of provisions in relation to the business combination.

€ million	Mar 31, 2019	Dec 31, 2018	Change	Change %
BALANCE SHEET				
Assets	31,537	31,078	459	1.5
Liabilities	28,783	28,357	426	1.5
Assigned capital	2,754	2,721	33	1.2
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	12,613	12,643	(30)	(0.2)
Home purchases	11,115	11,171	(56)	(0.5)
Other	1,498	1,472	26	1.8
Of which: Consumer lending	1,149	1,110	39	3.5
Loans to business	9,138	9,005	133	1.5
Corporates and SMEs	8,958	8,828	130	1.5
Real estate developers	180	177	3	1.7
Public sector	1,623	1,628	(5)	(0.3)
Loans and advances to customers, gross	**23,374**	**23,276**	**98**	**0.4**
Of which performing loans	22,446	22,326	120	0.5
Of which non-performing loans	928	950	(22)	(2.3)
Provisions for insolvency risk	(781)	(814)	33	(4.1)
Loans and advances to customers, net	**22,593**	**22,462**	**131**	**0.6**
Contingent Liabilities	1,591	1,636	(45)	(2.8)
CUSTOMERS FUNDS				
Customer funds	22,275	22,036	239	1.1
Demand deposits	13,592	13,334	258	1.9
Term deposits	8,683	8,702	(19)	(0.2)
Reverse repurchase agreements and other	17	16	1	6.3
On-balance sheet funds	22,292	22,052	240	1.1
Mutual funds, managed accounts and SICAVs [1]	5,205	5,083	122	2.4
Assets under management	5,205	5,083	122	2.4
Other accounts	1,911	1,952	(41)	(2.1)
Total customer funds	**29,408**	**29,087**	**321**	**1.1**
Memorandum items				
Insurance contracts sold [2]	4,224	4,120	104	2.5
ASSET QUALITY				
Non-performing loan ratio (%)	4.1%	4.2%		(0.1)
Non-performing loan coverage ratio (%)	85%	87%		(2.0)

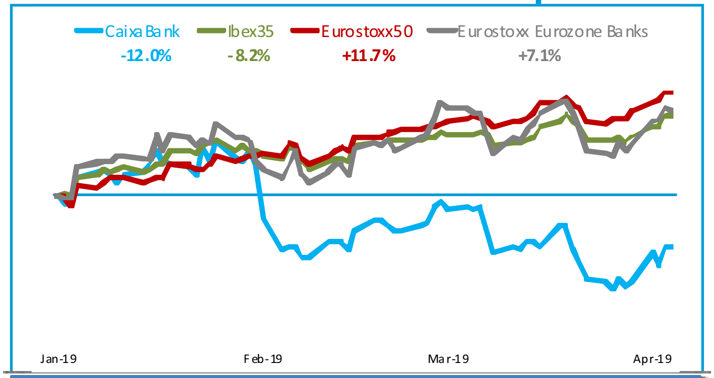
(1) *This heading includes mutual funds managed by BPI Gestao de Activos and BPI Global Investment Fund, which are now owned by CaixaBank Asset Management, although the funds continue to be marketed by BPI.*

(2) *Relate to the insurance products of BPI Vida e Pensões, for which VidaCaixa is responsible under the Group's corporate structure. While reported under the banking and insurance business, the products are marketed by BPI.*

The CaixaBank share

- The **CaixaBank share** closed trading on 31 March 2019 at €2,784 (down 12.0% in the quarter). The IBEX 35 Banks and the EURO STOXX Banks rose 1.3% and 7.1% in the year, respectively, below the improvement of the general aggregates (IBEX 35 +8.2% and EURO STOXX 50 +11.7%), mainly due to the confirmation of the extension of a more accommodating policy by the ECB.

- In the first quarter of 2019 the **trading volume of the CaixaBank share in euros** was 11.7% down on the previous quarter and 15.1% down on the volume of shares traded in the first quarter of 2018. Meanwhile, the number of shares traded rose 3.7% on the fourth quarter of 2018 and 12.6% on the same quarter of the previous year.



Change in the CaixaBank share compared to the main Spanish and European indices in 2019

Key performance indicators for the CaixaBank share

	Mar 31, 2019
Market capitalization (€ million)	16,642
Number of outstanding shares[1]	5,977,637
Share price (€/share)	
Share price at the beginning of the period (December 31, 2018)	3.164
Share price at closing of the period (March 29, 2019)	2.784
Maximum price[2]	3.400
Minimum price[2]	2.745
Trading volume in 2019 (number of shares, excluding non-recurring transactions, in thousands)	
Maximum daily trading volume	84,721
Minimum daily trading volume	14,015
Average daily trading volume	25,422
Stock market ratios	
Profit attributable to the Group (€ million) (12 months)	1,720
Average number of shares (12 months)[1]	5,978,493
Net income attributable per Share (EPS) (€/share)	**0.29**
Net equity excluding minority interest (€ million)	24,720
Number of shares at March 31, 2019[1]	5,977,637
Book value per share (€/share)	**4.14**
Net equity excluding minority interest (tangible) (€ million)	20,447
Number of shares at March 31, 2019[1]	5,977,637
Tangible book value per share (€/share)	**3.42**
PER (Price / Profit)	**9.68**
TangibleP/BV (Market value / tangible book value)	**0.81**
Dividend Yield[3]	**5.39%**

(1) Number of shares, in thousands, excluding treasury shares.
(2) Share price at close of trading.
(3) Calculated by dividing the yield for the past 12 months (€0.15/share) by the closing price at the end of the period (€2,784/share).

Shareholder remuneration

- Total shareholder remuneration for 2018 was €0.17 per share, after paying a supplementary dividend in cash of €0.10/share in April 2019. The total amount paid is equivalent to 51% of net consolidated profit, in line with the target envisaged in the 2015-2018 Strategic Plan.

- In accordance with the new dividend policy approved by the Board of Directors on 31 January 2019, the remuneration of shareholders, as of 2019, will be a single cash dividend paid around April 2020 after the close of the financial year.

- Likewise, in the 2019-2021 Strategic Plan, CaixaBank reported its intention, in compliance with the dividend policy, of remunerating shareholders by distributing an amount in cash greater than 50% of consolidated net profit, setting the maximum amount to be distributed charged to 2019 at 60% of the consolidated net profit.

Appendices

Investment portfolio

Main investees at 31 March 2019:

CaixaBank	%	Business segment
Telefónica	5.00%	Equity investments
Erste Group Bank	9.92%	Equity investments
Repsol	2.06%	Equity investments
Coral Homes	20.00%	Equity investments
SegurCaixa Adeslas	49.92%	Banking and insurance
Comercia Global Payments	49.00%	Banking and insurance

BPI	100.00%	BPI
BFA	48.10%	Equity investments
Banco Comercial e de Investimentos (BCI)	35.67%	Equity investments

Information on financing for home purchases by CaixaBank

Change in financing for home purchases

€ million	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019
Without mortgage collateral	768	751	734
of which: non-performing	7	7	7
With mortgage collateral	80,455	79,721	79,189
of which: non-performing	3,185	3,045	3,001
Total	**81,223**	**80,472**	**79,923**

Loan-to-value breakdown[1]

	Mar 31, 2019					
€ million	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	80 < LTV ≤ 100%	LTV > 100%	TOTAL
Gross amount	21,493	29,723	20,328	4,188	3,457	79,189
of which: non-performing	221	394	562	574	1,250	3,001

(1) Loan-to-value calculated on the basis of latest appraisals according to the criteria set out in Circular 4/2016.

Ratings

Agency	Long-Term[1]	Short-Term	Outlook	Last review	Rating of covered bonds
S&P Global	BBB+	A-2	Stable	6 April 2018	AA
Fitch	BBB+	F2	Stable	8 October 2018	
Moody's	Baa1	P-2	Stable	1 August 2018	Aa1
DBRS	A	R-1 (low)	Stable	29 March 2019	AAA

(1) Relates to the rating assigned to the senior preferred long-term debt of CaixaBank.

Glossary

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 company'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.

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 (annualised income for the quarter from loans and advances divided by the net average balance of loans and advances for the quarter); and
- average rate for retail deposits (annualised quarterly cost of retail deposits divided by the average balance of those same retail deposits for the quarter, excluding subordinated liabilities).

Purpose: allows the Group to track the spread between interest income and costs for customers.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Annualised quarterly income from loans and advances to customers	4,741	4,741	4,721	4,741	4,818
Denominator	Net average balace of loans and advances to customers	207,592	208,857	208,805	208,608	210,726
(a)	**Average yield rate on loans (%)**	**2.28**	**2.27**	**2.26**	**2.27**	**2.29**
Numerator	Annualised quarterly cost of on-balance sheet customers funds	69	72	71	79	53
Denominator	Average balance of on-balance sheet retail customers funds	190,216	198,910	204,189	203,366	205,680
(b)	**Average cost rate of retail deposits (%)**	**0.04**	**0.04**	**0.04**	**0.04**	**0.02**
	Customer spread (%) (a - b)	2.24	2.23	2.22	2.23	2.27

b) Balance sheet spread

Explanation: difference between:

- average rate of return on assets (annualised interest income for the quarter divided by total average assets for the quarter); and
- average cost of funds (annualised interest expenses for the quarter divided by total average funds for the quarter).

Purpose: allows the Group to track the spread between interest income and cost for its on-balance sheet assets and liabilities.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Annualised quarterly interest income	6,915	7,055	6,856	6,959	6,939
Denominator	Average total assets for the quarter	377,143	385,155	388,276	384,500	393,767
(a)	**Average return rate on assets (%)**	**1.83**	**1.83**	**1.77**	**1.81**	**1.76**
Numerator	Annualised quarterly interest expenses	2,036	2,126	1,940	2,055	1,922
Denominator	Average total liabilities for the quarter	377,143	385,155	388,276	384,500	393,767
(b)	**Average cost of fund rate (%)**	**0.54**	**0.55**	**0.50**	**0.53**	**0.49**
	Balance sheet spread (%) (a - b)	1.29	1.28	1.27	1.28	1.27

c) ROE

For the purpose of including the change of valuation adjustments (OCI) in the entity's equity, the methodology employed to calculate the ROE is changed. As of 2019, valuation adjustments will be incorporated in the denominator, restating 2018 figures for comparison purposes. The method for calculating the ratio and the restatement of 2018 applies to the reporting of business segments.

Explanation: profit attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon after tax, reported in equity) divided by average shareholder equity plus valuation adjustments for the last 12 months.

Purpose: allows the Group to monitor the return on its shareholder equity.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	**Adjusted profit attributable to the Group 12M**	1,946	2,083	1,893	1,902	**1,720**
Denominator	**Average shareholder equity + valuation adjustments**	24,158	24,125	24,091	24,044	**24,136**
	ROE (%)	8.1%	8.6%	7.9%	7.9%	7.1%

d) ROTE

For the purpose of including the change of valuation adjustments (OCI) in the entity's equity, the methodology employed to calculate the ROTE is changed. As of 2019, valuation adjustments will be incorporated in the denominator, restating 2018 figures for comparison purposes. The method for calculating the ratio and the restatement of 2018 applies to the reporting of business segments.

Explanation: Quotient between:

- profit attributable to the Group (adjusted by the amount of the *Additional Tier 1* coupon after tax, reported in equity); and
- 12-month average shareholder equity plus valuation adjustments deducting intangible assets using management criteria (calculated as the value of intangible assets in the public balance sheet, plus the intangible assets and goodwill associated with investees, net of provisions, recognised in Investments in joint ventures and associates in the public balance sheet).

Purpose: metric used to measure the return on a company's tangible equity.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	**Adjusted profit attributable to the Group 12M**	1,946	2,083	1,893	1,902	**1,720**
Denominator	**Average shareholder equity + valuation adjustments excluding intangible assets 12M**	19,905	19,880	19,850	19,800	**19,882**
	ROTE (%)	9.8%	10.5%	9.5%	9.6%	8.7%

e) ROA

Explanation: net profit (adjusted by the amount of the Additional Tier 1 coupon after tax, reported in equity) divided by average total assets for the last 12 months.

Purpose: measures the level of return relative to assets.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	**Adjusted net profit 12M**	2,004	2,144	1,942	1,957	**1,743**
Denominator	**Average total assets 12M**	377,313	381,431	384,507	383,801	**387,900**
	ROA (%)	0.5%	0.6%	0.5%	0.5%	0.4%

f) RORWA

Explanation: net profit (adjusted by the amount of the *Additional Tier 1* coupon after tax, reported in equity) divided by average total risk-weighted assets for the last 12 months.

Purpose: measures the return based on risk weighted assets.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Adjusted net profit 12M	2,004	2,144	1,942	1,957	**1,743**
Denominator	Regulatory risk-weighted assets 12M	150,211	149,189	148,644	148,184	**147,860**
	RORWA (%)	1.3%	1.4%	1.3%	1.3%	1.2%

g) Cost-to-income ratio

Explanation: Operating expenses (administrative expenses, depreciation and amortisation) divided by gross income (or core income[1] for the core cost-to-income ratio) for the last 12 months.

Purpose: metric widely used in the banking sector to compare the cost to income generated.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Administrative expenses + depreciation and amortisation 12M	4,628	4,566	4,602	4,658	**4,710**
Denominator	Gross income 12M	8,591	8,595	8,632	8,767	**8,614**
	Cost-to-income ratio	53.9%	53.1%	53.3%	53.1%	54.7%

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Administrative expenses + depreciation and amortisation stripping out extraordinary expenses 12M	4,525	4,555	4,590	4,634	**4,689**
Denominator	Gross income 12M	8,591	8,595	8,632	8,767	**8,614**
	Cost-to-income ratio stripping out extraordinary expenses	52.7%	53.0%	53.2%	52.9%	54.4%

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Administrative expenses + depreciation and amortisation stripping out extraordinary expenses 12M	4,525	4,555	4,590	4,634	**4,689**
Denominator	Core income[1] 12M	8,011	8,063	8,157	8,217	**8,236**
	Core cost-to-income ratio	56.5%	56.5%	56.3%	56.4%	56.9%

(1) Includes net interest income, fee and commission income, income from the life-risk insurance business, the result of using the equity method for Segurcaixa Adeslas and income from the insurance investees of BPI.

2. Risk management:

a) Cost of risk

Explanation: total allowances for insolvency risk (12 months) divided by average lending, gross, plus contingent liabilities, using management criteria.

Purpose: indicator used to monitor and track the cost of insolvency allowances on the loan book.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Total allowances for insolvency risk 12M	689	575	191	97	**81**
Denominator	Average of gross loans + contingent liabilities 12M	237,648	237,292	237,202	237,253	**238,364**
	Cost of risk (%)	0.29%	0.24%	0.08%	0.04%	0.03%

The ratio for 1Q19, 4Q18 and 3Q18, if we strip out the extraordinary release of approximately €275 million in provisions carried out in the third quarter of 2018, would be 0.15%, 0.16% and 0.20%, respectively.

b) Non-performing loan ratio

Explanation: quotient between:

- non-performing loans and advances to customers and contingent liabilities, using management criteria; and
- total gross loans to customers and contingent liabilities, using management criteria.

Purpose: indicator used to monitor and track the change and quality of the loan portfolio

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Non-performing loans and advances to customers + contingent liabilities	13,695	12,714	12,116	11,195	**10,983**
Denominator	Total gross loans to customers + contingent liabilities	236,218	239,180	237,252	239,281	**241,234**
	Non-performing loan ratio (%)	5.8%	5.3%	5.1%	4.7%	4.6%

c) Coverage ratio

Explanation: quotient between:

- total credit loss provisions for loans to customers and contingent liabilities, using management criteria; and
- non-performing loans and advances to customers and contingent liabilities, using management criteria.

Purpose: indicator used to monitor NPL coverage via provisions.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Provisions on loans to customers + contingent liabilities	7,597	7,172	6,579	6,014	**5,908**
Denominator	Non-performing loans and advances to customers + contingent liabilities	13,695	12,714	12,116	11,195	**10,983**
	Coverage ratio (%)	55%	56%	54%	54%	54%

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; and
- 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.

		1Q18	2Q18	3Q18	4Q18	1Q19
(a)	Gross debt cancelled at the foreclosure	13,999	13,480	13,078	1,209	1,339
(b)	Net book value of the foreclosed asset	5,810	5,553	5,346	740	813
Numerator	**Total coverage of the foreclosed asset (a - b)**	**8,189**	**7,927**	**7,732**	**469**	**526**
Denominator	**Gross debt cancelled at the foreclosure**	**13,999**	**13,480**	**13,078**	**1,209**	**1,339**
	Real estate available for sale coverage ratio (%)	58%	59%	59%	39%	39%

e) Real estate available for sale coverage ratio with accounting provisions

Explanation: quotient between:

- Accounting coverage: accounting provisions for foreclosed real estate assets; and
- 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.

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	**Accounting provisions of the foreclosed assets**	**5,780**	**5,612**	**5,496**	**285**	**328**
(a)	Net book value of the foreclosed asset	5,810	5,553	5,346	740	813
(b)	Accounting provisions of the foreclosed assets	5,780	5,612	5,496	285	328
Denominator	**Gross book value of the foreclosed asset (a + b)**	**11,590**	**11,165**	**10,842**	**1,025**	**1,141**
	Real estate available for sale accounting coverage (%)	50%	50%	51%	28%	29%

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.

		1Q18	2Q18	3Q18	4Q18	1Q19
(a)	High Quality Liquid Assets (HQLAs)	54,026	61,940	55,946	57,093	64,061
(b)	Available balance under the ECB facility (non-HQLAs)	19,190	17,952	20,133	22,437	21,957
	Total liquid assets (a + b)	73,216	79,892	76,079	79,530	86,018

b) Loan to deposits

Explanation: quotient between:

- net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions); and
- customer deposits on the balance sheet.

Purpose: metric showing the retail funding structure (allows us to value the proportion of retail lending being funded by customer funds).

		1Q18	2Q18	3Q18	4Q18	1Q19
Numerator	Loans and advances to customers, net (a-b-c)	210,789	213,782	212,445	214,370	216,205
(a)	Loans and advances to customers, gross	223,249	225,744	223,465	224,693	226,432
(b)	Provisions for insolvency risk	7,299	6,878	6,296	5,728	5,662
(c)	Brokered loans	5,161	5,084	4,724	4,595	4,565
Denominator	On-balance sheet customers funds	197,296	208,654	203,473	204,980	211,295
	Loan to Deposits (%)	107%	102%	104%	105%	102%

Other relevant indicators:

EPS (Earnings per share): profit attributable to the Group[1] for the last 12 months divided by the average number of shares outstanding.

The **average number of shares outstanding** is calculated as average shares issued less the average number of treasury shares.

Market capitalisation: share price multiplied by the number of outstanding shares minus the number of treasury shares held at the end of the period.

BVPS (Book value per share): 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; and
- the number of fully-diluted outstanding shares at a specific date.

PER (Price-to-earnings ratio): share price divided by earnings per share (EPS).

P/BV: share price divided by book value.

P/TBV: share price divided by tangible book value.

Dividend yield: dividends paid (in shares or cash) in the last 12 months divided by the period-end share price.

MDA (maximum amount distributable) buffer: the capital threshold below which limitations exist on dividend payments, variable remuneration and interest payments to holders of Additional Tier 1 capital instruments. It is defined as Pillar 1 + Pillar 2 capital requirements + capital buffers + possible AT1 and T2 deficits.

Available Distributable Items (ADIs): sum of profit and unrestricted reserves, net of dividends (based on the individual financial statements). Does not include the share premium.

OCI: other comprehensive income.

(1) Figures adjusted to reflect the amount of the Additional Tier 1 coupon, after tax, reported in equity.

Adapting the layout of the public income statement to management format

Net fee and commission income, includes the following line items:

- Fee and commission income
- Fee and commission expense

Gains/(losses) on financial assets and liabilities and others. Includes the following line items:

- Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss (net)
- Gains/(losses) on financial assets not designated for trading that must be designated at fair value through profit or loss (net)
- Gains/(losses) on financial assets and liabilities held for trading (net)
- Gains/(losses) from hedge accounting (net)
- Exchange differences (net)

Operating expenses. Includes the following line items:

- Administrative expenses
- Depreciation and amortisation

Pre-impairment income.

- (+) Gross income.
- (-) Operating expenses.

Impairment losses on financial assets and other provisions. Includes the following line items:

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss and net gains/(losses) on adjustments
- Provisions/(reversal) of provisions

Of which: Allowances for insolvency risk.

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss corresponding to Loans and advances to customers, using management criteria.
- Provisions/(reversal) of provisions corresponding to Provisions for contingent liabilities, using management criteria.

Of which: Other charges to provisions.

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss, excluding balances corresponding to Loans and advances to customers, using management criteria.
- Provisions/(reversal) of provisions, excluding provisions corresponding to contingent liabilities using management criteria.

Gains/(losses) on derecognition of assets and others. Includes the following line items:

- Impairment/(reversal) of impairment on investments in joint ventures or associates
- Impairment/(reversal) of impairment on non-financial assets
- Gains/(losses) on derecognition of non-financial assets and investments (net)
- Negative goodwill recognised in profit or loss
- Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net)

Profit/(loss) attributable to minority interests and others. Includes the following line items:

- Profit/(loss) for the period attributable to minority interests (non-controlling interests)
- Profit/(loss) after tax from discontinued operations

Reconciliation of activity indicators using management criteria

Loans and advances to customers, gross

March 2019 € million	
Financial assets at amortised cost - Customers (Public Balance Sheet)	**219,713**
Reverse repurchase agreements (public and private sector)	(853)
Clearing Houses	(692)
Other, non-retail, financial assets	(412)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss - Loans and advances (Public Balance Sheet)	**328**
Other, non-retail, financial assets	(274)
Fixed income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Balance Sheet)	**2,146**
Fixed income bonds considered retail financing (Assets under the insurance business - Balance Sheet)	**814**
Provisions for insolvency risk	**5,662**
Loans and advances to customers (gross) using management criteria	**226,432**

Liabilities under the insurance business

March 2019 € million	
Liabilities under the insurance business (Public Balance Sheet)	**63,779**
Capital gains/(losses) under the insurance business (excluding unit linked and other)	(9,774)
Liabilities under the insurance business, using management criteria	**54,005**

Customer funds

March 2019 € million	
Financial liabilities at amortised cost - Customers deposits (Public Balance Sheet)	**214,189**
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customers deposits)	**(3,300)**
Multi-issuer covered bonds and subordinated deposits	(2,987)
Counterparties and other	(313)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	**1,780**
Retail issues and other	1,780
Liabilities under insurance contracts, using management criteria	**54,005**
Total on-balance sheet customer funds	**266,674**
Assets under management	**97,454**
Other accounts[1]	**5,335**
Total customer funds	**369,463**

(1) Includes, among others, transitional funds associated with transfers and collection activity, as well as other customer funds distributed by the Group.

Institutional issuances for banking liquidity purposes

March 2019 € million	
Financial liabilities at amortised cost - Debt securities (Public Balance Sheet)	**33,265**
Institutional financing not considered for the purpose of managing bank liquidity	**(3,863)**
Securitised bonds	(1,763)
Value adjustments	(437)
Retail	(1,780)
Issues acquired by companies within the group and other	117
Customer deposits for the purpose of managing bank liquidity[2]	**2,986**
Institutional financing for the purpose of managing bank liquidity	**32,388**

(2) A total of €2,953 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)

March 2019	
€ million	
Non-current assets and disposal groups classifed as held for sale (Public Balance Sheet)	**1,290**
Other assets	(494)
Inventories in the heading - Other assets (Public Balance Sheet)	**17**
Foreclosed available for sale real estate assets	**813**
Tangible assets (Public Balance Sheet)	**7,414**
Tangible assets for own use	(4,680)
Other assets	(326)
Foreclosed rental real estate assets	**2,408**

Historical income statement figures for the CABK and BPI perimeters

a) Quarterly performance of the income statement and solvency ratios:

	CABK				
€ million	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**1Q18**
Net interest income	**1,139**	**1,138**	**1,139**	**1,131**	**1,108**
Dividend income	10	24		115	5
Share of profit/(loss) of entities accounted for using the equity method	99	77	147	175	158
Net fee and commission income	552	573	581	599	550
Gains/(losses) on financial assets and liabilities and others	42	(52)	22	143	59
Income and expense under insurance or reinsurance contracts	130	132	137	144	138
Other operating income and expense	(35)	(227)	(22)	(141)	(108)
Gross income	**1,937**	**1,665**	**2,004**	**2,166**	**1,910**
Recurring administrative expenses, depreciation and amortisation	(1,089)	(1,062)	(1,049)	(1,043)	(1,031)
Extraordinary expenses					
Pre-impairment income	**848**	**603**	**955**	**1,123**	**879**
Pre-impairment income stripping out extraordinary expenses	**848**	**603**	**955**	**1,123**	**879**
Allowances for insolvency risk	(146)	(135)	187	(112)	(139)
Other charges to provisions	(48)	(146)	(45)	(233)	(50)
Gains/(losses) on disposal of assets and others	(18)	(98)	(464)	(68)	(2)
Profit/(loss) before tax	**636**	**224**	**633**	**710**	**688**
Income tax expense	(164)	35	(277)	(199)	(153)
Profit/(loss) after tax	**472**	**259**	**356**	**511**	**535**
Profit/(loss) attributable to minority interest and others		23	33		
Profit/(loss) attributable to the Group	**472**	**236**	**323**	**511**	**535**
Risk-weighted assets	131,529	129,014	131,785	130,872	131,772
Common Equity Tier 1 (CET1)	*11.4%*	*11.3%*	*11.2%*	*11.2%*	*11.6%*
Total capital	*15.3%*	*15.3%*	*15.2%*	*15.9%*	*16.4%*

	BPI				
€ million	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**1Q18**
Net interest income	**98**	**98**	**100**	**98**	**95**
Dividend income			1	1	
Share of profit/(loss) of entities accounted for using the equity method	8	24	75	62	108
Net fee and commission income	60	72	64	69	75
Gains/(losses) on financial assets and liabilities and others	6	7	8	14	77
Income and expense under insurance or reinsurance contracts					
Other operating income and expense			(5)	(18)	(3)
Gross income	**172**	**201**	**243**	**226**	**352**
Recurring administrative expenses, depreciation and amortisation	(115)	(106)	(113)	(112)	(118)
Extraordinary expenses		(13)	(3)	(5)	(3)
Pre-impairment income	**57**	**82**	**127**	**109**	**231**
Pre-impairment income stripping out extraordinary expenses	**57**	**95**	**130**	**114**	**234**
Allowances for insolvency risk	23	88	11	3	
Other charges to provisions		3	1		
Gains/(losses) on disposal of assets and others	2	(160)	57		
Profit/(loss) before tax	**82**	**13**	**196**	**112**	**231**
Income tax expense	(21)	(27)	(42)	(20)	(29)
Profit/(loss) after tax	**61**	**(14)**	**154**	**92**	**202**
Profit/(loss) attributable to minority interest and others		5	7	9	33
Profit/(loss) attributable to the Group	**61**	**(19)**	**147**	**83**	**169**
Risk-weighted assets	17,248	16,928	17,041	16,882	16,556
Common Equity Tier 1 (CET1) [1]	*13.5%*	*13.2%*	*13.1%*	*12.8%*	*11.2%*
Total capital [1]	*15.2%*	*15.0%*	*14.8%*	*14.6%*	*13.0%*

(1) The first quarter of 2018 does not include the net profit published by BPI (€210 million).

b) Quarterly cost and income as part of net interest income:

€million		CAIXABANK														
		1Q19			4Q18			3Q18			2Q18			1Q18		
		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions		21,638	41	0.76	19,625	42	0.86	21,691	42	0.77	20,342	40	0.80	16,548	42	1.02
Loans and advances	(a)	190,052	1,091	2.33	187,960	1,096	2.31	188,222	1,089	2.30	188,518	1,084	2.31	187,589	1,075	2.32
Fixed income securities portfolio		34,450	85	1.00	31,421	85	1.08	30,178	85	1.12	29,533	90	1.23	28,511	79	1.12
Other assets with returns		56,592	383	2.75	54,478	416	3.03	54,667	393	2.85	55,369	431	3.12	52,152	400	3.11
Other assets		63,787	3		63,961	3		65,443	6		63,645	4		65,947	4	
Total average assets	**(b)**	**366,519**	**1,603**	**1.77**	**357,445**	**1,642**	**1.82**	**360,201**	**1,615**	**1.78**	**357,407**	**1,649**	**1.85**	**350,747**	**1,600**	**1.85**
Financial Institutions		38,977	(60)	0.63	37,596	(50)	0.53	38,690	(50)	0.51	39,194	(48)	0.49	40,746	(43)	0.43
Retail customer funds	(c)	184,227	(12)	0.03	182,176	(14)	0.03	183,070	(13)	0.03	177,878	(13)	0.03	170,204	(12)	0.03
Demand deposits		161,054	(9)	0.02	158,563	(11)	0.03	157,517	(9)	0.02	152,429	(9)	0.02	144,243	(9)	0.03
Maturity deposits		23,173	(3)	0.05	23,614	(3)	0.06	25,553	(4)	0.06	25,449	(4)	0.06	25,960	(3)	0.04
Time deposits		20,466	(3)	0.06	20,827	(3)	0.06	22,492	(4)	0.07	23,368	(4)	0.07	24,463	(3)	0.04
Retail repurchase agreements and marketable debt securities		2,707			2,786			3,061			2,081			1,498		
Wholesale marketable debt securities & other		25,889	(57)	0.89	25,415	(62)	0.97	25,666	(63)	0.97	26,926	(64)	0.95	27,785	(68)	0.99
Subordinated liabilities		5,400	(18)	1.36	5,723	(21)	1.44	6,150	(24)	1.55	7,404	(33)	1.77	6,113	(32)	2.14
Other funds with cost		65,286	(307)	1.91	63,100	(352)	2.21	63,557	(320)	2.00	63,780	(356)	2.24	63,023	(328)	2.11
Other funds		46,740	(10)		43,435	(5)		43,068	(6)		42,225	(4)		42,876	(9)	
Total average funds	**(d)**	**366,519**	**(464)**	**0.51**	**357,445**	**(504)**	**0.56**	**360,201**	**(476)**	**0.53**	**357,407**	**(518)**	**0.58**	**350,747**	**(492)**	**0.57**
Net interest income			1,139			1,138			1,139			1,131			1,108	
Customer spread (%)	(a-c)		2.30			2.28			2.27			2.28			2.29	
Balance sheet spread (%)	(b-d)		1.26			1.26			1.25			1.27			1.28	

€million		BPI														
		1Q19			4Q18			3Q18			2Q18			1Q18		
		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions		2,095	4	0.74	1,942	3	0.63	2,304	3	0.46	2,053	2	0.42	1,041	2	0.69
Loans and advances	(a)	20,854	97	1.89	20,815	100	1.90	20,584	101	1.94	20,340	98	1.93	20,005	95	1.92
Fixed income securities portfolio		5,172	9	0.68	4,946	13	1.08	5,382	13	0.97	5,132	14	1.09	4,950	12	0.96
Other assets with returns																
Other assets		3,195	2		3,303	4		3,303	2		3,423	2		3,408	2	
Total average assets	**(b)**	**31,316**	**112**	**1.45**	**31,006**	**120**	**1.54**	**31,573**	**119**	**1.50**	**30,948**	**116**	**1.51**	**29,404**	**111**	**1.53**
Financial Institutions		3,726	(2)	0.22	4,065	(2)	0.15	5,217	(1)	0.06	4,894	(1)	0.05	4,285	(2)	0.15
Retail customer funds	(c)	21,961	(1)	0.02	21,756	(6)	0.11	21,510	(5)	0.10	21,404	(5)	0.09	20,494	(5)	0.09
Demand deposits		13,258			13,123			12,867			12,825			11,943		
Maturity deposits		8,703	(1)	0.05	8,633	(6)	0.28	8,644	(5)	0.25	8,579	(5)	0.23	8,551	(5)	0.22
Time deposits		8,703	(1)	0.05	8,633	(6)	0.28	8,644	(5)	0.25	8,579	(5)	0.23	8,551	(5)	0.22
Retail repurchase agreements and marketable debt securities								(1)								
Wholesale marketable debt securities & other		845	(4)	2.04	520	(4)	3.38	275	(4)	6.15	275	(4)	6.52	462	(2)	2.01
Subordinated liabilities		300	(4)	5.55	300	(4)	5.55	300	(4)	5.55	300	(4)	5.54	301	(4)	5.53
Other funds with cost																
Other funds		4,484	(3)		4,365	(6)		4,271	(5)		4,075	(4)		3,862	(3)	
Total average funds	**(d)**	**31,316**	**(14)**	**0.18**	**31,006**	**(22)**	**0.29**	**31,573**	**(19)**	**0.25**	**30,948**	**(18)**	**0.24**	**29,404**	**(16)**	**0.22**
Net interest income			98			98			100			98			95	
Customer spread (%)	(a-c)		1.87			1.79			1.84			1.84			1.83	
Balance sheet spread (%)	(b-d)		1.27			1.25			1.25			1.27			1.31	

c) Quarterly change in fees and commissions:

€ million	CAIXABANK				
	1Q19	4Q18	3Q18	2Q18	1Q18
Banking services, securities and other fees	317	332	333	346	310
Sale of insurance products	42	38	40	49	48
Mutual funds, managed accounts and SICAVs	118	126	131	133	116
Pension plans	51	55	54	50	57
Unit Link and other	24	22	23	21	19
Net fee and commission income	**552**	**573**	**581**	**599**	**550**

€ million	BPI				
	1Q19	4Q18	3Q18	2Q18	1Q18
Banking services, securities and other fees	35	43	38	43	43
Sale of insurance products	13	14	12	13	13
Mutual funds, managed accounts and SICAVs	9	11	10	9	16
Pension plans		1			
Unit Link and other	3	3	4	4	3
Net fee and commission income	**60**	**72**	**64**	**69**	**75**

d) Quarterly change in administrative expenses, depreciation and amortisation:

€ million	CAIXABANK 1Q19	4Q18	3Q18	2Q18	1Q18
Gross income	**1,937**	**1,665**	**2,004**	**2,166**	**1,910**
Personnel expenses	(703)	(673)	(679)	(674)	(668)
General expenses	(275)	(294)	(279)	(280)	(270)
Depreciation and amortisation	(111)	(95)	(91)	(89)	(93)
Recurring administrative expenses, depreciation and amortisation	**(1,089)**	**(1,062)**	**(1,049)**	**(1,043)**	**(1,031)**
Extraordinary expenses					

€ million	BPI 1Q19	4Q18	3Q18	2Q18	1Q18
Gross income	**172**	**201**	**243**	**226**	**352**
Personnel expenses	(61)	(60)	(62)	(58)	(63)
General expenses	(37)	(37)	(41)	(44)	(47)
Depreciation and amortisation	(17)	(9)	(10)	(10)	(8)
Recurring administrative expenses, depreciation and amortisation	**(115)**	**(106)**	**(113)**	**(112)**	**(118)**
Extraordinary expenses		(13)	(3)	(5)	(3)

e) Changes in the NPL ratio:

	CAIXABANK		BPI	
	Mar 31, 2019	**Dec 31, 2018**	**Mar 31, 2019**	**Dec 31, 2018**
Loans to individuals	**4.8%**	**4.8%**	**3.8%**	**3.9%**
Home purchases	3.8%	3.8%	3.8%	3.8%
Other	7.4%	7.3%	4.3%	4.3%
Loans to business	**5.2%**	**5.5%**	**4.9%**	**5.1%**
Corporates and SMEs	4.5%	4.7%	4.5%	4.7%
Real estate developers	12.6%	14.1%	22.5%	22.9%
Public sector	**0.5%**	**0.4%**		
NPL Ratio (loans and contingent liabilities)	**4.6%**	**4.7%**	**4.1%**	**4.2%**

Activity indicators by region

This additional view of the Group's activities has been included to show loans and funds by the region in which they originated (for instance, loans and funds of BPI Vida, BPI Gestao de Activos, BPI Global Investment Fund and the cards business are reported in Portugal and not in Spain, to which they would otherwise relate under the Group's corporate structure).

Spain

€ million	Mar 31, 2019	Dec 31, 2018	Change	Change %
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	113,712	114,275	(563)	(0.5)
Home purchases	79,923	80,471	(548)	(0.7)
Other	33,789	33,804	(15)	(0.0)
Of which: Consumer lending	12,179	11,786	393	3.3
Loans to business	77,271	76,140	1,131	1.5
Corporates and SMEs	71,146	70,015	1,131	1.6
Real estate developers	6,125	6,125		.0
Public sector	11,115	10,202	913	8.9
Loans and advances to customers, gross	**202,098**	**200,617**	**1,481**	**0.7**
CUSTOMERS FUNDS				
Customer funds	189,594	183,558	6,036	3.3
Demand deposits	166,800	161,418	5,382	3.3
Term deposits	22,794	22,140	654	3.0
Insurance contract liabilities	49,781	48,263	1,518	3.1
of which: Unit Link and other	7,693	6,739	954	14.2
Reverse repurchase agreements and other	1,357	2,044	(687)	(33.6)
On-balance sheet funds	240,732	233,865	6,867	2.9
Mutual funds, managed accounts and SICAVs	61,205	59,275	1,930	3.3
Pension plans	28,049	26,589	1,460	5.5
Assets under management	89,254	85,864	3,390	3.9
Other accounts	3,424	3,156	268	8.5
Total customer funds	**333,410**	**322,885**	**10,525**	**3.3**

Portugal

€ million	Mar 31, 2019	Dec 31, 2018	Change	Change %
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	12,734	12,771	(37)	(0.3)
Home purchases	11,115	11,171	(56)	(0.5)
Other	1,619	1,600	19	1.2
Of which: Consumer lending	1,201	1,160	41	3.5
Loans to business	9,977	9,677	300	3.1
Corporates and SMEs	9,797	9,500	297	3.1
Real estate developers	180	177	3	1.7
Public sector	1,623	1,628	(5)	(0.3)
Loans and advances to customers, gross	**24,334**	**24,076**	**258**	**1.1**
CUSTOMERS FUNDS				
Customer funds	21,701	21,422	279	1.3
Demand deposits	13,233	12,838	395	3.1
Term deposits	8,468	8,584	(116)	(1.4)
Insurance contract liabilities	4,224	4,120	104	2.5
of which: Unit Link and other	2,363	2,314	49	2.1
Reverse repurchase agreements and other	17	16	1	6.3
On-balance sheet funds	25,942	25,558	384	1.5
Mutual funds, managed accounts and SICAVs	5,280	5,267	13	0.2
Pension plans	2,920	2,820	100	3.5
Assets under management	8,200	8,087	113	1.4
Other accounts	1,911	1,952	(41)	(2.1)
Total customer funds	**36,053**	**35,597**	**456**	**1.3**

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