Business activity and results

January-March

2020

Contents

Note: The financial information contained in this document is unaudited and, accordingly, is subject to change. The consolidated 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 specifically in the case of BPI, the information contained in this document does not coincide with certain aspects presented in BPI's publication of financial information. Likewise, the financial information regarding investees has been prepared primarily on the basis of estimates made by CaixaBank, hereinafter 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. Certain financial information in this report was rounded off and, specifically, the figures shown herein as totals may differ slightly from the arithmetic sum of the individual figures given before them.

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 IFRS4, the Group decided to apply temporary exemption from applying IFRS9 to the financial investments of the Group's insurance firms for all periods that come before 1 January 2021, albeit this date is currently being reviewed as it awaits the entry into force of the new IFRS17: Insurance Contracts (expected on 1 January 2023), which will govern the presentation and measurement of insurance contracts (including technical provisions). Accordingly, the information shown below does not consider the application of IFRS9 in relation to the investments undertaken by the Group's insurance firms, which are grouped under the heading 'Assets under the insurance business' on the balance sheet. In accordance with this presentation, the balances of the technical provisions corresponding to Unit Link and Flexible Investment Life Annuity (the part managed) are also included under the heading "Liabilities under the insurance business".

Commercial positioning

CaixaBank Group

15.5
million customers

27.8%
market penetration among individual customers in Spain

24.4%
market penetration as main bank among individual customers in Spain

416,391
in total assets (€ million)

376,560
in customer funds (€ million)

231,367
in loans and advances to customers (€ million)

Balance sheet indicators

RISK MANAGEMENT

3.6%
NPL ratio

58%
NPL coverage ratio

CAPITAL ADEQUACY

12.0%
CET1

15.8%
Total capital

22.6%
MREL

LIQUIDITY

96,227
in total liquid assets (€ million)

185%
liquidity coverage ratio (LCR), trailing 12 months

129%
NSFR

Profitability and cost-to-income

67
Banking and insurance

90
profit attributable to the Group (€ million)

-9
Equity Investments

32
BPI

56.1%
cost-to-income ratio stripping out extraordinary expenses (12 months)

5.4%
12-month ROTE

8.5%
stripping out extraordinary expenses

7.3%
12-month recurring ROTE for the banking and insurance business

Key Group figures

€ million / %	January - March 2020	January - March 2019	Change
INCOME STATEMENT			
Net interest income	1,200	1,237	(3.0%)
Net fee and commission income	658	612	7.6%
Core income	2,045	2,027	0.9%
Gross income	1,983	2,109	(6.0%)
Recurring administrative expenses, depreciation and amortisation	(1,188)	(1,204)	(1.3%)
Pre-impairment income	796	905	(12.1%)
Pre-impairment income stripping out extraordinary expenses	796	905	(12.1%)
Profit/(loss) attributable to the Group	90	533	(83.2%)
INDICATORS OF PROFITABILITY (Last 12 months)			
Cost-to-income ratio	67.6%	54.7%	12.9
Cost-to-income ratio stripping out extraordinary expenses	56.1%	54.4%	1.7
ROE	4.5%	7.1%	(2.6)
ROTE	5.4%	8.5%	(3.1)
ROA	0.3%	0.4%	(0.1)
RORWA	0.8%	1.2%	(0.4)

	March 2020	December 2019	Change
BALANCE SHEET			
Total assets	416,391	391,414	6.4%
Equity	24,217	25,151	(3.7%)
Customer funds	376,560	384,286	(2.0%)
Loans and advances to customers, gross	231,367	227,406	1.7%
RISK MANAGEMENT			
Non-performing loans (NPL)	8,957	8,794	163
Non-performing loan ratio	3.6%	3.6%	(0.0)
Cost of risk (last 12 months)	0.31%	0.15%	0.16
Provisions for insolvency risk	5,218	4,863	355
NPL coverage ratio	58%	55%	3
Net foreclosed available for sale real estate assets[1]	961	958	3
Foreclosed available for sale real estate assets coverage ratio	40%	39%	1
LIQUIDITY			
Total Liquid Assets	96,227	89,427	6,800
Liquidity Coverage Ratio (last 12 months)	185%	186%	(1)
Net Stable Funding Ratio (NSFR)	129%	129%	-
Loan to deposits	101%	100%	1
CAPITAL ADEQUACY			
Common Equity Tier 1 (CET1)	12.0%	12.0%	-
Tier 1	13.5%	13.5%	-
Total capital	15.8%	15.7%	0.1
MREL[2]	22.6%	21.8%	0.8
Risk-weighted assets (RWAs)[2]	147,822	147,880	(58)
Leverage ratio	5.4%	5.9%	(0.5)
SHARE INFORMATION			
Share price (€/share)	1.700	2.798	(1.098)
Market capitalisation	10,161	16,727	(6,566)
Book value per share (€/share)	4.05	4.20	(0.15)
Tangible book value per share (€/share)	3.33	3.49	(0.16)
Net income attributable per share (€/share) (12 months)	0.19	0.26	(0.07)
PER (Price/Profit)	9.11	10.64	(1.53)
Tangible PBV (Market value/ book value of tangible assets)	0.51	0.80	(0.29)
OTHER DATA (units)			
Employees[3]	35,569	35,736	(167)
Branches[4]	4,515	4,595	(80)
Of which: retail branches in Spain	3,846	3,918	(72)

(1) Exposure in Spain.
(2) December 2019 data updated with COREP.
(3) Departures within the early retirement scheme implemented on 1 April have been deducted.
(4) Does not include branches outside Spain and Portugal or representative offices.

Key information

Our Bank

The **2019-2021 Strategic Plan's vision is to make the Bank a leading and innovative financial group** with the best customer service, while making it a benchmark for socially responsible banking.

Customer experience

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

  With a basis of **13.6 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 27.8% and for 24.4% CaixaBank is their main bank.

  Our service vocation helps us establish solid market shares[2]:

Loans	Deposits	Payroll deposits	Investment funds	Life insurance	Pension plans	Card turnover	Consumer lending
16.0%	15.2%	27.6%	17.3%	28.2%	25.6%	23.3%	16.0%

- BPI boasts a customer base of **1.9 million clients in Portugal**, with a market share[3] of 10.5% in lending activity and 11.0% in customer funds. BPI obtained the *Five Stars Award* in the category of major banks for its customer satisfaction and acknowledgement, and *Reader's Digest* recognised BPI as the most trusted bank brand in Portugal for the seventh consecutive year.

Digital transformation

- CaixaBank continues to strengthen its **leadership of the digital banking market**, where it has 6.5 million **digital customers**[4], with a firm commitment towards digital transformation and supporting innovative companies with a potential for growth.
- CaixaBank is now the foremost company[5] *on Bizum* by number of customers and transactions made.

People centric culture

- **Our staff** are at the heart of the organisation and employ new working methods that are more flexible and collaborative.
- CaixaBank is included in the **Bloomberg Gender-Equality Index**, a selection that acknowledges the companies that are most committed to gender equality, through their policies, and transparency in disseminating their gender-related programmes and data.
- During the first quarter, CaixaBank has agreed a new **Equality Plan** to promote diversity, increase the presence of women in management roles and strengthen work-life balance.

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

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

(4) Individual customers between 20-74, with at least one access to CaixaBankNow in the last 12 months. At 31 March 2020, they represent 62.9% of the aforementioned target.

(5) Latest available information. Source: Sociedad de Procedimientos de Pago, S.L.(Bizum).

Responsible management and social commitment

- CaixaBank is firmly **committed to being a key figure in helping alleviate the effects caused by the Covid-19 health crisis** by providing all its human, technological and financial resources in awarding loans, as well as other actions to help families, companies and society as a whole. Since the beginning of the crisis, the following measures have been adopted, among others:

  - **Support for families**: Up to 23 April, CaixaBank has received about 95,000 mortgage moratorium requests and 125,000 consumer credit moratorium requests, affecting a portfolio amounting to approximately €8,500 million. As a bank that is adhered to CECA, it has committed to temporarily extending the moratorium on principal repayments for the most vulnerable groups included in the governmental measures and for customers affected by the health crisis.

  Pensions and unemployment benefits have been advanced to 2.4 million customers and priority has been given to remotely assisting the elderly. With the aim of simplifying transactions for customers and minimising travel, the cost of using ATMs belonging to other Spanish financial institutions for debit withdrawals is not being passed on.

  - **Focused on companies and self-employed workers**: against the backdrop of the current crisis, which has resulted in the closure of a significant proportion of businesses, CaixaBank has set in motion a support scheme for small businesses. The measures taken include specific financing, discounts on POS terminal fees and the launch of a new e-commerce technology solution provided by CaixaBank to small retailers to help them boost online sales.

  Since marketing the ICO lines and up to 28 April, CaixaBank has received 128,700 applications from its customers, for an approximate amount of €11,140 million[1].

  In addition, since the state of alert was declared and up to 23 April, CaixaBank has approved approximately €14,000 million[2] of credit to companies, excluding ICO lines.

  Moreover, a grace period is offered to rent capital goods and for vehicle leasing instalments.

  - **Commitment to Society** by reinforcing its collaboration with public authorities and social entities:

  CaixaBank's insurer VidaCaixa, has with €7.3 million euros led the contributions to the collective initiative carried out by Unespa with the aim of promoting a group life insurance that will cover all Spanish health care professionals for six months in the event of death or hospitalisation due to Covid-19.

  Collaboration in issuing 200,000 social aid cards, and the launching, together with the "la Caixa" Foundation, of a Food bank campaign aimed at mitigating the effects of coronavirus. Activation of several digital initiatives through the bank's Association of Volunteers.

  In addition, during the state of alert, CaixaBank will cancel the rents of tenants in buildings owned by its subsidiary BuildingCenter if they meet certain conditions.

In **Portugal, BPI** has implemented similar measures adapted to the Portuguese society and economy.

- Within the environmental scope, the Carbon Disclosure Project has included **CaixaBank on its A- list of leading companies fighting climate change**. CaixaBank is carbon neutral since 2018.

  CaixaBank has **joined the United Nations Collective Commitment to Climate Action**, encouraging the financial sector to facilitate the economic transition towards a sustainable model. In 2020, it has signed the **first sustainable factoring agreement in Spain** and has turned 'green' a guarantee facility for an amount of €1,000 million.

(1) Loan applications with credit already granted, internally approved or in process until 28 April 2020. Including loans to corporate, SMEs and self-employed.

(2) Loans already granted or approved but not yet granted, since declaration of State of Alarm and until 23 April 2020. Excluding loans to individuals.

Attractive return and solid financials

Highlights for the quarter

The rapid expansion of Covid-19 combined with the measures rolled out by the authorities to slow the spread are expected to be limited in time but to have a severe impact on the global economy.

In this context, the CaixaBank Group aims to serve as a key player in ensuring the recovery of the Spanish and Portuguese economies is as fast as possible, providing credit to ensure it gets to where it needs to be, pursuant to the state guarantee systems established by the authorities, while efficiently using the capital to provide adequate returns for shareholders.

In this line, the Board of Directors, in the meetings held on 26 March and 16 April 2020, agreed the following with the aim of accommodating the bank's position to this new landscape:

- Cancel the Annual General Meeting, which was announced on 25 February 2020, and which was scheduled for 2 and 3 April 2020 at first and second call, respectively, and reschedule it for 21 and 22 May 2020 (first and second call).

- Revoke the proposal to distribute the profit agreed by the Board of Directors on 20 February 2020 and reduce the proposed cash dividend for 2019 to 0.07 euros per share instead of 0.15 euros, in an exercise of prudence and social responsibility; this results in a payout of 24.6%. In addition, the dividend corresponding to 2019 is to be paid as a single interim dividend for 2019, payable on 15 April 2020, with this payout being the only shareholder remuneration to be charged to 2019 profits.

- After considering the new regulatory and supervisory aspects, among others, the impact of the standards laid down in the Capital Requirements Directive V (CRD V) with regard to the composition of the Pillar 2 Requirement (P2R), reduce to 11.5% the objective of the CET1 capital adequacy ratio as per the 2019-2021 Strategic Plan for December 2021, revoking the objective of a 12% CET1 ratio plus a buffer of 1% that was set aside to absorb impacts of the implementation of Basel developments (Basel IV) and other regulatory impacts, the implementation of which is now expected to be delayed.

- As regards the dividend policy in force comprising the distribution of a cash dividend above 50% of the consolidated net profit, to exclusively modify it for 2020, to distribute a cash dividend of no more than 30% of the reported consolidated net profit. The Board of Directors also stated its intention of allocating at least an amount above 50% of consolidated net profit to the cash remuneration for future financial years, once the circumstances that have brought about this amendment have ceased.

- It has announced future plans to distribute any capital that exceeds the CET1 capital adequacy ratio of 12% as an extraordinary dividend and/or buy back shares. This extraordinary payout of excess capital will be conditional on the macroeconomic situation in which the Group operates returning to normal and will not take place in any event before 2021.

In no case will the remuneration of preference shares eventually convertible into outstanding shares (Additional Tier 1) be affected by prior agreements, and it will continue to be paid in accordance with the regulatory and supervisory framework in force.

- Following a principle of prudence in the variable remuneration, and as an act of joint responsibility between CaixaBank's Senior Management and the Bank in view of the economic impact expected from the exceptional economic and social situation created by Covid-19, the Chief Executive Officer and members of the Management Committee have decided to waive their variable remuneration for 2020, both their yearly bonus and their participation in the second cycle of the 2020 Long-Term Incentives Plan. In addition, it has been agreed not to propose the granting of shares in this second cycle of the Long-Terms Incentives Plan for the other 78 directors included therein.

Results and business activity

- **Attributable profit for the first quarter of 2020 reached €90 million** (-83.2% with respect to 2019), after recognising an extraordinary provision to anticipate future impacts associated with Covid-19 for €400 million.
- **Total loans and advances to customers, gross** stands at €231,367 million, +1.7% in the quarter, as a result of the increase of loans to business.
- **Customer funds** reached €376,560 million, **down 2.0% in the quarter**, impacted by the performance of the markets.

Risk management

- The **NPL ratio** remains stable at **3.6%** and the **coverage ratio** rose to **58%**, up 3pp in the quarter.

Liquidity management

- **Total liquid assets** amounted to **€96,227 million**, up €6,800 million in the quarter, mainly due to the provision of collateral in the ECB facility.
- The Group's **Liquidity Coverage Ratio** (LCR) at 31 March 2020 was **234%**, showing an ample liquidity position (185% LCR average last 12 months) well clear of the minimum requirement of 100%.

Capital management

- With reference date 31 March 2020, CaixaBank has availed itself to the IFRS9's transitional provisions[1], which permits partially mitigating in its capital adequacy calculations the pro-cyclicality associated with the provisions model under IFRS9 throughout the established transitional period.
- The **Common Equity Tier 1 (CET1)** ratio remains at **12.0%**. The first quarter includes +32 basis points from the extraordinary impact of reducing the established dividend against 2019 earnings, as one of the measures adopted by the Board of Directors due to Covid-19, and +13 basis points from the adoption of the transitional period of IFRS9 (excluding the latter, the CET1 ratio would have been 11.9%). The organic generation of capital in the quarter was -10 basis points, mainly due to the increase of credit RWAs (-11bp), and -37 basis points from market and other impacts, mainly due to the negative performance of the fixed-income and equity portfolios (of which -24bp Telefónica and BFA).
- The **Tier 1** ratio remains at **13.5%,** the **Total Capital ratio** at **15.8%** and the **leverage ratio** at **5.4%**.
- As for the MREL requirement (22.5% of RWAs and 10.6% on TLOF at a consolidated level as of 1 January 2021), CaixaBank had a ratio of 22.6% on RWA and 9.8% on TLOF at 31 March, considering all liabilities currently classified as eligible by the Single Resolution Board. At a subordinated level, exclusively including Senior non-preferred debt, the MREL ratio reached 19.6%.

(1) See note 1 of section 'Capital management'. Pending ECB approval.

Macroeconomic trends and state of the financial markets

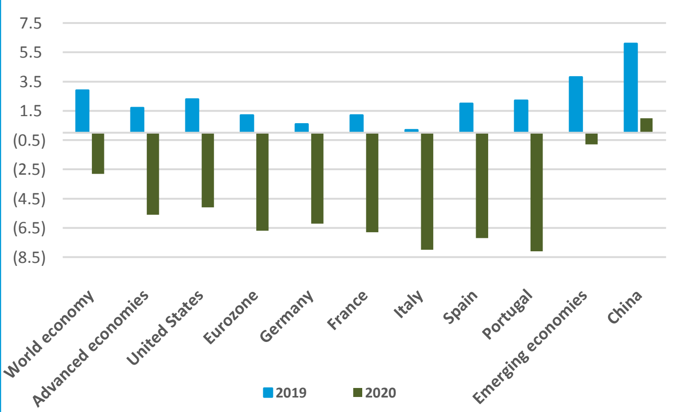
Scenarios subject to an extreme degree of uncertainty

The scenarios that follow have been built in an unusual situation of high uncertainty, arising from the many unknown epidemiological and health aspects of the Covid-19 pandemic and the variety of economic policy responses that can be implemented in the different countries in dealing with this shock.

Global economic outlook

Earlier this year, growth forecasts indicated a slight **global** acceleration in 2020. These scenarios were promptly overshadowed by the global extension of the Covid-19 pandemic, which will most likely have unprecedented intense economic consequences in the short term.

The few indicators that have been published since the pandemic began suggest so: China, where the virus spread first, opted for radical containment measures that has proven successful after two months, but it has also had a very profound impact on the pace of activity. Thus, a 6.8% year-on-year drop has been registered in the first quarter of the year.



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

The pandemic's evolution is leading us to believe that no country will avoid being directly affected by this situation. In addition, all economies are exposed, to a greater or lesser degree, to the drop in global demand, which was already noticed at the beginning of the year in China due to the pandemic, and it will most likely intensify in upcoming months as it spreads throughout the rest of the world. It is unlikely that any economy will come out the other end totally unscathed from the disruptions experienced by the global supply chains and the restrictions to the international mobility of people. To all this, we must add the deterioration of the financial environment.

In this line, a significant negative impact on the pace of activity is expected in the short term, varying by country, as early as the first or second quarter of this year, with a rebound in 2021. Thus, a considerable global decline of activity has been forecast for 2020, even more acute than the slump experienced in the Great Recession of 2009; however, growth rates are expected to recover by 2021.

(1) CaixaBank Research forecasts for 2020.

An array of extraordinary far-reaching and extensive economic measures are being swiftly implemented to combat this considerable impact. Beyond the variants by country, the implemented measures share a common goal: avoiding a temporary shock having continued negative effects.

Economic scenario - Europe, Spain and Portugal

At a **European** level, the eurozone seems to be leading towards a brief but intense recession in the first half of the year with a general contraction that could result in a growth of around -7% in 2020 and even deeper drops of GDP. However, the recovery should culminate in an intense growth in 2021, which could exceed 6%.

The **Spanish** economy will probably experience a similar pattern to the European economy. It is estimated that the GDP drop during the first half of the year will easily exceed 10%, mainly due to the halt of activity experienced by those sectors directly affected by the confinement measures, such as the Horeca, business, leisure and transport sectors, among others, which represent around 25% of the Spanish GDP. However, the impact experienced by most of the other sectors will also carry weight. The profound effect of the measures implemented up to this date can already be seen in the few available indicators, which all indicate a strong contraction of consumption.

However, once the pandemic is overcome, we are confident that the measures taken by the authorities, which should be extended if required, will help recover the economy as of the third quarter of the year; thus, the forecast of GDP growth for 2020 is approximately - 7.2% and close to 7% in 2021. However, we must emphasise that we are currently experiencing unforeseen circumstances and the degree of uncertainty is extreme.

The economic scenario in **Portugal** is similar to the Spanish. Because of the limitations to the activity generated by the state of alert, the GDP is likely to undergo a sharp fall in 2020 (-8.1%) followed by a growth rebound in 2021 (+6.1%). The intensity of the shock will be similar to the one experienced by the Spanish economy, and it is positioned in the area of high impact within the eurozone, mainly due to the weight of tourism in its economy and the close trade relationship with Spain. The Portuguese Government has implemented an economy support package equivalent to 4.6% of its GDP.

State of the financial markets

In the context of a global severe shock caused by the pandemic, markets are experiencing a resurgence of risk aversion and a very abrupt and severe volatility, resulting in a historic plummeting of the **stock markets** and raw materials, higher risk premiums and a general tightening of financial conditions. Specifically, since mid-February, the world's main **trading floors** have experienced the steepest falls in many years, and at the end of March, the benchmark indices accumulated losses close to 30% in both the United States and Europe. In addition, the speed of correction has been especially notable.

In this context, the main central banks have acted swiftly and firmly, guaranteeing abundant liquidity and entrenching an environment of low interest rates. Central banks with room for manoeuvre have cut rates to almost 0%, whereas others, such as the ECB and the Bank of Japan, have maintained them in all-time lows. In addition, they have taken measures further in ensuring abundant liquidity and favourable credit terms. For example, the Fed has announced unlimited purchases of sovereign and mortgaged-covered bonds, as well as the purchase of corporate debt and assets backed by loans received by the consumers. On the other hand, the ECB extended the purchase of assets it had planned for 2020 by €870,000 million, out of which, under the new programme of purchases against the pandemic emergency, €750,000 million will be implemented practically without restriction. Lastly, the rest of main central banks, in coordination with the Fed, have injected liquidity, in dollars, to their respective jurisdictions. This way, they have corrected the emergency that arose from the strains on financing in dollars, which was becoming relatively scarcer.

Results

The Group's income statement

Year-on-year and quarterly performance

€ million	2020	2019	Change %	4Q19	Change %
Net interest income	**1,200**	**1,237**	**(3.0)**	**1,231**	**(2.5)**
Dividend income	1	10	(89.3)	2	(30.1)
Share of profit/(loss) of entities accounted for using the equity method	56	107	(47.6)	81	(31.1)
Net fee and commission income	658	612	7.6	694	(5.1)
Trading income	(20)	48		13	
Income and expense under insurance or reinsurance contracts	150	130	15.6	149	0.6
Other operating income and expense	(62)	(35)	79.6	(175)	(64.3)
Gross income	**1,983**	**2,109**	**(6.0)**	**1,995**	**(0.6)**
Recurring administrative expenses, depreciation and amortisation	(1,188)	(1,204)	(1.3)	(1,174)	1.2
Extraordinary expenses				(1)	
Pre-impairment income	**796**	**905**	**(12.1)**	**820**	**(2.9)**
Pre-impairment income stripping out extraordinary expenses	**796**	**905**	**(12.1)**	**821**	**(3.1)**
Allowances for insolvency risk	(515)	(123)		(88)	
Other charges to provisions	(144)	(48)		(84)	72.4
Gains/(losses) on disposal of assets and others	(31)	(16)	88.5	(85)	(63.8)
Profit/(loss) before tax	**106**	**718**	**(85.2)**	**563**	**(81.2)**
Income tax expense	(16)	(185)	(91.3)	(123)	(87.0)
Profit/(loss) after tax	**90**	**533**	**(83.1)**	**440**	**(79.6)**
Profit/(loss) attributable to minority interest and others				1	(42.1)
Profit/(loss) attributable to the Group	**90**	**533**	**(83.2)**	**439**	**(79.6)**

- **Attributable profit for the first quarter of 2020 amounts to €90 million**, down 83.2% with respect to the same period of the previous year, mainly impacted by the losses due to impairment of financial assets and the cost associated with early retirements.

  Growth in core income[1], which stands at €2,045 million (+0.9%), after a solid performance up to the month of February, since it was registering a 3.7% growth.

  The change in Gross income (-6.0%) is mainly due to the reduction in **Trading income** (marked by the markets' negative performance) and lower **Income from equity investments**. On the other hand, the positive evolution of **Income and expenses under insurance or reinsurance contracts and Fees and commissions**, the latter growing 7.6% with respect to the same period of the previous year.

  Recurring administrative expenses, depreciation and amortisation drop by 1.3% after managing the cost base.

  The performance of **Allowances for insolvency risk** is impacted by the further provisions for credit risk of €400 million in view of the new scenario.

  Other charges to provisions includes a total of €109 million in connection with early retirements in the first quarter of 2020.

(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.

- With respect to the previous quarter, the core income dropped 3.3%. In **Fee and commission income** (-5.1%), the fourth quarter of 2019 included the usual positive seasonal impact and increased fees from investment banking, whereas the first quarter of 2020 was affected by the current scenario, mainly in fees and commissions of managed assets and payment methods.

  Gross income dropped 0.6%, with a reduction in the different lines of income, albeit in the previous quarter it included the contribution paid to the Deposit Guarantee Fund for an amount of €-242 million. Recognition of the Spanish property tax of the real estate portfolio in the first quarter of 2020 for €-16 million.

  Pre-impairment income is lower when compared to the previous quarter (-2.9%) following a restrained rise of costs of 1.2% arising from its natural growth.

  The change in **Allowances for insolvency risk** and **Other charges to provisions** was mainly down to the aforementioned increased provisions and the recognition of the cost associated with early retirements in the first quarter of 2020.

Returns on average total assets[1]

In %	1Q20	4Q19	3Q19	2Q19	1Q19
Interest income	1.70	1.73	1.71	1.79	1.76
Interest expense	(0.49)	(0.53)	(0.50)	(0.57)	(0.49)
Net interest income	**1.21**	**1.20**	**1.21**	**1.22**	**1.27**
Dividend income	0.00	0.00	0.00	0.15	0.01
Share of profit/(loss) of entities accounted for using the equity method	0.06	0.07	0.13	0.10	0.11
Net fee and commission income	0.66	0.68	0.64	0.63	0.63
Trading income	(0.02)	0.01	0.02	0.21	0.05
Income and expense under insurance or reinsurance contracts	0.15	0.15	0.14	0.13	0.13
Other operating income and expense	(0.06)	(0.17)	(0.03)	(0.14)	(0.03)
Gross income	**2.00**	**1.94**	**2.11**	**2.30**	**2.17**
Recurring administrative expenses, depreciation and amortisation	(1.20)	(1.14)	(1.16)	(1.19)	(1.24)
Extraordinary expenses	0.00	0.00	0.00	(0.96)	0.00
Pre-impairment income	**0.80**	**0.80**	**0.95**	**0.15**	**0.93**
Pre-impairment income stripping out extraordinary expenses	**0.80**	**0.80**	**0.95**	**1.11**	**0.93**
Allowances for insolvency risk	(0.52)	(0.09)	(0.08)	(0.08)	(0.13)
Other charges to provisions	(0.15)	(0.08)	(0.06)	(0.04)	(0.05)
Gains/(losses) on disposal of assets and others	(0.02)	(0.08)	(0.04)	(0.02)	(0.01)
Profit/(loss) before tax	**0.11**	**0.55**	**0.77**	**0.01**	**0.74**
Income tax expense	(0.02)	(0.12)	(0.14)	0.08	(0.19)
Profit/(loss) after tax	**0.09**	**0.43**	**0.63**	**0.09**	**0.55**
Profit/(loss) attributable to minority interest and others	0.00	0.00	0.00	0.00	0.00
Profit/(loss) attributable to the Group	**0.09**	**0.43**	**0.63**	**0.09**	**0.55**
Average total net assets (€ million)	398,813	407,407	407,283	406,725	393,767

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

Gross income

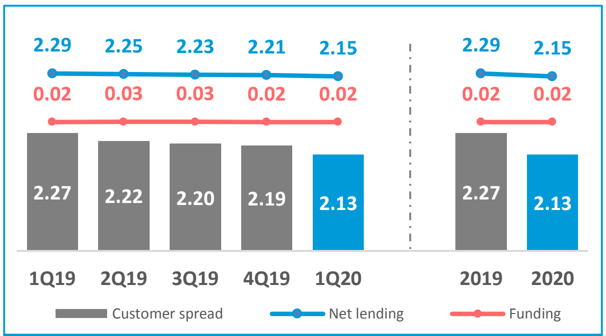
Net interest income

- **Net interest income** totalled €1,200 million (down 3.0% on the same period in 2019) mainly impacted by the lower contribution of the lending and fixed-income portfolios. In an environment of negative interest rates, this decrease is due to:

  - Lower income from loans due to the interest rate decline, impacted by the drop of the rate curve, partially compensated by a higher volume
  - Lower contribution from the fixed-income portfolio (balance and rate drop)

  These effects have been partially compensated by:

  - Savings in the costs of institutional financing due to a lower price, mainly as a result of a drop in the curve.
  - Reduction of costs for financial institutions, aided by the measures taken by the ECB in October 2019
  - Slightly lower retail funding costs
  - Greater contribution of the insurance business (savings products)



Customer spread, Group
(%)

- Net interest income dropped by 2.5% **quarter-on-quarter** due to:

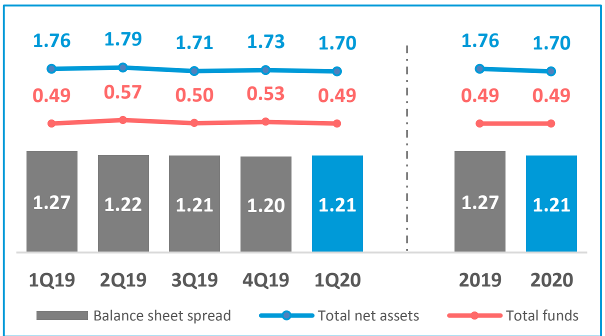
  - Decline in the income of loans and advances, due to a lower portfolio interest rate and the quarter having one day less. This quarter, the net interest income no longer includes recovered write-offs, which are now recognised in the heading Allowances for insolvency risk
  - Fall in the interest rate of the fixed-income portfolio, mainly due to maturities at the end of the previous quarter at higher rates than those of the new purchases

  These effects have been partially compensated by:

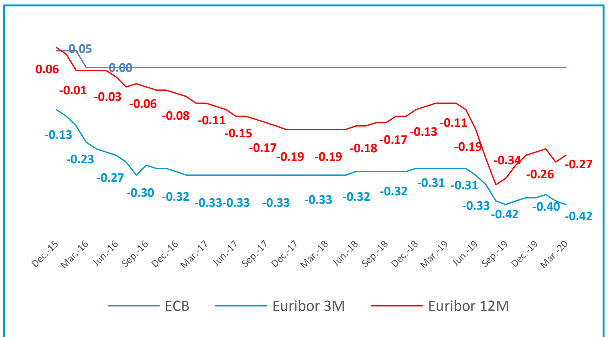
  - Positive impact caused by the measures taken by the European Central Bank, increasing the excess over the non-penalised reserve requirement with negative rates
  - Lower cost of institutional funding due to lower rates
  - Greater contribution of the insurance business

  The **customer spread** fell by 6 basis points in the quarter to 2.13% due to a reduction in the return on lending activity.

  The **balance sheet spread** is 1 basis point above the previous quarter due to the reduction of the balance sheet at 2019 year-end, impacted by netting the non-yielding items, especially in trading derivatives, with a positive impact higher than the decrease of net interest income.



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



Interest rates
(%)

Quarterly cost and income

€ million		1Q20 Average balance	1Q20 Income or expense	1Q20 Rate %	4Q19 Average balance	4Q19 Income or expense	4Q19 Rate %	3Q19 Average balance	3Q19 Income or expense	3Q19 Rate %
Financial Institutions		23,394	42	0.73	24,410	38	0.62	21,353	35	0.65
Loans and advances	(a)	214,295	1,148	2.15	214,376	1,196	2.21	215,173	1,207	2.23
Debt securities		36,055	63	0.70	33,825	69	0.81	35,137	81	0.91
Other assets with returns		64,733	423	2.63	64,826	468	2.86	64,955	429	2.62
Other assets		60,336	5	-	69,970	3	-	70,665	5	-
Total average assets	**(b)**	**398,813**	**1,681**	**1.70**	**407,407**	**1,774**	**1.73**	**407,283**	**1,757**	**1.71**
Financial Institutions		32,034	(39)	0.49	30,656	(51)	0.66	29,129	(58)	0.78
Retail customer funds	(c)	215,772	(11)	0.02	217,239	(11)	0.02	219,137	(15)	0.03
Demand deposits		186,265	(8)	0.02	186,470	(7)	0.02	186,901	(9)	0.02
Maturity deposits		29,508	(4)	0.04	30,770	(3)	0.05	32,237	(5)	0.07
Time deposits		26,808	(3)	0.04	27,832	(3)	0.05	28,893	(5)	0.08
Retail repurchase agreements and marketable debt securities		2,700	(1)	0.07	2,938	-	-	3,344	-	-
Wholesale marketable debt securities & other		30,339	(58)	0.77	29,359	(60)	0.81	28,553	(64)	0.89
Subordinated liabilities		5,400	(18)	1.32	5,400	(18)	1.32	5,400	(19)	1.36
Other funds with cost		73,594	(343)	1.87	74,139	(390)	2.08	73,771	(347)	1.87
Other funds		41,674	(12)	-	50,614	(13)	-	51,293	(12)	-
Total average funds	**(d)**	**398,813**	**(481)**	**0.49**	**407,407**	**(543)**	**0.53**	**407,283**	**(515)**	**0.50**
Net interest income			**1,200**			**1,231**			**1,242**	
Customer spread (%)	**(a-c)**		**2.13**			**2.19**			**2.20**	
Balance sheet spread (%)	**(b-d)**		**1.21**			**1.20**			**1.21**	

€ million		2Q19 Average balance	2Q19 Income or expense	2Q19 Rate %	1Q19 Average balance	1Q19 Income or expense	1Q19 Rate %
Financial Institutions		31,860	46	0.58	23,555	44	0.76
Loans and advances	(a)	212,858	1,196	2.25	210,726	1,188	2.29
Debt securities		36,524	93	1.02	39,323	90	0.93
Other assets with returns		60,071	472	3.15	56,592	383	2.75
Other assets		65,412	7	-	63,571	6	-
Total average assets	**(b)**	**406,725**	**1,814**	**1.79**	**393,767**	**1,711**	**1.76**
Financial Institutions		42,221	(70)	0.67	42,505	(62)	0.60
Retail customer funds	(c)	214,305	(16)	0.03	205,680	(13)	0.02
Demand deposits		181,765	(11)	0.02	173,969	(9)	0.02
Maturity deposits		32,540	(5)	0.07	31,711	(4)	0.05
Time deposits		29,274	(5)	0.07	29,004	(4)	0.06
Retail repurchase agreements and marketable debt securities		3,265	-	-	2,706	-	-
Wholesale marketable debt securities & other		28,694	(63)	0.88	26,734	(61)	0.92
Subordinated liabilities		5,400	(19)	1.40	5,400	(18)	1.36
Other funds with cost		68,421	(390)	2.29	65,286	(307)	1.91
Other funds		47,684	(15)	-	48,162	(13)	-
Total average funds	**(d)**	**406,725**	**(573)**	**0.57**	**393,767**	**(474)**	**0.49**
Net interest income			**1,241**			**1,237**	
Customer spread (%)	**(a-c)**		**2.22**			**2.27**	
Balance sheet spread (%)	**(b-d)**		**1.22**			**1.27**	

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 income from ECB funding measures (TLTRO and MRO). Conversely, the heading financial intermediaries on the liabilities side shows the negative interest on the balances of financial intermediaries on the assets side. Only the net amount between income and expense for both headings has economic significance.
- "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.
- With regard to compensating the trading derivatives held via clearing houses LCH and EUREX, the compensation criteria established in IAS 32 have been met since 31 December 2019. This compensation gave rise to a reduction in balances of headings "Other assets" and "Other funds" with respect to previous quarters.

Fees and commissions

- **Fee and commission income reached €658 million**, **+7.6%** on the same period of 2019 and **-5.1%** on the previous quarter.
  - **Banking services, securities and other fees** includes income on securities transactions, transactions, risk activities, deposit management, payment methods and investment banking. The recurring banking fees and also those from investment banking stand out in the year-on-year improvement (+7.3%).
    The 5.6% drop with respect to the previous quarter is mainly due to the slight positive seasonal effect of the fourth quarter and, especially to the higher income from investment banking during that period. As of the second half of March, there has been a significant drop of fees and commissions from payment methods due to lower business activity, with a minor impact on the rest of lines.
  - The **fees and commissions from sale of insurance products** dropped when compared to 2019 (-7.9%) and the previous quarter (-2.1%), due to, among other factors, a lower activity in March.
  - **Commissions from mutual funds, managed accounts and SICAVs** came to €139 million (+9.6%). Its year-on-year performance is impacted by, among other factors, the higher average net assets managed during the first quarter of 2020. The quarterly performance (-3.0%) is impacted by the markets' negative performance, which reduced the average net assets with respect to the previous quarter.
  - **Commissions from managing pension plans** stand at €56 million, +9.7% year-on-year due to the higher average net assets managed during the first quarter of 2020. With respect to the previous quarter (-9.6%), in addition to the impact on the managed assets derived from the collapse of the markets, the fourth quarter included a one off income obtained from the returns on pensions plans at year end.
  - Growth in Unit Link **fees and commissions** (+28.0%) due to managing a higher volume, with a negative impact on the quarter (-4.9%) due to market performance.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
Banking services, securities and other fees	378	352	7.3	378	401	380	367	352
Sale of insurance products	50	55	(7.9)	50	52	51	55	55
Mutual funds, managed accounts and SICAVs	139	127	9.6	139	143	138	130	127
Pension plans	56	51	9.7	56	62	55	54	51
Unit Link and other[1]	35	27	28.0	35	36	32	30	27
Net fee and commission income	**658**	**612**	**7.6**	**658**	**694**	**656**	**636**	**612**

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

Income from equity investments

- **Dividend income** includes in the second quarter of 2019 the dividend from Telefónica for €104 million and BFA for €46 million.
- The **Share of profit/(loss) of entities accounted for using the equity method** drops 47.6% on the same period of the previous year. Lower results attributed to equity investments, due to the current economic scenario, and to the correction of results following the final year-close, recognised in the first quarter of 2020.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
Dividend income	1	10	(89.3)	1	2		151	10
Share of profit/(loss) of entities accounted for using the equity method	56	107	(47.6)	56	81	135	102	107
Income from equity investments	**57**	**117**	**(51.3)**	**57**	**83**	**135**	**253**	**117**

Trading income

- **Trading income** stands at €-20 million in the quarter, which includes the impact caused by the markets' negative performance, mainly on derivatives.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
Trading income	(20)	48		(20)	13	24	213	48

Income and expense under insurance or reinsurance contracts

- The income from life-risk insurance business stands at €150 million, showing a solid growth of 15.6% with respect to the same period of the previous year, which was impacted by the schedule of product roll-outs. There is a 0.6% rise with respect to the previous quarter, although growth is slowing down due to the current context.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
Income and expense under insurance or reinsurance contracts	150	130	15.6	150	149	143	134	130

Other operating income and expense

- **Other operating income and expense** 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 an estimation of the Spanish property tax for €16 million in both years
  - Contribution to the Deposit Guarantee Fund (DGF) of €242 million reported in the fourth quarter of 2019
  - The second quarter included the contribution to the Single Resolution Fund of €103 million in 2019

  The performance of the line Other is explained by, among other factors, the recognition in the first quarter of 2020 of BPI's annual contribution paid to the Portuguese banking sector (Contribuição sobre o sector bancário) of €16 million, which in 2019 was accrued throughout the year. In the previous quarter it included income from the earn out of SegurCaixa Adeslas.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
SRF / DGF					(242)		(103)	
Other real estate operating income and expense (including Spanish property tax)	(17)	(12)	41.7	(17)	12	1		(12)
Other	(45)	(23)	95.7	(45)	55	(36)	(38)	(23)
Other operating income and expense	(62)	(35)	79.6	(62)	(175)	(35)	(141)	(35)

Administration expenses, depreciation and amortisation

- The year-on-year performance of **Recurring administrative expenses, depreciation and amortisation** (-1.3%) is a result of the cost base management.

  Personnel expenses fell by 3.3%, materialising among others the savings associated with the labour agreement[1] of 2019, which compensate the organic increase. General expenses dropped by 1.0%.

  The increase in depreciation and amortisation (+9.7%) includes investments made in the bank's transformation projects throughout the previous year.

- Growth with respect to the previous quarter (+1.2%) is impacted by the recognition of €6 million in Spanish property tax on buildings for own use.

  Personnel expenses increased by 2.2%. General expenses, not including the Spanish property tax on buildings for own use, dropped 2.2%, and depreciation and amortisation fell by 0.9%.

(1) Agreement reached with the employees' union representatives in the second quarter of 2019 regarding a plan of compensated terminations for €978 million. The majority of the departures were implemented on 1 August 2019.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
Gross income	1,983	2,109	(6.0)	1,983	1,995	2,165	2,336	2,109
Personnel expenses	(739)	(764)	(3.3)	(739)	(723)	(731)	(760)	(764)
General expenses	(309)	(312)	(1.0)	(309)	(309)	(314)	(312)	(312)
Depreciation and amortisation	(140)	(128)	9.7	(140)	(142)	(144)	(132)	(128)
Recurring administrative expenses, depreciation and amortisation	**(1,188)**	**(1,204)**	**(1.3)**	**(1,188)**	**(1,174)**	**(1,189)**	**(1,204)**	**(1,204)**
Extraordinary expenses					(1)		(978)	
Cost-to-income ratio (%) (12 months)	67.6	54.7	12.9	67.6	66.8	67.9	67.0	54.7
Cost-to-income ratio stripping out extraordinary expenses (%) (12 months)	56.1	54.4	1.7	56.1	55.4	56.2	55.4	54.4

	2020	2019	Chg.	1Q20	4Q19	3Q19	2Q19	1Q19
Core income	2,045	2,027	0.9	2,045	2,115	2,117	2,057	2,027
Recurring administrative expenses, depreciation and amortisation	(1,188)	(1,204)	(1.3)	(1,188)	(1,174)	(1,189)	(1,204)	(1,204)
Core cost-to-income ratio (12 months)	**57.0**	**56.9**	**0.1**	**57.0**	**57.4**	**57.9**	**57.7**	**56.9**

Allowances for insolvency risk and other charges to provisions

- **Allowances for insolvency risk** stand at €-515 million (€-123 million and €-88 million in the first and fourth quarter of 2019, respectively).

  In the first quarter of 2020, the Group recognised the changes in the macroeconomic scenarios and changed the weighting established for each scenario employed in the estimate of expected loss due to credit risk. For this purpose, internal economic projection scenarios based on the impact of the Covid-19 health crisis on the economy and different levels of severity have been used, albeit providing a certain weight to alternative macroeconomic projections with a lesser contextual bias.

  Combining scenarios allows reducing the uncertainty of projections in the current context and the pro-cyclicality of credit risk models in line with the recommendations of supervisory bodies.

  As a result, a provision for credit risk of €400 million was recognised at 31 March 2020, although these provisions will be updated in coming months based on new available information.

  The fourth quarter of 2019 included, among others, the release in provisions established at the time BPI was acquired for €119 million (€+45 million in the first quarter of 2020).

  The **cost of risk** (12 months) stands at **0.31%** (+16bp in the quarter).

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

  The year-on-year performance is mainly affected by the recognition of €109 million associated with the early retirements in 2020. Allowances were recognised for legal contingencies in the last quarter of 2019, employing conservative criteria.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
Allowances for insolvency risk	(515)	(123)		(515)	(88)	(84)	(81)	(123)
Other charges to provisions	(144)	(48)		(144)	(84)	(60)	(43)	(48)
Allowances for insolvency risk and other charges to provisions	**(659)**	**(171)**		**(659)**	**(172)**	**(144)**	**(124)**	**(171)**

Gains/(losses) on disposal of assets and others

- **Gains/(losses) on disposal of assets and others** includes, essentially, the results of completed one-off transactions and proceeds on asset sales and write-downs.

  The real estate results in the fourth quarter of 2019 reflected, among others, the extraordinary adaptation of certain real estate assets to their fair value.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
Real estate results	(14)	(10)	40.0	(14)	(61)	(8)	(5)	(10)
Others	(17)	(6)		(17)	(24)	(36)	(17)	(6)
Gains/(losses) on disposal of assets and others	**(31)**	**(16)**	**88.5**	**(31)**	**(85)**	**(44)**	**(22)**	**(16)**

Business Activity

Balance sheet

Total assets reached €416,391 million, up 6.4% in the quarter:

€ million	Mar. 31, 2020	Dec. 31, 2019	Change	Change %
- Cash and cash balances at central banks and other demand deposits	26,505	15,110	11,395	75.4
- Financial assets held for trading	8,778	7,370	1,408	19.1
- Financial assets not designated for trading compulsorily measured at fair value through profit or loss	410	427	(17)	(4.0)
Equity instruments	195	198	(3)	(1.5)
Debt securities	52	63	(11)	(17.5)
Loans and advances	163	166	(3)	(1.8)
- Financial assets at fair value with changes in other comprehensive income	21,782	18,371	3,411	18.6
- Financial assets at amortised cost	257,962	244,702	13,260	5.4
Credit institutions	5,673	5,159	514	10.0
Customers	225,738	222,154	3,584	1.6
Debt securities	26,551	17,389	9,162	52.7
- Derivatives - Hedge accounting	399	2,133	(1,734)	(81.3)
- Investments in joint ventures and associates	3,892	3,941	(49)	(1.2)
- Assets under the insurance business[1]	69,629	72,683	(3,054)	(4.2)
- Tangible assets	7,301	7,282	19	0.3
- Intangible assets	3,842	3,839	3	0.1
- Non-current assets and disposal groups classified as held for sale	1,272	1,354	(82)	(6.1)
- Other assets	14,619	14,202	417	2.9
Total assets	**416,391**	**391,414**	**24,977**	**6.4**
Liabilities	**392,174**	**366,263**	**25,911**	**7.1**
- Financial liabilities held for trading	3,440	2,338	1,102	47.1
- Financial liabilities at amortised cost	311,690	283,975	27,715	9.8
Deposits from central banks and credit institutions	44,608	20,656	23,952	116.0
Customer deposits	224,763	221,079	3,684	1.7
Debt securities issued	34,544	33,648	896	2.7
Other financial liabilities	7,775	8,592	(817)	(9.5)
- Liabilities under the insurance business[1]	68,001	70,807	(2,806)	(4.0)
- Provisions	3,419	3,624	(205)	(5.7)
- Other liabilities	5,624	5,519	105	1.9
Equity	**24,217**	**25,151**	**(934)**	**(3.7)**
- Shareholders' equity	25,876	26,247	(371)	(1.4)
- Minority interest	28	29	(1)	(3.4)
- Accumulated other comprehensive income	(1,687)	(1,125)	(562)	50.0
Total liabilities and equity	**416,391**	**391,414**	**24,977**	**6.4**

(1) In accordance with the Amendments to IFRS4, the Group decided to apply temporary exemption from applying IFRS9 to the financial investments of the Group's insurance firms for all periods that come before 1 January 2021, albeit this date is currently being reviewed as it awaits the entry into force of the new IFRS17: Insurance Contracts (expected on 1 January 2023), 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'.

Loans and advances to customers using management criteria

Loans and advances to customers, gross stands at **€231,367 million** (+1.7% in the quarter), particularly noteworthy has been the growth of loans granted to corporates and SMEs.

- Highlight changes by segment include:

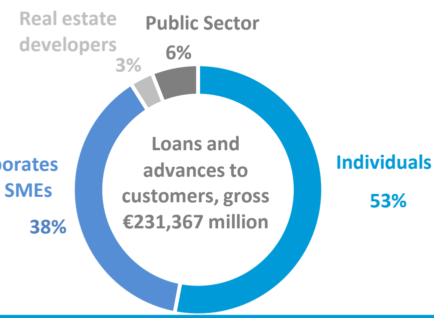
  Loans for home purchases (-0.9% in the quarter) continues to be marked by the deleveraging of families in line with the trend of previous quarters, with a slight negative impact from a lower mortgage production in the second half of March.

  Loans to individuals – Other has dropped by 1.6% in the quarter. **Consumer lending** performed positively (+1.0%) thanks to the good commercial activity in the first two months of the quarter, albeit experiencing a negative impact in March.

  Financing for **Corporates and SMEs** was up 3.4%. The first two months of the year include the usual drop following the year-end positive seasonal effect, especially in working capital products. Particularly noteworthy are the almost €5,000 million provided in the month of March as a response to the demand of loans by large companies and SMEs in a context where they have managed their liquidity requirements for the coming quarters.

  Financing for real estate developers fell 0.8% in the quarter.

  Loans to the public sector grew by 21.7%, mainly from one-off transactions granted up to February.



Composition of the lending portfolio
(% of gross lending)

€ million	Mar. 31, 2020	Feb. 29, 2020	Dec. 31, 2019	Quarter-on-quarter	Change %
Loans to individuals	**122,929**	**123,506**	**124,334**	**(1,405)**	**(1.1)**
Home purchases	87,643	87,915	88,475	(832)	(0.9)
Other	35,285	35,592	35,859	(574)	(1.6)
of which: Consumer lending	14,877	14,960	14,728	149	1.0
Loans to business	**94,119**	**88,994**	**91,308**	**2,811**	**3.1**
Corporates and SMEs	88,104	83,069	85,245	2,859	3.4
Real estate developers	6,015	5,925	6,063	(48)	(0.8)
Public sector	**14,320**	**13,778**	**11,764**	**2,556**	**21.7**
Loans and advances to customers, gross[1]	**231,367**	**226,279**	**227,406**	**3,961**	**1.7**
Of which:					
Performing loans	222,803	217,774	219,006	3,797	1.7
Provisions for insolvency risk	(5,061)	(4,762)	(4,704)	(357)	7.6
Loans and advances to customers, net	**226,306**	**221,517**	**222,702**	**3,604**	**1.6**
Contingent liabilities	17,234	17,195	16,856	378	2.2

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

Customer funds using management criteria

Customer funds reached €376,560 million on 31 March 2020 (-2.0%), mainly impacted by the markets' negative performance, affecting the Assets under management and Unit Link, showing overall a slightly positive number of subscriptions in the quarter. Total customer funds excluding market impacts up 1.0%.

- On-balance sheet funds stood at €278,946 million (+0.6%).
  - **Demand deposits** rose to €192,904 million (+1.8%), in spite of the positive seasonal effect of the year-end, marked by the strength of the franchise and large accounts.
  - **Time deposits** totalled €28,188 million. Their performance continues to be marked by the reduction of deposits against a backdrop of rock-bottom interest rates on renewal of maturities.
  - Decrease of **liabilities under insurance contracts**[1] (-1.6% in the quarter), mainly impacted by the performance of Unit Links (-9.8%), which in spite of positive subscriptions in the quarter were affected by the markets' negative performance.
- **Assets under management** dropped to €92,343 million. Its performance (-9.7%) is almost entirely the result of the market collapse as of mid-February, when the volatility initiated.
  - The assets managed in **mutual funds, managed accounts and SICAVs** stood at €61,230 million (-10.7% in the quarter mainly marked by the impact of the market).
  - **Pension plans** reached €31,113 million (-7.8% the quarter) following the aforementioned impact due to the collapse of the market.
- Other accounts mainly includes temporary funds associated with transfers and collections.

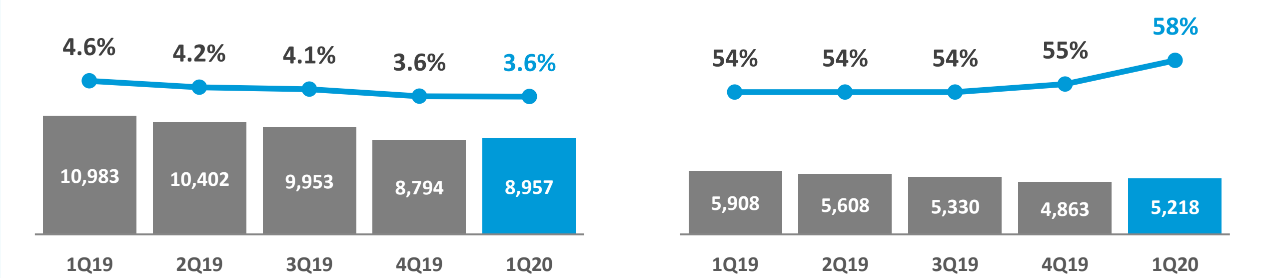
(1) Excluding the impact of the change in value of the associated financial assets, with the exception of Unit Link and Flexible Investment Life Annuity products (the part managed).

€ million	Mar. 31, 2020	Feb. 29, 2020	Dec. 31, 2019	Quarter-on-quarter	Change %
Customer funds	221,092	215,222	218,532	2,560	1.2
Demand deposits	192,904	186,812	189,552	3,352	1.8
Time deposits[2]	28,188	28,410	28,980	(792)	(2.7)
Insurance contract liabilities	56,553	57,633	57,446	(893)	(1.6)
of which: Unit Link and other[3]	11,044	12,169	12,249	(1,205)	(9.8)
Reverse repurchase agreements and other	1,301	811	1,294	7	0.5
On-balance sheet funds	**278,946**	**273,666**	**277,272**	**1,674**	**0.6**
Mutual funds, managed accounts and SICAVs	61,230	66,650	68,584	(7,354)	(10.7)
Pension plans	31,113	33,127	33,732	(2,619)	(7.8)
Assets under management	**92,343**	**99,777**	**102,316**	**(9,973)**	**(9.7)**
Other accounts	**5,271**	**5,560**	**4,698**	**573**	**12.2**
Total customer funds[4]	**376,560**	**379,003**	**384,286**	**(7,726)**	**(2.0)**

(2) Includes retail debt securities amounting to €1,540 million at 31 March 2020.
(3) Includes technical provisions corresponding to Unit Link and Flexible Investment Life Annuity products (the part managed).
(4) See 'Reconciliation of activity indicators using management criteria' in the 'Appendices - Glossary'.

Risk management

Credit risk quality



Non-performing loans and non-performing loan ratio [1]
(€ million and %)

Provisions and Coverage ratio [1]
(€ million and %)

The **NPL ratio remains at 3.6%**, with a slight increase of €163 million in non-performing loans in the quarter impacted by lower recovery activity, especially in March. The **coverage ratio rose** to **58% (+3pp in the quarter following the increase in provisions)**.

(1) Calculations include loans and contingent liabilities.

Changes in non-performing assets

€ million	1Q19	2Q19	3Q19	4Q19	1Q20
Opening balance	**11,195**	**10,983**	**10,402**	**9,953**	**8,794**
Exposures recognised as non-performing (NPL-inflows)	799	668	680	777	793
Derecognitions from non-performing exposures	(1,011)	(1,249)	(1,129)	(1,936)	(630)
of which written off	(117)	(186)	(58)	(256)	(105)
Closing balance	**10,983**	**10,402**	**9,953**	**8,794**	**8,957**

NPL ratio by segment

	Dec. 31, 2019	Mar. 31, 2020
Loans to individuals	**4.4%**	**4.5%**
Home purchases	3.4%	3.5%
Other	6.7%	7.0%
of which: Consumer lending	4.0%	4.4%
Loans to business	**3.2%**	**3.2%**
Corporates and SMEs	2.9%	2.9%
Real estate developers	8.0%	7.8%
Public sector	**0.3%**	**0.3%**
NPL Ratio (loans and contingent liabilities)	**3.6%**	**3.6%**

Changes in provisions for insolvency risk

€ million	1Q19	2Q19	3Q19	4Q19	1Q20
Opening balance	**6,014**	**5,908**	**5,608**	**5,330**	**4,863**
Charges to provisions	123	81	84	88	515
Amounts used	(209)	(363)	(353)	(540)	(153)
Transfers and other changes	(20)	(18)	(9)	(15)	(7)
Closing balance	**5,908**	**5,608**	**5,330**	**4,863**	**5,218**

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 IFRS9 regulation.

Mar. 31, 2020	Loan book exposure				Provisions			
€ million	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**
Loans and advances	208,136	14,666	8,565	231,367	(703)	(735)	(3,624)	(5,061)
Contingent liabilities	16,205	637	392	17,234	(18)	(12)	(127)	(157)
Total loans and advances and contingent liabilities	**224,341**	**15,304**	**8,957**	**248,602**	**(721)**	**(746)**	**(3,751)**	**(5,218)**

Dec. 31, 2019	Loan book exposure				Provisions			
€ million	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**
Loans and advances	203,451	15,555	8,400	227,406	(567)	(708)	(3,429)	(4,704)
Contingent liabilities	15,807	655	394	16,856	(19)	(12)	(128)	(159)
Total loans and advances and contingent liabilities	**219,258**	**16,210**	**8,794**	**244,262**	**(586)**	**(720)**	**(3,557)**	**(4,863)**

Refinancing

	Dec. 31, 2019		Mar. 31, 2020	
€ million	**Total**	**of which: NPL**	**Total**	**of which: NPL**
Individuals	5,009	3,179	4,176	3,144
Corporates and SMEs	2,617	1,369	2,482	1,326
Real estate developers	651	324	567	305
Public sector	246	15	250	14
Total	**8,523**	**4,887**	**7,475**	**4,789**
Provisions	1,860	1,693	1,808	1,646

Foreclosed real estate assets

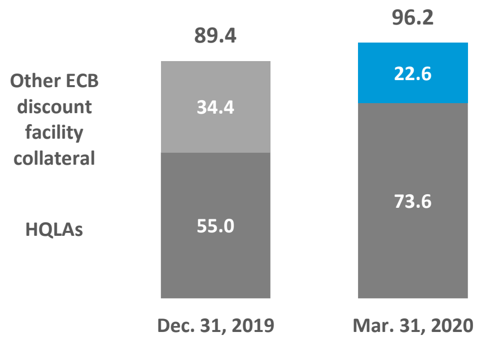
- The portfolio of **net foreclosed real estate assets available for sale[1]** in Spain amounts to €961 million (€+3 million in the first quarter). **The coverage ratio[2] is 40%**, while the coverage ratio with accounting provisions[2] is 31%.
- Net foreclosed assets **held for rent** in Spain stand at €2,029 million (€-65 million in the quarter).
- **Total properties sold[3] in 2020** amounts to €95 million.
- Meanwhile, **net foreclosed real estate assets at BPI** amounted to €1 million at 31 March 2020 (€-3 million in the quarter).

(1) Does not include Real estate assets in the process of foreclosure for €137 million, net, at 31 March 2020.

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

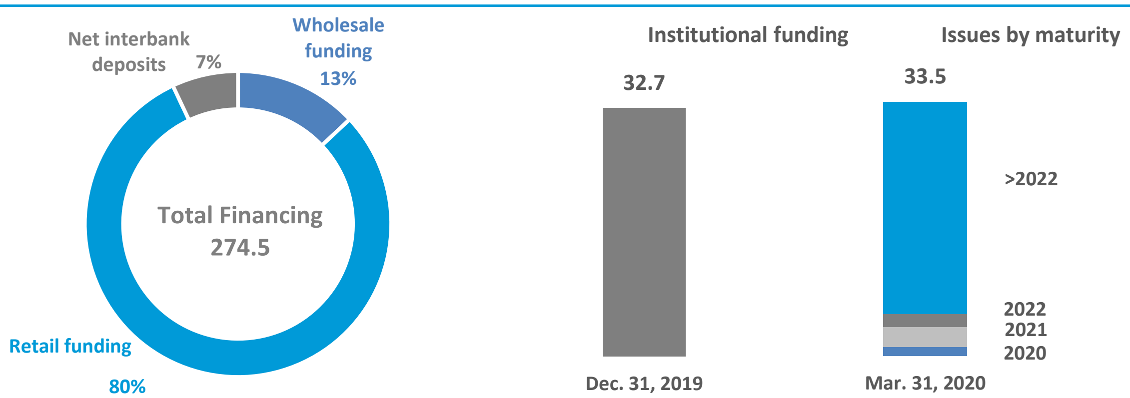
(3) At sale price.

Liquidity
and financing structure



	Dec. 31, 2019	Mar. 31, 2020
Punctual LCR	179 %	234 %
Average LCR[1]	186 %	185 %
NSFR	129 %	129 %
LTD	100 %	101 %

Total liquid assets, Liquidity metrics and Balance sheet structure
(€ thousand million and %)



Financing structure
(€ thousand million)

- **Total liquid assets amounted to €96,227 million** at 31 March 2020, up €6,800 million in the quarter, mainly due to the provision of collateral in the ECB facility.
- The Group's **Liquidity Coverage Ratio** (LCR) at 31 March 2020 was 234%, showing an ample liquidity position (**185%** LCR average last 12 months) well clear of the minimum requirement of 100%.
- The **Net Stable Funding Ratio** (NSFR)[2] stood at 129% at 31 March 2020, above the 100% regulatory minimum required from June 2021.
- Solid retail financing structure with a **loan-to-deposit** (LTD) ratio **of 101%.**
- The **balance drawn** under the ECB facility at 31 March 2020 amounted to €33,759 million, of which €1,409 million correspond to TLTRO II, €9,025 million to TLTRO III and €23,325 million to LTRO. In the first quarter of 2020 €2,500 million TLTRO II were repaid early, and an extraordinary LTRO of €21,500 million and $2,000 million (equivalent to €1,825 million) of ECB financing were obtained.
- **Wholesale funding[3]** amounted to €33,510 million, diversified by investment instruments and maturities.
- Available capacity to issue mortgage and regional public sector covered bonds at CaixaBank, S.A. came to €6,065 million at March 2020.

(1) Trailing 12 months.

(2) As of 30 June 2019 the regulatory criteria established in Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019, which will come into force in June 2021, is applied (better interpretation of the aforementioned criteria). The aforementioned calculations follow the criteria laid down by Basel.

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

Information on the Group's issuances in 2020.

€ million Issue	Total amount	Amount	Maturity	Cost[1]	Demand	Issuer
Senior preferred debt	1,000	1,000	5 years	0.434% (mid-swap +0.58%)	2,100	CaixaBank

(1) Meaning the yield on the issuance.

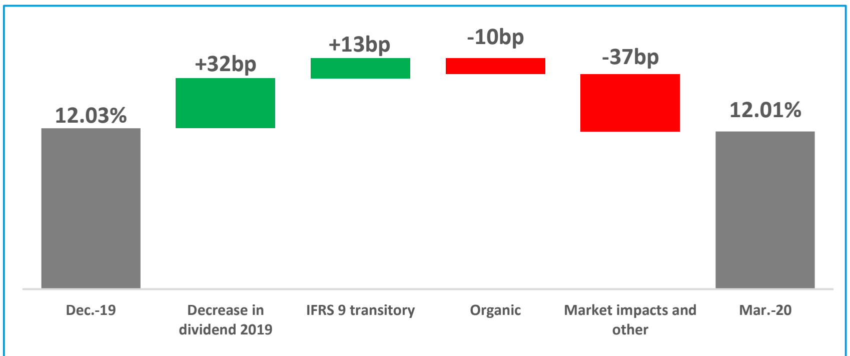
Collateralisation of mortgage covered bonds of CaixaBank, S.A.

€ million		Mar. 31, 2020
Mortgage covered bonds issued	a	49,652
Loans and credits (collateral for mortgage covered bonds)	b	86,000
Collateralisation	**b/a**	**173%**
Overcollateralisation	**b/a -1**	**73%**
Mortgage covered bond issuance capacity[2]		**2,299**

(2) CaixaBank S.A. is also able to issue €3,766 million in regional public-sector covered bonds.

Capital management

- With reference date 31 March 2020, CaixaBank has availed itself to the IFRS9's transitional provisions[1], which permits partially mitigating in its capital adequacy calculations the pro-cyclicality associated with the provisions model under IFRS9 throughout the established transitional period.
- The **Common Equity Tier 1 (CET1)** ratio remains at **12.0%**. The first quarter includes +32 basis points from the extraordinary impact of reducing the established dividend against 2019 earnings, as one of the measures adopted by the Board of Directors due to Covid-19[2], and +13 basis points from the adoption of the transitional period of IFRS9 (excluding the latter, the CET1 ratio would have been 11.9%). The organic generation of capital in the quarter was -10 basis points, mainly due to the increase of credit RWAs (-11bp), and -37 basis points from market and other impacts, mainly due to the negative performance of the fixed-income and equity portfolios (of which -24bp Telefónica and BFA).
- After considering the new regulatory and supervisory aspects, among others, the impact of the standards laid down in the Capital Requirements Directive V (CRD V) with regard to the composition of the Pillar 2 Requirement, the Board of Directors agreed to reduce at 11.5% the objective of the solvency rate CET1 established in the Strategic Plan, revoking the objective of a 12% CET1 ratio plus a buffer of 1% that was set aside to absorb impacts of the implementation of Basel IV developments and other regulatory impacts, the implementation of which is now expected to be delayed in accordance with the communication issued by the Basel Committee on Banking Supervision.
- The **Tier 1** ratio currently remains at **13.5%.** 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 reached **15.8%.**
- The leverage ratio stood at 5.4%.
- As for the MREL requirement (22.5% of RWAs and 10.6% on TLOF at a consolidated level as of 1 January 2021), CaixaBank had a ratio of 22.6% on RWA and a 9.8% on TLOF at 31 March, considering all liabilities currently classified as eligible[3] by the Single Resolution Board. At a subordinated level, exclusively including Senior non-preferred debt, the MREL ratio reached 19.6%.
- Similarly, **CaixaBank is subject to minimum capital requirements** on a non-consolidated basis. The regulatory CET1 ratio under this perimeter reached 13.6%, with risk-weighted assets (RWAs) totalling €136,545 million.



Change in CET1

(2) See detailed information in the section "Key information - Highlights for the quarter".

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

(1) In the context of the current Covid-19 crisis, the supervisor has informed banks that it expects those that did not adhere to the staging of the initial impact of the introduction of the IFRS9 on own funds (1 January 2018) to do so now, in accordance with Regulation (EU) No 2017/2395 of the European Parliament.

The application of IFRS9 as of 1 January 2018 mainly involved an increase of the accounting provisions due to changes regarding their recognition: for anticipated loss (IFRS9) instead of incurred loss (IAS 39). In order to mitigate the impact of provisions on the capital ratios, the European Parliament and Commission enacted Regulation 2017/2395, whereby article 473 bis was introduced in the CRR, providing the possibility of adhering to a mechanism that allows progressively adapting to the IFRS9. CaixaBank will request the adherence to this mechanism (pending approval by the ECB) with a reference date of 31 March.

- **BPI** is also compliant with its minimum capital requirements. Capital ratios at a sub-consolidated level are as follows: CET1 of 13.7%, Tier1 of 15.2% and Total Capital of 16.9%.
- The decisions of the European Central Bank and the national supervisor, including the measures adopted following the Covid-19 health crisis, required the Group to maintain, during 2020, CET1, Tier1 and Total Capital ratios of 8.09%, 9.88% and 12.25%, respectively.
- The Group's current levels 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 353 basis points, equating to €5,216 million euros, until the Group's MDA[1] trigger). As regards the previous dividend policy, on 26 March 2020 the Board of Directors amended the dividends policy exclusively for 2020, limiting the distribution of a cash dividend of no more than 30% of the reported consolidated net profit.

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

Performance and key capital adequacy indicators

€ million	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Quarter-on-quarter
CET1 Instruments	23,651	23,434	23,701	24,114	24,092	(22)
Shareholders' equity	25,832	25,218	25,831	26,247	25,876	(371)
Capital	5,981	5,981	5,981	5,981	5,981	
Profit/(loss) attributable to the Group	533	622	1,266	1,705	90	
Reserves and other	19,318	18,615	18,584	18,561	19,806	
Other CET1 Instruments[2]	(2,181)	(1,784)	(2,131)	(2,133)	(1,784)	349
Deductions from CET1	(6,396)	(6,415)	(6,291)	(6,327)	(6,333)	(6)
Common Equity Tier 1 (CET1)	**17,255**	**17,019**	**17,409**	**17,787**	**17,758**	**(29)**
AT1 instruments	2,234	2,235	2,235	2,236	2,236	
AT1 Deductions						
TIER 1	**19,489**	**19,253**	**19,645**	**20,023**	**19,995**	**(28)**
T2 instruments	3,288	3,278	3,170	3,224	3,329	105
T2 Deductions						
TIER 2	3,288	3,278	3,170	3,224	3,329	105
TOTAL CAPITAL	**22,777**	**22,531**	**22,815**	**23,247**	**23,324**	**77**
Other computable subordinated instruments MREL	3,301	4,682	5,684	5,680	5,680	
MREL, subordinated	**26,079**	**27,213**	**28,499**	**28,927**	**29,004**	**77**
Other computable instruments MREL[3]	4,000	3,907	3,393	3,362	4,362	1,000
MREL	**30,079**	**31,120**	**31,892**	**32,289**	**33,366**	**1,077**
Risk-weighted assets	148,892	147,331	149,332	147,880	147,822	(58)
CET1 Ratio	11.6%	11.6%	11.7%	12.0%	12.0%	
Tier 1 Ratio	13.1%	13.1%	13.2%	13.5%	13.5%	
Total Capital Ratio	15.3%	15.3%	15.3%	15.7%	15.8%	0.1%
MDA Buffer[4]	4,227	4,098	4,298	4,805	5,216	411
MREL Ratio, subordinated	17.5%	18.5%	19.1%	19.6%	19.6%	
MREL Ratio	20.2%	21.1%	21.4%	21.8%	22.6%	0.8%
Leverage ratio	5.5%	5.5%	5.6%	5.9%	5.4%	(0.5%)
CET1 Ratio - CABK (non-consolidated basis)	13.1%	13.3%	13.2%	13.8%	13.6%	(0.2%)
Tier 1 Ratio CABK (non-consolidated basis)	14.8%	14.9%	14.8%	15.4%	15.3%	(0.1%)
Total Capital Ratio - CABK (non-consolidated basis)	17.2%	17.4%	17.2%	17.8%	17.7%	(0.1%)
Risk-weighted assets (non-consolidated basis)	134,692	133,386	135,575	135,725	136,545	820
Profit/loss (non-consolidated basis)	370	551	1,328	2,074	(141)	
ADIs[5]	2,215	1,689	2,458	3,161	2,567	(594)
MDA Buffer- CABK (non-consolidated basis)[4]	7,921	8,317	8,360	9,139	9,056	(83)
Leverage Ratio - CABK (non-consolidated basis)	6.1%	6.2%	6.2%	6.6%	6.1%	(0.5%)

Data at December 2019 updated using the latest official information.

(2) It mainly includes the forecast for dividends and OCIs.

(3) An issue of €1,000 million of Senior preferred debt was made in the first quarter of 2020.

(4) The relevant MDA buffer is either the non-consolidated or the consolidated, whichever is lower.

(5) Does not include the share premium.

Segment reporting

This section shows financial information on the different business segments of the CaixaBank Group, set up as follows:

- **Banking and Insurance:** shows 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. It also includes the business acquired by CaixaBank from BPI during 2018 (insurance, asset management and cards) as well as the non-core real estate business (with the exception of Coral Homes) after the sale of 80% of this business in 2018.
- **Equity investments:** This line of business essentially shows earnings on dividends and/or equity-accounted profits from the stakes, as well as the Trading income, held in Erste Group Bank, Telefónica, BFA, BCI and Coral Homes (since 1 January 2019). Similarly, it includes the significant impacts on income of other relevant stakes acquired in various sectors.
- **BPI:** covers the income from BPI's domestic banking business. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination and excludes the results and balance sheet figures associated with the assets of BPI assigned to the equity investments business (essentially BFA and BCI).

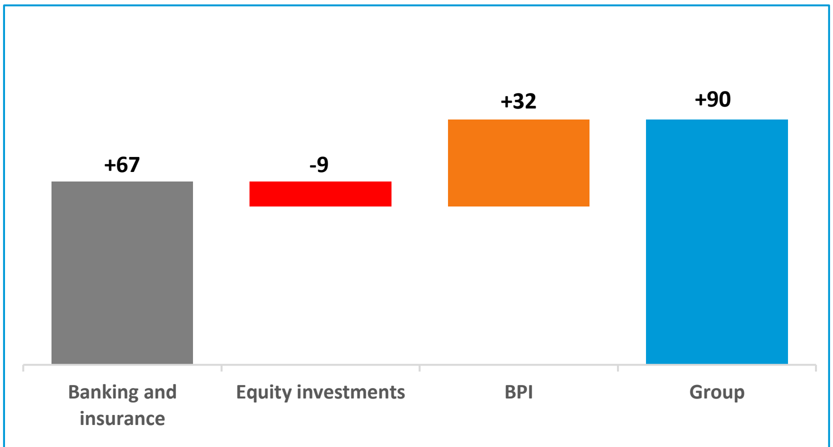
The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods.

In 2020, the allocation of capital to the investment businesses has been adapted to the Group's new capital corporate objective of maintaining a Common Equity Tier 1 (CET1) ratio of 11.5% (12% in 2019), taking into account both the 11.5% consumption of capital for risk-weighted assets 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 this 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 2020 arranged by business are as follows:



Contribution to the result of 2020 (€ million)

€ million	Banking & insurance	Equity Investments	BPI	Group
Net interest income	**1,116**	**(25)**	**108**	**1,200**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	42	11	5	57
Net fee and commission income	597		61	658
Trading income	(4)	(2)	(14)	(20)
Income and expense under insurance or reinsurance contracts	150			150
Other operating income and expense	(53)		(9)	(62)
Gross income	**1,848**	**(15)**	**151**	**1,983**
Recurring administrative expenses, depreciation and amortisation	(1,071)	(1)	(116)	(1,188)
Extraordinary expenses				
Pre-impairment income	**777**	**(16)**	**35**	**796**
Pre-impairment income stripping out extraordinary expenses	**777**	**(16)**	**35**	**796**
Allowances for insolvency risk	(528)		13	(515)
Other charges to provisions	(143)		(0)	(144)
Gains/(losses) on disposal of assets and others	(31)			(31)
Profit/(loss) before tax	**75**	**(16)**	**47**	**106**
Income tax expense	(8)	7	(16)	(16)
Profit/(loss) after tax	**67**	**(9)**	**32**	**90**
Profit/(loss) attributable to minority interest and others	0			0
Profit/(loss) attributable to the Group	**67**	**(9)**	**32**	**90**

Banking and insurance business

The performance of the banking and insurance business in the first quarter of 2020 stands at €67 million (-83.9% with respect to the first quarter of 2019 and -75.5% when compared to the previous quarter), mainly impacted by the losses due to impairment of financial assets and the cost associated with early retirements.

ROTE[1] for the business, stripping out the labour agreement reached in the second quarter of 2019, is 7.3%.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
INCOME STATEMENT								
Net interest income	**1,116**	**1,176**	**(5.1)**	**1,116**	**1,149**	**1,160**	**1,174**	**1,176**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	42	59	(29.6)	42	44	81	48	59
Net fee and commission income	597	552	8.3	597	629	590	569	552
Trading income	(4)	(7)	(40.0)	(4)	14	20	212	(7)
Income and expense under insurance or reinsurance contracts	150	130	15.6	150	149	143	134	130
Other operating income and expense	(53)	(35)	54.0	(53)	(176)	(35)	(123)	(35)
Gross income	**1,848**	**1,875**	**(1.5)**	**1,848**	**1,809**	**1,959**	**2,014**	**1,875**
Recurring administrative expenses, depreciation and amortisation	(1,071)	(1,088)	(1.6)	(1,071)	(1,058)	(1,072)	(1,086)	(1,088)
Extraordinary expenses							(978)	
Pre-impairment income	**777**	**787**	**(1.3)**	**777**	**751**	**887**	**(50)**	**787**
Pre-impairment income stripping out extraordinary expenses	**777**	**787**	**(1.3)**	**777**	**751**	**887**	**928**	**787**
Allowances for insolvency risk	(528)	(146)		(528)	(221)	(109)	(97)	(146)
Other charges to provisions	(143)	(48)		(143)	(87)	(60)	(43)	(48)
Gains/(losses) on disposal of assets and others	(31)	(18)	61.8	(31)	(84)	(45)	(22)	(18)
Profit/(loss) before tax	**75**	**575**	**(87.0)**	**75**	**359**	**673**	**(212)**	**575**
Income tax expense	(8)	(160)	(95.3)	(8)	(85)	(179)	92	(160)
Profit/(loss) after tax	**67**	**415**	**(83.8)**	**67**	**274**	**494**	**(120)**	**415**
Profit/(loss) attributable to minority interest and others	0			0	1	2		
Profit/(loss) attributable to the Group	**67**	**415**	**(83.9)**	**67**	**273**	**492**	**(120)**	**415**
INCOME STATEMENT BREAKDOWN								
NET INTEREST INCOME								
Customer spread (%)	2.17	2.30	(0.13)	2.17	2.22	2.23	2.26	2.30
FEE AND COMMISSION INCOME								
Banking services, securities and other fees	341	317	7.6	341	361	342	327	317
Sale of insurance products	38	42	(10.0)	38	40	36	42	42
Mutual funds, managed accounts and SICAVs	130	118	10.5	130	134	129	121	118
Pension plans	56	51	9.7	56	62	54	54	51
Unit Link and other	32	24	35.7	32	32	29	25	24
Net fee and commission income	**597**	**552**	**8.3**	**597**	**629**	**590**	**569**	**552**
ADMINISTRATIVE EXPENSES, DEPRECIATION AND AMORTISATION								
Personnel expenses	(676)	(702)	(3.7)	(676)	(660)	(669)	(697)	(702)
General expenses	(273)	(275)	(0.6)	(273)	(273)	(276)	(273)	(275)
Depreciation and amortisation	(121)	(111)	9.1	(121)	(125)	(127)	(116)	(111)
Recurring administrative expenses, depreciation and amortisation	**(1,071)**	**(1,088)**	**(1.6)**	**(1,071)**	**(1,058)**	**(1,072)**	**(1,086)**	**(1,088)**
Extraordinary expenses							**(978)**	
OTHER INDICATORS								
Core income	1,896	1,901	(0.3)	1,896	1,964	1,964	1,917	1,901
ROTE[1]	7.3%	9.7%	(2.4)	7.3%	9.5%	9.2%	9.6%	9.7%
Cost-to-income ratio stripping out extraordinary expenses	56.2%	56.6%	(0.4)	56.2%	56.2%	57.6%	57.2%	56.6%
Cost of risk[2]	0.44%	0.10%	0.3	0.44%	0.26%	0.22%	0.09%	0.10%
Customers	13.6	13.7	(0.7)	13.6	13.7	13.7	13.7	13.7
Employees[3]	30,738	32,682	(5.9)	30,738	30,896	30,800	32,680	32,682
Branches	4,061	4,537	(10.5)	4,061	4,118	4,254	4,430	4,537
of which Retail	3,846	4,326	(11.1)	3,846	3,918	4,045	4,219	4,326
ATMs	9,041	9,335	(3.1)	9,041	9,111	9,151	9,229	9,335

(1) The ratio for 1Q20 excludes the impact from the labour agreement in 2Q19 (€-685 million, net).
The ratio for 1Q19 excludes the impact of the repurchase of Servihabitat (€-204 million, net), the extraordinary release of provisions in 3Q18 (€193 million, net) and the sale of the real estate business in 4Q18 (€-48 million, net).
The coupon for the part of the AT1 issue assigned to this business has also been deducted.
(2) Cost of risk 12 months: The ratio for the first and second quarter of 2019 is affected by the extraordinary release of approximately €275 million in provisions.
(3) Departures within the early retirement scheme implemented on 1 April have been deducted.

The following highlights shaped the performance of the banking and insurance business:

- **Gross income stands at €1,848 million (-1.5%)** with a stability in core income (-0.3%) with respect to the same period in 2019. When compared to the previous quarter, the gross income increased (+2.1%) by recognising, among others, the contribution paid to the Deposit Guarantee Fund in the fourth quarter.
- **Net interest income reached €1,116 million** (-5.1% with respect to 2019) due to the lower return on loans and the fixed-income portfolio and lower income from financing the Equity investments business, which are partially offset by lower funding expenses and higher contribution of the insurance business' savings products.

  The drop with respect to the previous quarter (-2.9%) is explained by the lower return on loans and fixed income and the effect produced by the fewer days in the first quarter, which have been partially offset by the lower cost of wholesale funding, the impact of the measures adopted by the European Central Bank and the further contribution of the insurance business.
- **Fee and commission income** reached €597 million, (+8.3% with respect to 2019).

  Banking fees and commissions show a positive performance; with a rise in recurring- and investment-banking fees. The higher average assets managed with respect to the previous year in spite of the negative performance experienced as the first quarter of 2020 advanced explain the increase of the commissions from investment funds, pension plans and Unit Link. The fees and commissions from the sale of insurance products include the lower income obtained in March 2020.

  With respect to the previous quarter, Fee and commission income dropped 5.0%. The drop in banking fees and commissions is mainly due to the lower non-recurring income from investment banking and lower payment methods' fees and commissions, as the rest of lines of banking fees and commissions have not shown significant negative impacts in the quarter. Commissions from investment funds, pension plans and Unit Link drop following the collapse of the markets.
- **Income and expense under insurance or reinsurance contracts** stood at €150 million (+15.6% when compared to the first quarter of 2019 and +0.6% to the previous quarter).
- **Other operating income and expense** amounted to €-53 million in the first quarter of 2020. The contribution paid to the Deposit Guarantee Fund of €-242 million, included in the fourth quarter of 2019, and the expenses associated with the Spanish property tax of the real estate portfolio (€-16 million), in the first quarter of every year, had an impact on its performance.
- **Recurring administrative expenses, depreciation and amortisation** drop with respect to the first quarter of 2019 and amounted to €1,071 million, -1.6% after managing the cost base. The increase with respect to the fourth quarter (+1.2%) was impacted by the organic rise of personnel expenses and the €-6 million of Spanish property tax on buildings for own use.
- **Allowances for insolvency risk** amounted to €-528 million after increasing the coverage for credit risk and **Other charges to provisions** in the first quarter of 2020 included the recognition of €-109 million associated with early retirements.
- **Gains/(losses) on disposal of assets and others** stood at €-31 million, €-84 million in the fourth quarter of 2019 which reflected, among others, the extraordinary adaptation of certain real estate assets to their fair value.

The following table shows business activity and asset quality indicators at 31 March 2020:

- **Loans and advances to customers, gross stood at €206,888 million** (up 1.9% in the year), after supporting business funding.
- **Customer funds stood at €346,639 million (down 2.2% in the year).** Its performance is mainly impacted by the markets' negative performance in the quarter.
- The **NPL ratio** remained at 3.7%, with a **coverage ratio of 57%** (+4pp following the increase of provisions).

€ million	Mar. 31, 2020	Dec. 31, 2019	Change	Change %
BALANCE SHEET				
Assets	377,668	355,416	22,252	6.3
Liabilities	357,221	334,333	22,888	6.8
Assigned capital	20,419	21,054	(635)	(3.0)
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	**109,748**	**111,300**	**(1,552)**	**(1.4)**
Home purchases	76,132	77,104	(972)	(1.3)
Other	33,616	34,196	(580)	(1.7)
of which: Consumer lending	13,525	13,403	122	0.9
Loans to business	**84,578**	**81,835**	**2,743**	**3.4**
Corporates and SMEs	78,767	75,977	2,790	3.7
Real estate developers	5,811	5,858	(47)	(0.8)
Public sector	**12,562**	**9,968**	**2,594**	**26.0**
Loans and advances to customers, gross	**206,888**	**203,103**	**3,785**	**1.9**
Of which performing loans	199,023	195,385	3,638	1.9
Of which non-performing loans	7,864	7,718	146	1.9
Provisions for insolvency risk	(4,542)	(4,167)	(375)	9.0
Loans and advances to customers, net	**202,346**	**198,936**	**3,410**	**1.7**
Contingent liabilities	15,716	15,281	435	2.8
CUSTOMER FUNDS				
Customer funds	197,381	195,723	1,658	0.8
Demand deposits	177,432	175,077	2,355	1.3
Time deposits	19,949	20,646	(697)	(3.4)
Insurance contract liabilities	56,553	57,446	(893)	(1.6)
of which: Unit Link and other	11,044	12,249	(1,205)	(9.8)
Reverse repurchase agreements and other	1,285	1,278	7	0.5
On-balance sheet funds	**255,219**	**254,447**	**772**	**0.3**
Mutual funds, managed accounts and SICAVs	56,495	63,189	(6,694)	(10.6)
Pension plans	31,113	33,732	(2,619)	(7.8)
Assets under management	**87,608**	**96,921**	**(9,313)**	**(9.6)**
Other accounts	**3,812**	**3,129**	**683**	**21.8**
Total customer funds	**346,639**	**354,497**	**(7,858)**	**(2.2)**
ASSET QUALITY				
Non-performing loan ratio (%)	3.7%	3.7%	-	-
Non-performing loan coverage ratio (%)	57%	53%	-	4

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 Group's **insurance firms[1], which came to €156 million**, up **1.1%** on the first quarter of 2019.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
Net interest income	**83**	**75**	**9.6**	**83**	**78**	**82**	**81**	**75**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	33	43	(23.2)	33	38	71	40	43
Net fee and commission income	(25)	(19)	30.4	(25)	(7)	(22)	(20)	(19)
Trading income	0			0			57	
Income and expense under insurance or reinsurance	150	130	15.6	150	149	143	134	130
Other operating income and expense		2			77			2
Gross income	**241**	**231**	**4.4**	**241**	**335**	**274**	**292**	**231**
Recurring administrative expenses, depreciation and amortisation	(33)	(31)	7.1	(33)	(30)	(30)	(30)	(31)
Extraordinary expenses								
Pre-impairment income	**208**	**200**	**4.0**	**208**	**305**	**244**	**262**	**200**
Pre-impairment income stripping out extraordinary expenses	**208**	**200**	**4.0**	**208**	**305**	**244**	**262**	**200**
Allowances for insolvency risk								
Other charges to provisions								
Gains/(losses) on disposal of assets and others								
Profit/(loss) before tax	**208**	**200**	**4.0**	**208**	**305**	**244**	**262**	**200**
Income tax expense	(52)	(46)	13.6	(52)	(56)	(49)	(65)	(46)
Profit/(loss) after tax	**156**	**154**	**1.1**	**156**	**249**	**195**	**197**	**154**
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	**156**	**154**	**1.1**	**156**	**249**	**195**	**197**	**154**

- **Net interest income** includes the margin on life savings insurance products, which were up 9.6% on the year 2019, mainly due to a higher volume managed.
- **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, impacted by the negative market valuation of assets in March.
- **Net fee and commission income[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 insurance firms pay the banks for marketing their products.
- **Income and expense under insurance or reinsurance contracts**, which shows the margin obtained from the difference between premia and the technical provisions, claims and other expenses of life-risk products, consolidated its growth rising to 15.6% on the same period of the previous year, albeit it slowed down in the first quarter.
- **Other operating income and expense** includes, in the fourth quarter of 2019, mainly the one-off income associated with SegurCaixa Adeslas' earnout.
- **Recurring administrative expenses, depreciation and amortisation** increased by 7.1%.

(1) At company level prior to consolidation adjustments.

(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

In the first quarter of 2020, the equity investments business stood at €-9 million (60 in the first quarter of 2019) and its performance is mainly impacted by the lower contribution of the companies accounted for using the equity method and the lower trading income.

- The **Net interest income** corresponds to the cost of financing the investee business. The year-on-year fall is mainly due to the reduction of the asset financed in the framework of Repsol's divestment, completed in the second quarter of 2019, and lower funding expenses due to adapting the rate to market conditions.
- The **Share of profit/(loss) of entities accounted for using the equity method** drops 80.2% on the same period of the previous year. Lower results attributed to equity investments, due to the current economic scenario, and the correction of 2019 results following the final year-close were recognised in the first quarter of 2020.
- **Trading income** in the first quarter of 2019 includes the gains from hedge contracts on investees.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
Net interest income	**(25)**	**(38)**	**(35.4)**	**(25)**	**(26)**	**(26)**	**(34)**	**(38)**
Dividend income							151	
Share of profit/(loss) of entities accounted for using the equity method	11	54	(80.2)	11	33	50	47	54
Net fee and commission income								
Trading income	(2)	49		(2)	(11)	(4)	1	49
Income and expense under insurance or reinsurance contracts								
Other operating income and expense								
Gross income	**(15)**	**65**		**(15)**	**(4)**	**20**	**165**	**65**
Recurring administrative expenses, depreciation and amortisation	(1)	(1)		(1)	(1)	(1)	(1)	(1)
Extraordinary expenses								
Pre-impairment income	**(16)**	**64**		**(16)**	**(5)**	**19**	**164**	**64**
Pre-impairment income stripping out extraordinary expenses	**(16)**	**64**		**(16)**	**(5)**	**19**	**164**	**64**
Allowances for insolvency risk								
Other charges to provisions								
Gains/(losses) on disposal of assets and others								
Profit/(loss) before tax	**(16)**	**64**		**(16)**	**(5)**	**19**	**164**	**64**
Income tax expense	7	(4)		7	11	59	5	(4)
Profit/(loss) after tax	**(9)**	**60**		**(9)**	**6**	**78**	**169**	**60**
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	**(9)**	**60**		**(9)**	**6**	**78**	**169**	**60**
ROTE[1]	22.4%	28.8%	(6.4)	22.4%	26.8%	25.3%	27.1%	28.8%

(1) ROTE for 1Q19 and 2Q19 excludes the impact of the decision to sell Repsol. The coupon for the part of the AT1 issue assigned to this business has also been deducted.

€ million	Mar. 31, 2020	Dec. 31, 2019	Change	Change %
BALANCE SHEET				
Assets				
Investments (Financial assets at fair value with changes in other comprehensive income and associated) and other	3,902	4,554	(652)	(14.3)
Liabilities				
Intra-group financing and other liabilities	3,080	3,533	(453)	(12.8)
Assigned capital[1]	**822**	**1,021**	**(199)**	**(19.5)**

(1) 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 €32 million (-45.3% with respect to the first quarter of 2019 and -80.2% to the fourth quarter, impacted by a number of one-off events).

ROTE for the business, stripping out one-off impacts[1], was 6.3%.

€ million	2020	2019	Change %	1Q20	4Q19	3Q19	2Q19	1Q19
INCOME STATEMENT								
Net interest income	**108**	**99**	**9.5**	**108**	**108**	**108**	**101**	**99**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	5	4	28.6	5	6	4	7	4
Net fee and commission income	61	60	0.8	61	65	66	67	60
Trading income	(14)	6		(14)	10	8		6
Income and expense under insurance or reinsurance contracts								
Other operating income and expense	(9)			(9)	1		(18)	
Gross income	**151**	**169**	**(10.5)**	**151**	**190**	**186**	**157**	**169**
Recurring administrative expenses, depreciation and amortisation	(116)	(115)	1.1	(116)	(115)	(116)	(117)	(115)
Extraordinary expenses					(1)			
Pre-impairment income	**35**	**54**	**(35.1)**	**35**	**74**	**70**	**40**	**54**
Pre-impairment income stripping out extr. expenses	**35**	**54**	**(35.1)**	**35**	**75**	**70**	**40**	**54**
Allowances for insolvency risk	13	23	(43.5)	13	133	25	16	23
Other charges to provisions	(0)			(0)	3			
Gains/(losses) on disposal of assets and others		2			(1)	1		2
Profit/(loss) before tax	**47**	**79**	**(39.9)**	**47**	**209**	**96**	**56**	**79**
Income tax expense	(16)	(21)	(25.2)	(16)	(49)	(22)	(16)	(21)
Profit/(loss) after tax	**32**	**58**	**(45.3)**	**32**	**160**	**74**	**40**	**58**
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	**32**	**58**	**(45.3)**	**32**	**160**	**74**	**40**	**58**
INCOME STATEMENT BREAKDOWN								
NET INTEREST INCOME								
Customer spread (%)	1.81	1.87	(0.06)	1.81	1.87	1.91	1.89	1.87
FEE AND COMMISSION INCOME								
Banking services, securities and other fees	37	35	4.6	37	40	38	40	35
Sale of insurance products	12	13	(0.8)	12	12	15	13	13
Mutual funds, managed accounts and SICAVs	8	9	(2.9)	8	9	9	9	9
Pension plans	0			0		1		
Unit Link and other	3	3	(23.7)	3	4	3	5	3
Net fee and commission income	**61**	**60**	**0.8**	**61**	**65**	**66**	**67**	**60**
ADMINISTRATIVE EXPENSES, DEPRECIATION AND AMORTISATION								
Personnel expenses	(62)	(61)	0.9	(62)	(62)	(61)	(62)	(61)
General expenses	(36)	(37)	(3.9)	(36)	(36)	(38)	(39)	(37)
Depreciation and amortisation	(19)	(17)	13.5	(19)	(17)	(17)	(16)	(17)
Recurring administrative expenses, depreciation and amortisation	**(116)**	**(115)**	**1.1**	**(116)**	**(115)**	**(116)**	**(117)**	**(115)**
Extraordinary expenses					**(1)**			
OTHER INDICATORS								
Core income	174	164	6.3	174	178	179	174	164
ROTE[1]	6.3%	7.5%	(1.2)	6.3%	7.5%	6.7%	6.6%	7.5%
Cost-to-income ratio stripping out extr. exp. (12 months)	67.8%	65.0%	2.8	67.8%	66.0%	66.6%	67.0%	65.0%
Customers	1.9	1.9		1.9	1.9	1.9	1.9	1.9
Employees	4,831	4,821	0.2	4,831	4,840	4,869	4,830	4,821
Branches	454	496	(8.5)	454	477	479	486	496

(1) The different period's ratios (12 months) include the following adjustments net of taxes:

- Exclusion of the part of release of provisions corresponding to the quarterly recalculation carried out by the passing of time in relation to the expected credit losses associated with the credit risk adjustments made at the time BPI was acquired (€131 million in 1Q20 and €73 million in 1Q19)

- Result on the sale of BPI's acquiring business to Comercia Global Payments (€40 million) in the ratio of 1Q19

- Extraordinary expenses (€1 million in 1Q20 and €15 million in 1Q19)

- Deduction of the coupon for the part of the AT1 issue assigned to this business

Gross income is down 10.5% with respect to the previous year due to a number of one-off impacts, despite the 6.3% increase in **core income**, remaining stable with respect to the previous quarter:

- **Net interest income** totalled €108 million, with a 9.5% increase with respect to the previous year (+0.3% when compared to the fourth quarter of 2019).
- **Fee and commission income** rose to €61 million, up 0.8% year-on-year, thanks to the banking fees and commissions and down 6.9% with respect to the fourth quarter of 2019 mainly due to lower fees and commissions from payment methods and investment funds resulting from the current context.
- **Trading income** amounted to €-14 million in the quarter and includes the value update of financial assets.
- **Other operating income and expense** in the first quarter of 2020 includes the recognition of BPI's annual contribution paid to the Portuguese banking sector of €-16 million when last year it was accrued throughout the year.

• **Recurring administrative expenses, depreciation and amortisation** grew slightly (+1.1%).

• **Allowances for insolvency risk** include charges to provisions made by BPI, net of the release of funds for credit risk established at the time the Portuguese bank was acquired by CaixaBank in February 2017. Largely behind the quarter-on-quarter change is the release of €115 million of provisions carried out in the fourth quarter of 2019 (€45 million euros in the first quarter of 2020 and €22 million in the first quarter of 2019).

With regard to the indicators on business activity and asset quality of BPI, the following stands out:

- **Loans and advances to customers, gross** stood at €24,479 million, 0.7% in the year.
- **Customer funds stood at €29,921 million** (0.4% in the year), with a negative impact from market conditions.
- BPI's **NPL ratio** remained at 3.0%, as per the CaixaBank Group's NPL classification criteria.
- The NPL coverage ratio, including the provisions posted by CaixaBank due to the business combination, came to 74%.

€ million	Mar. 31, 2020	Dec. 31, 2019	Change	Change %
BALANCE SHEET				
Assets	34,821	31,444	3,377	10.7
Liabilities	31,873	28,397	3,476	12.2
Assigned capital	2,948	3,047	(99)	(3.2)
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	**13,180**	**13,034**	**146**	**1.1**
Home purchases	11,511	11,371	140	1.2
Other	1,669	1,663	6	0.4
of which: Consumer lending	1,352	1,325	27	2.0
Loans to business	**9,541**	**9,473**	**68**	**0.7**
Corporates and SMEs	9,337	9,268	69	0.7
Real estate developers	204	205	(1)	(0.6)
Public sector	**1,758**	**1,796**	**(38)**	**(2.1)**
Loans and advances to customers, gross	**24,479**	**24,303**	**176**	**0.7**
Of which performing loans	23,779	23,621	158	0.7
Of which non-performing loans	700	682	18	2.7
Provisions for insolvency risk	(520)	(537)	17	(3.3)
Loans and advances to customers, net	**23,960**	**23,766**	**194**	**0.8**
Contingent liabilities	1,518	1,575	(57)	(3.6)
CUSTOMER FUNDS				
Customer funds	23,711	22,809	902	4.0
Demand deposits	15,472	14,475	997	6.9
Time deposits	8,239	8,334	(95)	(1.1)
Reverse repurchase agreements and other	16	16		
On-balance sheet funds	**23,727**	**22,825**	**902**	**4.0**
Mutual funds, managed accounts and SICAVs	4,735	5,395	(660)	(12.2)
Assets under management	**4,735**	**5,395**	**(660)**	**(12.2)**
Other accounts	**1,459**	**1,569**	**(110)**	**(7.0)**
Total customer funds	**29,921**	**29,789**	**132**	**0.4**
Memorandum items				
Insurance contracts sold[1]	4,370	4,555	(185)	(4.1)
ASSET QUALITY				
Non-performing loan ratio (%)	3.0%	3.0%	-	-
Non-performing loan coverage ratio (%)	74%	78%	-	(4)

(1) 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 policies are marketed by BPI.

The CaixaBank share

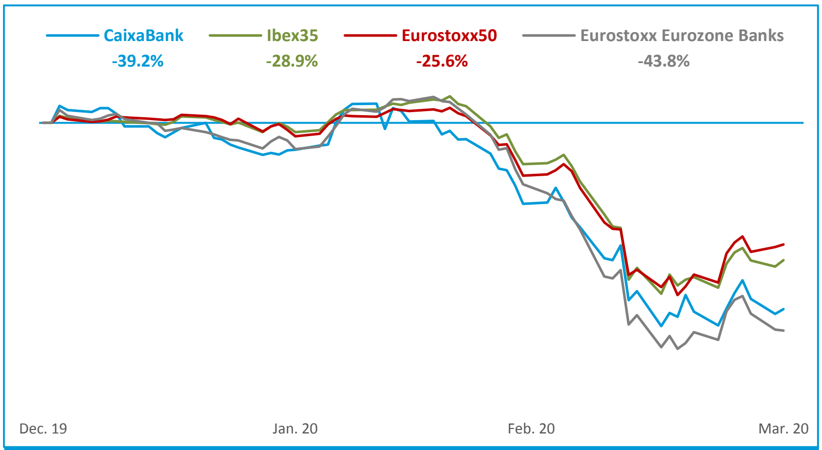
- The **CaixaBank share** closed trading on 31 March 2020 at €1.700 (down 39.2% in the quarter). The positive performance it showed at the beginning of the year could not be maintained due to the adverse impact generated by the coronavirus health crisis and the measures implemented to stop it from spreading. These circumstances have led to an unprecedented collapse of the stock markets and the activity rates in all the economies. The EURO STOXX 50 closed the first quarter of 2020 with a drop of 25.6% and the IBEX 35 of 28.9%. On the other hand, the EURO STOXX Banks and the IBEX 35 Banks fell 43.8% and 42.0%, respectively.

  To address this situation, the central banks and tax authorities of the main world economies have agreed a series of measures with the aim of providing liquidity and absorbing the impact of the crisis for companies and families. These measures include a further monetary expansion, private loan guarantee schemes, tax deferrals and a rise of transfers and social benefits.

  In view of the sharp downturn of the global financial environment, Covid-19 has led the risk map of the current economic scenario, and aspects such as the US-China trade war, Brexit and the conflicts in the Middle East have been sidelined.

- In the first quarter of 2020 the number of shares traded[1] rose 14.6% with respect to the same period of the previous year and 37.5% on the fourth quarter of 2019. In addition, the trading volume[1] in euros of the share was 12.6% down on the volume of shares traded in the first quarter of 2019 and 22.1% up on the previous quarter.

(1) Traded in trading platforms, such as BME, BATS Chi-X, TURQUOISE and BATS Europe, among others, while excluding over-the-counter transactions. It does not include block transactions or applications.



Performance of the CaixaBank share compared to the main Spanish and European indices.

Key performance indicators for the CaixaBank share

	Mar. 31, 2020
Market capitalisation (€ million)	10,161
Number of outstanding shares[1]	5,977,325
Share price (€/share)	
Share price at the beginning of the period (31.12.19)	2.798
Share price at closing of the period (31.03.20)	1.700
Maximum price[2]	2.913
Minimum price[2]	1.600
Trading volume in 2020 (number of shares, excluding non-recurring transactions, in thousands)	
Maximum daily trading volume	91,038
Minimum daily trading volume	12,384
Average daily trading volume	28,684
Stock market ratios	
Profit attributable to the Group (€ million) (12 months)	1,115
Average number of shares (12 months)[1]	5,978,061
Net income attributable per share (EPS) (€/share)	**0.19**
Net equity excluding minority interest (€ million)	24,189
Number of shares at 31.03.20[1]	5,977,325
Book value (€/share)	**4.05**
Net equity excluding minority interest (tangible) (€ million)	19,932
Number of shares at 31.03.20[1]	5,977,325
Tangible book value (€/share)	**3.33**
PER (Price/Profit)	**9.11**
Tangible P/BV (Market value / tangible book value)	**0.51**
Dividend yield[3]	**4.12%**

(1) Number of shares, in thousands, excluding treasury shares.
(2) Price at close of trading.
(3) Calculated by dividing the remuneration for the financial year 2019 (0.07 euros/share) by the closing price at the end of the period (1.700 euros/share).

Shareholder returns

- In an exercise of prudence and social responsibility, the Board of Directors, at the meeting held on 26 March 2020, decided to reduce the proposed cash dividend for 2019 to 0.07 euros per share from 0.15 euros per share, resulting in a pay-out of 24.6%.
- This amount was paid in full on 15 April 2020, with this distribution being the only shareholder remuneration to be charged to 2019 profits.
- As regards the previous dividend policy in force comprising the distribution of a cash dividend above 50% of the consolidated net profit, the Board of Directors also agreed to exclusively modify it for 2020, limiting the distribution to a cash dividend of no more than 30% of the reported consolidated net profit[4].

(4) See Inside Information # 119 in CNMV (26 March 2020) for further detail.

Appendices

Investment portfolio

Main investees at 31 March 2020:

CaixaBank	%	Business segment
Telefónica	5.00%	Equity Investments
Erste Group Bank	9.92%	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%	BPI
BFA	48.10%	Equity Investments
Banco Comercial e de Investimentos (BCI)	35.67%	Equity Investments

Information on financing for CaixaBank home purchases

Change in financing for home purchases

€ million	Dec. 31, 2019	Mar. 31, 2020
Without mortgage collateral	651	637
of which: non-performing	6	6
With mortgage collateral	76,453	75,495
of which: non-performing	2,660	2,690
Total	**77,104**	**76,132**

Loan-to-value breakdown[1]

€ million	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	80 < LTV ≤ 100%	LTV > 100%	TOTAL
	Mar. 31, 2020					
Gross amount	21,789	28,166	18,472	3,847	3,221	75,495
of which: Non-performing	212	376	553	514	1,035	2,690

€ million	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	80 < LTV ≤ 100%	LTV > 100%	TOTAL
	Dec. 31, 2019					
Gross amount	21,726	28,498	18,954	3,927	3,348	76,453
of which: Non-performing	204	362	535	512	1,047	2,660

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

Ratings

Agency	Issuer Rating: Long-Term	Issuer Rating: Short-Term	Issuer Rating: Outlook	Senior Preferred Debt	Last review date	Rating mortgage covered bonds	Last review date mortgage covered bonds
S&P Global	BBB+	A-2	Stable	BBB+	Apr. 29, 2020	AA	Mar. 19, 2019
Fitch Ratings	BBB+	F2	Negative	A-	Mar. 27, 2020	-	-
Moody’s	Baa1	P-2	Stable	Baa1	May. 17, 2019	Aa1	Apr. 17, 2018
DBRS	A	R-1 (low)	Stable	A	Mar. 30, 2020	AAA	Jan. 15, 2020

On 27 March 2020, within the framework of updating its analytical methodology, Fitch acted on CaixaBank's different ratings, highlighting the improvement in the senior preferred debt rating to A- (from BBB+) and a drop in the Tier 2 subordinated debt to BBB- (from BBB).

On the same date, Fitch concluded a sectorial review in order to reflect the risks in the operating environment and the credit profile of Spanish financial institutions arising from Covid-19, positioning CaixaBank's long-term issuer rating (BBB+) from a Stable to a Negative outlook.

At 30 March 2020, DBRS confirmed CaixaBank's ratings, including the long-term issuer rating at A with a Stable outlook.

On 29 April 2020, S&P confirmed the ratings of CaixaBank, maintaining the long-term issuer rating outlook as Stable. This action incorporates the vision by the agency that economical risks for the Spanish banking sector will further increase in the medium term, due to the Covid-19 crisis.

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 Group's financial performance. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable.

ESMA guidelines define an APM as a financial measure of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

In accordance with these guidelines, following is a list of the APMs used, along with a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS.

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

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

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Annualised quarterly income from loans and advances to customers	4,818	4,797	4,789	4,745	4,617
Denominator	Net average balance of loans and advances to customers	210,726	212,858	215,173	214,376	214,295
(a)	**Average yield rate on loans (%)**	**2.29**	**2.25**	**2.23**	**2.21**	**2.15**
Numerator	Annualised quarterly cost of on-balance sheet retail customer funds	53	64	60	44	44
Denominator	Average balance of on-balance sheet retail customer funds	205,680	214,305	219,137	217,239	215,772
(b)	**Average cost rate of retail customer funds (%)**	**0.02**	**0.03**	**0.03**	**0.02**	**0.02**
	Customer spread (%) (a - b)	**2.27**	**2.22**	**2.20**	**2.19**	**2.13**

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).
- 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.

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Annualised quarterly interest income	6,939	7,276	6,971	7,038	6,761
Denominator	Average total assets for the quarter	393,767	406,725	407,283	407,407	398,813
(a)	**Average return rate on assets (%)**	**1.76**	**1.79**	**1.71**	**1.73**	**1.70**
Numerator	Annualised quarterly interest expenses	1,922	2,298	2,043	2,154	1,935
Denominator	Average total funds for the quarter	393,767	406,725	407,283	407,407	398,813
(b)	**Average cost of fund rate (%)**	**0.49**	**0.57**	**0.50**	**0.53**	**0.49**
	Balance sheet spread (%) (a - b)	**1.27**	**1.22**	**1.21**	**1.20**	**1.21**

c) ROE:

Explanation: profit attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon reported in shareholders 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.

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	**Adjusted profit attributable to the Group 12M**	1,720	1,195	1,359	1,572	**1,119**
Denominator	**Average shareholder equity + valuation adjustments 12M**	24,400	24,519	24,574	24,732	**24,831**
	ROE (%)	**7.1%**	**4.9%**	**5.5%**	**6.4%**	**4.5%**
	ROE (%) excluding Labour Agreement	**-**	**7.7%**	**8.3%**	**9.0%**	**7.1%**

d) ROTE:

Explanation: quotient between:

- profit attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon, registered in shareholder equity).
- 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.

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	**Adjusted profit attributable to the Group 12M**	1,720	1,195	1,359	1,572	**1,119**
Denominator	**Average shareholder equity + valuation adjustments excluding intangible assets 12M**	20,146	20,257	20,314	20,484	**20,587**
	ROTE (%)	**8.5%**	**5.9%**	**6.7%**	**7.7%**	**5.4%**
	ROTE (%) excluding Labour Agreement	**-**	**9.3%**	**10.0%**	**10.8%**	**8.5%**

e) ROA:

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

Purpose: measures the level of return relative to assets.

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Adjusted net profit 12M	1,743	1,210	1,365	1,575	1,120
Denominator	Average total assets 12M	387,900	393,278	398,069	403,842	405,070
	ROA (%)	0.4%	0.3%	0.3%	0.4%	0.3%
	ROA (%) excluding Labour Agreement	-	0.5%	0.5%	0.6%	0.4%

f) RORWA:

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

Purpose: measures the return based on risk-weighted assets.

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Adjusted net profit 12M	1,743	1,210	1,365	1,575	1,120
Denominator	Risk-weighted assets 12M	147,881	147,863	147,834	148,114	148,214
	RORWA (%)	1.2%	0.8%	0.9%	1.1%	0.8%
	RORWA (%) excluding Labour Agreement	-	1.3%	1.4%	1.5%	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.

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Administrative expenses + depreciation and amortisation 12M	4,710	5,732	5,756	5,750	5,734
Denominator	Gross income 12M	8,614	8,558	8,476	8,605	8,479
	Cost-to-income ratio	54.7%	67.0%	67.9%	66.8%	67.6%

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Administrative expenses + depreciation and amortisation stripping out extraordinary expenses 12M	4,689	4,738	4,765	4,771	4,755
Denominator	Gross income 12M	8,614	8,558	8,476	8,605	8,479
	Cost-to-income ratio stripping out extraordinary expenses	54.4%	55.4%	56.2%	55.4%	56.1%

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Administrative expenses + depreciation and amortisation stripping out extraordinary expenses 12M	4,689	4,738	4,765	4,771	4,755
Denominator	Core income[1] 12M	8,236	8,210	8,235	8,316	8,334
	Core cost-to-income ratio	56.9%	57.7%	57.9%	57.4%	57.0%

(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 of gross loans plus contingent liabilities, using management criteria.

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

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Allowances for insolvency risk 12M	81	53	335	376	**768**
Denominator	Average of gross loans + contingent liabilities 12M	238,364	239,771	241,593	243,143	**244,477**
	Cost of risk (%)	0.03%	0.02%	0.14%	0.15%	0.31%
	Cost of risk (%), excluding the release of provisions 3Q18	0.15%	0.14%	-	-	-

b) Non-performing loan ratio:

Explanation: quotient between:

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

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Non-performing loans and advances to customers + contingent liabilities	10,983	10,402	9,953	8,794	**8,957**
Denominator	Total gross loans to customers + contingent liabilities	241,234	246,555	244,319	244,262	**248,602**
	NPL ratio (%)	4.6%	4.2%	4.1%	3.6%	3.6%

c) Coverage ratio:

Explanation: quotient between:

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

Purpose: indicator used to monitor NPL coverage via provisions.

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	Provisions on loans and advances to customers + contingent liabilities	5,908	5,608	5,330	4,863	**5,218**
Denominator	Non-performing loans and advances to customers + contingent liabilities	10,983	10,402	9,953	8,794	**8,957**
	Coverage ratio (%)	54%	54%	54%	55%	58%

d) Real estate available for sale coverage ratio:

Explanation: quotient between:

- gross debt cancelled at the foreclosure or surrender of the real estate asset less the present net book value of the real estate asset.
- gross debt cancelled at the foreclosure or surrender of the real estate asset.

Purpose: reflects the coverage level via write-downs and accounting provisions on foreclosed real estate assets available for sale.

		1Q19	2Q19	3Q19	4Q19	1Q20
(a)	Gross debt cancelled at the foreclosure	1,339	1,420	1,499	1,576	1,597
(b)	Net book value of the foreclosed asset	813	863	914	958	961
Numerator	**Total coverage of the foreclosed asset (a - b)**	**526**	**557**	**585**	**618**	**636**
Denominator	**Gross debt cancelled at the foreclosure**	**1,339**	**1,420**	**1,499**	**1,576**	**1,597**
	Real estate available for sale coverage ratio (%)	**39%**	**39%**	**39%**	**39%**	**40%**

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

Explanation: quotient between:

- Accounting coverage: accounting provisions of the foreclosed assets.
- Book value of the foreclosed asset: sum of net carrying amount and the accounting provision.

Purpose: indicator of accounting provisions covering foreclosed real estate assets available for sale.

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	**Accounting provisions of the foreclosed assets**	**328**	**366**	**389**	**414**	**430**
(a)	Net book value of the foreclosed asset	813	863	914	958	961
(b)	Accounting provisions of the foreclosed assets	328	366	389	414	430
Denominator	**Gross book value of the foreclosed asset (a + b)**	**1,141**	**1,229**	**1,303**	**1,372**	**1,391**
	Real estate available for sale accounting coverage (%)	**29%**	**30%**	**30%**	**30%**	**31%**

3- Liquidity

a) Total Liquid Assets:

Explanation: sum of HQLAs (High Quality Liquid Assets within the meaning of Commission Delegated Regulation of 10 October 2014) plus the available balance under the facility with the European Central Bank (non-HQLA).

Purpose: shows the Bank's liquidity position.

		1Q19	2Q19	3Q19	4Q19	1Q20
(a)	**High Quality Liquid Assets (HQLAs)**	64,061	54,112	56,437	55,017	**73,624**
(b)	**Available balance under the ECB facility (non- HQLAs)**	21,957	33,462	33,005	34,410	**22,603**
	Total liquid assets (a + b)	**86,018**	**87,574**	**89,442**	**89,427**	**96,227**

b) Loan to deposits:

Explanation: quotient between:

- net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions).
- On-balance sheet customer funds.

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

		1Q19	2Q19	3Q19	4Q19	1Q20
Numerator	**Loans and advances to customers, net (a-b-c)**	**216,205**	**221,075**	**218,399**	**218,420**	**222,230**
(a)	Loans and advances to customers, gross	226,432	230,867	227,876	227,406	231,367
(b)	Provisions for insolvency risk	5,662	5,369	5,071	4,704	5,061
(c)	Brokered loans	4,565	4,423	4,406	4,282	4,076
Denominator	**On-balance sheet customer funds**	**211,295**	**220,764**	**218,717**	**218,532**	**221,092**
	Loan to Deposits (%)	**102%**	**100%**	**100%**	**100%**	**101%**

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 tangible: 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 distributable amount) 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.

MREL (Minimum Requirement for Eligible Liabilities): minimum requirement of shareholder equity and eligible liabilities with the capacity to absorb losses, in addition to the issues eligible for total capital; it includes Senior non-preferred debt, Senior preferred debt and other pari-passu liabilities, in accordance with the Single Resolution Board.

Subordinated MREL: comprises eligible issues for total capital and issues of Senior non-preferred debt.

(1) Figures adjusted to reflect the amount of the Additional Tier 1 coupon 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

Trading income. Includes the following line items:

- Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
- Gains/(losses) on financial assets not designated for trading 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

Administrative expenses, depreciation and amortisation. Includes the following line items:

- Administrative expenses
- Depreciation and amortisation

Pre-impairment income.

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

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

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss or 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 2020 € million	
Financial assets at amortised cost - Customers (Public Balance Sheet)	**225,738**
Reverse repurchase agreements (public and private sector)	(1,012)
Clearing houses	(1,193)
Other, non-retail, financial assets	(222)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss- Loans and advances (Public Balance Sheet)	**163**
Fixed income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Balance Sheet)	**2,433**
Fixed income bonds considered retail financing (Assets under the insurance business - Balance Sheet)	**399**
Provisions for insolvency risk	**5,061**
Loans and advances to customers (gross) using management criteria	**231,367**

Liabilities under the insurance business

March 2020 € million	
Liabilities under the insurance business (Public Balance Sheet)	**68,001**
Capital gains/(losses) under the insurance business (excluding unit link and other)	(11,448)
Liabilities under the insurance business, using management criteria	**56,553**

Customer funds

March 2020 € million	
Financial liabilities at amortised cost - Customer deposits (Public Balance Sheet)	**224,763**
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customer deposits)	**(3,910)**
Multi-issuer covered bonds and subordinated deposits	(2,703)
Counterparties and other	(1,207)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	**1,540**
Retail issues and other	1,540
Liabilities under insurance contracts, using management criteria	**56,553**
Total on-balance sheet customer funds	**278,946**
Assets under management	**92,343**
Other accounts[1]	**5,271**
Total customer funds	**376,560**

(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 2020 € million	
Financial liabilities at amortised cost - Debt securities issued (Public Balance Sheet)	**34,544**
Institutional financing not considered for the purpose of managing bank liquidity	**(3,737)**
Securitised bonds	(1,326)
Value adjustments	(988)
Retail	(1,540)
Issues acquired by companies within the group and other	117
Customer deposits for the purpose of managing bank liquidity[1]	**2,703**
Institutional financing for the purpose of managing bank liquidity	**33,510**

(1) A total of €2,670 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 2020 € million	
Non-current assets and disposal groups classified as held for sale (Public Balance Sheet)	**1,272**
Other non-foreclosed assets	(330)
Inventories under the heading - Other assets (Public Balance Sheet)	**19**
Foreclosed available for sale real estate assets	**961**
Tangible assets (Public Balance Sheet)	**7,301**
Tangible assets for own use	(5,003)
Other assets	(269)
Foreclosed rental real estate assets	**2,029**

Historical income statement figures for the CABK and BPI perimeters

a) Quarterly performance of the income statement and solvency ratios

	CABK				
€ million	**1Q20**	**4Q19**	**3Q19**	**2Q19**	**1Q19**
Net interest income	**1,093**	**1,124**	**1,135**	**1,141**	**1,139**
Dividend income	1	1		103	10
Share of profit/(loss) of entities accounted for using the equity method	48	72	125	91	99
Net fee and commission income	597	629	590	569	552
Trading income	(2)	14	20	213	42
Income and expense under insurance or reinsurance contracts	150	149	143	134	130
Other operating income and expense	(53)	(176)	(35)	(123)	(35)
Gross income	**1,834**	**1,813**	**1,978**	**2,128**	**1,937**
Recurring administrative expenses, depreciation and amortisation	(1,072)	(1,059)	(1,073)	(1,087)	(1,089)
Extraordinary expenses				(978)	
Pre-impairment income	**762**	**754**	**905**	**63**	**848**
Pre-impairment income stripping out extraordinary expenses	**762**	**754**	**905**	**1,041**	**848**
Allowances for insolvency risk	(528)	(221)	(109)	(97)	(146)
Other charges to provisions	(143)	(87)	(60)	(43)	(48)
Gains/(losses) on disposal of assets and others	(31)	(84)	(45)	(22)	(18)
Profit/(loss) before tax	**60**	**362**	**691**	**(99)**	**636**
Income tax expense	(2)	(75)	(172)	102	(164)
Profit/(loss) after tax	**58**	**287**	**519**	**3**	**472**
Profit/(loss) attributable to minority interest and others		1	2		
Profit/(loss) attributable to the Group	**58**	**286**	**517**	**3**	**472**
Risk-weighted assets	130,018	129,910	131,755	129,964	131,644
Common Equity Tier 1 (CET1)	*11.8%*	*11.8%*	*11.5%*	*11.3%*	*11.3%*
Total capital	*15.6%*	*15.6%*	*15.2%*	*15.4%*	*15.3%*

	BPI				
€ million	**1Q20**	**4Q19**	**3Q19**	**2Q19**	**1Q19**
Net interest income	**107**	**107**	**107**	**100**	**98**
Dividend income		1		48	
Share of profit/(loss) of entities accounted for using the equity method	8	9	10	11	8
Net fee and commission income	61	65	66	67	60
Trading income	(18)	(1)	4		6
Income and expense under insurance or reinsurance contracts					
Other operating income and expense	(9)	1		(18)	
Gross income	**149**	**182**	**187**	**208**	**172**
Recurring administrative expenses, depreciation and amortisation	(116)	(115)	(116)	(117)	(115)
Extraordinary expenses		(1)			
Pre-impairment income	**33**	**66**	**71**	**91**	**57**
Pre-impairment income stripping out extraordinary expenses	**33**	**67**	**71**	**91**	**57**
Allowances for insolvency risk	13	133	25	16	23
Other charges to provisions		3			
Gains/(losses) on disposal of assets and others		(1)	1		2
Profit/(loss) before tax	**46**	**201**	**97**	**107**	**82**
Income tax expense	(14)	(48)	30	(21)	(21)
Profit/(loss) after tax	**32**	**153**	**127**	**86**	**61**
Profit/(loss) attributable to minority interest and others					
Profit/(loss) attributable to the Group	**32**	**153**	**127**	**86**	**61**
Risk-weighted assets	17,803	17,970	17,577	17,367	17,248
Common Equity Tier 1 (CET1)	*13.7%*	*13.4%*	*12.7%*	*13.1%*	*13.5%*
Total capital	*16.9%*	*16.6%*	*15.9%*	*14.8%*	*15.2%*

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

CAIXABANK

€ million		1Q20 Average balance	1Q20 Income or expense	1Q20 Rate %	4Q19 Average balance	4Q19 Income or expense	4Q19 Rate %	3Q19 Average balance	3Q19 Income or expense	3Q19 Rate %	2Q19 Average balance	2Q19 Income or expense	2Q19 Rate %	1Q19 Average balance	1Q19 Income or expense	1Q19 Rate %
Financial Institutions		20,743	36	0.70	22,065	32	0.57	19,327	29	0.60	29,465	44	0.60	21,638	41	0.76
Loans and advances	(a)	192,759	1,052	2.20	193,221	1,098	2.25	194,270	1,106	2.26	192,144	1,097	2.29	190,052	1,091	2.33
Fixed-income securities portfolio		31,051	57	0.74	29,095	62	0.85	30,106	76	1.00	31,410	88	1.12	34,450	85	1.00
Other assets with returns		64,733	423	2.63	64,826	468	2.86	64,955	429	2.62	60,071	472	3.15	56,592	383	2.75
Other assets		60,709	4	-	69,921	1	-	70,700	4	-	65,653	4	-	63,787	3	-
Total average assets	**(b)**	**369,995**	**1,572**	**1.71**	**379,128**	**1,661**	**1.74**	**379,358**	**1,644**	**1.72**	**378,743**	**1,705**	**1.81**	**366,519**	**1,603**	**1.77**
Financial Institutions		28,433	(39)	0.55	27,374	(50)	0.73	26,142	(57)	0.86	38,949	(69)	071	38,977	(60)	0.63
Retail customer funds	(c)	192,869	(13)	0.03	194,650	(12)	0.03	196,676	(15)	0.03	192,238	(16)	0.03	184,227	(12)	0.03
Demand deposits		171,593	(8)	0.02	172,200	(7)	0.02	172,872	(9)	0.02	168,138	(11)	0.03	161,054	(9)	0.02
Maturity deposits		21,275	(5)	0.09	22,450	(5)	0.10	23,804	(6)	0.10	24,101	(5)	0.09	23,173	(3)	0.05
Time deposits		18,575	(4)	0.09	19,511	(5)	0.10	20,460	(6)	0.11	20,835	(5)	0.10	20,466	(3)	0.06
Retail repurchase agreements and marketable debt securities		2,701	(1)	0.07	2,939	-	-	3,344	-	-	3,265	-	-	2,707	-	-
Wholesale marketable debt securities & other		29,283	(56)	0.76	28,302	(56)	0.78	27,455	(60)	0.87	27,440	(59)	0.86	25,889	(57)	0.89
Subordinated liabilities		5,400	(18)	1.32	5,400	(18)	1.32	5,400	(19)	1.36	5,400	(19)	1.40	5,400	(18)	1.36
Other funds with cost		73,594	(343)	1.87	74,139	(390)	2.08	73,771	(347)	1.87	68,421	(390)	2.29	65,286	(307)	1.91
Other funds		40,416	(10)	-	49,263	(11)	-	49,914	(11)	-	46,295	(11)	-	46,740	(10)	-
Total average funds	**(d)**	**369,995**	**(479)**	**0.52**	**379,128**	**(537)**	**0.56**	**379,358**	**(509)**	**0.53**	**378,743**	**(564)**	**0.60**	**366,519**	**(464)**	**0.51**
Net interest income			**1,093**			**1,124**			**1,135**			**1,141**			**1,139**	
Customer spread (%)	**(a-c)**		**2.17**			**2.22**			**2.23**			**2.26**			**2.3**	
Balance sheet spread (%)	**(b-d)**		**1.19**			**1.18**			**1.19**			**1.21**			**1.26**	

BPI

€ million		1Q20 Average balance	1Q20 Income or expense	1Q20 Rate %	4Q19 Average balance	4Q19 Income or expense	4Q19 Rate %	3Q19 Average balance	3Q19 Income or expense	3Q19 Rate %	2Q19 Average balance	2Q19 Income or expense	2Q19 Rate %	1Q19 Average balance	1Q19 Income or expense	1Q19 Rate %
Financial Institutions		2,718	6	0.91	2,423	7	1.12	2,072	5	0.98	2,449	3	0.45	2,095	4	0.74
Loans and advances	(a)	21,696	96	1.78	21,286	99	1.84	21,044	101	1.91	20,889	99	1.89	20,854	97	1.89
Fixed-income securities portfolio		5,655	10	0.74	5,305	10	0.78	5,376	9	0.66	5,414	9	0.67	5,172	9	0.68
Other assets with returns				-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets		2,770	1	-	3,101	1	-	3,201	3	-	3,279	2	-	3,195	2	-
Total average assets	**(b)**	**32,839**	**113**	**1.38**	**32,115**	**117**	**1.44**	**31,693**	**118**	**1.47**	**32,031**	**113**	**1.41**	**31,316**	**112**	**1.45**
Financial Institutions		3,618		0.01	3,299	(1)	0.14	3,030	(1)	0.08	3,462	(1)	0.16	3,726	(2)	0.22
Retail customer funds	(c)	23,120	2	(0.03)	22,793	2	(0.03)	22,752	-	-	22,574	-	-	21,961	(1)	0.02
Demand deposits		14,810		-	14,390	-	-	14,246	-	-	13,994	-	-	13,258	-	-
Maturity deposits		8,310	2	(0.08)	8,403	2	(0.08)	8,506	-	(0.01)	8,580	-	-	8,703	(1)	0.05
Time deposits		8,310	2	(0.08)	8,403	2	(0.08)	8,506	-	(0.01)	8,580	-	-	8,703	(1)	0.05
Retail repurchase agreements and marketable debt securities				-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale marketable debt securities & other		1,132	(3)	0.99	1,057	(4)	1.54	1,098	(4)	1.47	1,254	(4)	1.41	845	(4)	2.04
Subordinated liabilities		300	(4)	5.48	300	(4)	5.47	300	(4)	5.63	300	(4)	5.59	300	(4)	5.55
Other funds with cost				-	-	-	-	-	-	-	-	-	-	-	-	-
Other funds		4,669	(1)	-	4,666	(3)	-	4,513	(2)	-	4,441	(4)	-	4,484	(3)	-
Total average funds	**(d)**	**32,839**	**(6)**	**0.06**	**32,115**	**(10)**	**0.11**	**31,693**	**(11)**	**0.13**	**32,031**	**(13)**	**0.16**	**31,316**	**(14)**	**0.18**
Net interest income			**107**			**107**			**107**			**100**			**98**	
Customer spread (%)	**(a-c)**		**1.81**			**1.87**			**1.91**			**1.89**			**1.87**	
Balance sheet spread (%)	**(b-d)**		**1.32**			**1.33**			**1.34**			**1.25**			**1.27**	

c) Quarterly change in fees and commissions

CAIXABANK

€ million	1Q20	4Q19	3Q19	2Q19	1Q19
Banking services, securities and other fees	341	361	342	327	317
Sale of insurance products	38	40	36	42	42
Mutual funds, managed accounts and SICAVs	130	134	129	121	118
Pension plans	56	62	54	54	51
Unit Link and other	32	32	29	25	24
Net fee and commission income	**597**	**629**	**590**	**569**	**552**

BPI

€ million	1Q20	4Q19	3Q19	2Q19	1Q19
Banking services, securities and other fees	37	40	38	40	35
Sale of insurance products	12	12	15	13	13
Mutual funds, managed accounts and SICAVs	8	9	9	9	9
Pension plans			1		
Unit Link and other	3	4	3	5	3
Net fee and commission income	**61**	**65**	**66**	**67**	**60**

d) Quarterly change in administrative expenses, depreciation and amortisation

€ million	CAIXABANK 1Q20	4Q19	3Q19	2Q19	1Q19
Gross income	**1,834**	**1,813**	**1,978**	**2,128**	**1,937**
Personnel expenses	(677)	(661)	(670)	(698)	(703)
General expenses	(273)	(273)	(276)	(273)	(275)
Depreciation and amortisation	(121)	(125)	(127)	(116)	(111)
Recurring administrative expenses, depreciation and amortisation	**(1,072)**	**(1,059)**	**(1,073)**	**(1,087)**	**(1,089)**
Extraordinary expenses				(978)	

€ million	BPI 1Q20	4Q19	3Q19	2Q19	1Q19
Gross income	**149**	**182**	**187**	**208**	**172**
Personnel expenses	(62)	(62)	(61)	(62)	(61)
General expenses	(36)	(36)	(38)	(39)	(37)
Depreciation and amortisation	(19)	(17)	(17)	(16)	(17)
Recurring administrative expenses, depreciation and amortisation	**(116)**	**(115)**	**(116)**	**(117)**	**(115)**
Extraordinary expenses		(1)			

e) Changes in the NPL ratio

	CAIXABANK		BPI	
	Mar. 31, 2020	**Dec. 31, 2019**	**Mar. 31, 2020**	**Dec. 31, 2019**
Loans to individuals	**4.7%**	**4.5%**	**3.0%**	**3.1%**
Home purchases	3.5%	3.5%	2.9%	3.0%
Other	7.2%	6.9%	4.2%	4.0%
Loans to business	**3.2%**	**3.3%**	**3.2%**	**2.9%**
Corporates and SMEs	2.9%	2.9%	2.8%	2.5%
Real estate developers	7.4%	7.5%	20.0%	19.8%
Public sector	**0.3%**	**0.4%**		
NPL Ratio (loans and contingent liabilities)	**3.7%**	**3.7%**	**3.0%**	**3.0%**

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, 2020	Dec. 31, 2019	Change	Change %
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	**109,631**	**111,164**	**(1,533)**	**(1.4)**
Home purchases	76,132	77,104	(972)	(1.3)
Other	33,499	34,060	(561)	(1.6)
of which: Consumer lending	13,468	13,348	120	0.9
Loans to business	**84,152**	**81,453**	**2,699**	**3.3**
Corporates and SMEs	78,341	75,595	2,746	3.6
Real estate developers	5,811	5,858	(47)	(0.8)
Public sector	**12,562**	**9,968**	**2,594**	**26.0**
Loans and advances to customers, gross	**206,345**	**202,585**	**3,760**	**1.9**
CUSTOMER FUNDS				
Customer funds	197,381	195,723	1,658	0.8
Demand deposits	177,432	175,077	2,355	1.3
Time deposits	19,949	20,646	(697)	(3.4)
Insurance contract liabilities	52,183	52,891	(708)	(1.3)
of which: Unit Link and other	8,520	9,599	(1,079)	(11.2)
Reverse repurchase agreements and other	1,285	1,278	7	0.5
On-balance sheet funds	**250,849**	**249,892**	**957**	**0.4**
Mutual funds, managed accounts and SICAVs	56,495	63,189	(6,694)	(10.6)
Pension plans	28,246	30,637	(2,391)	(7.8)
Assets under management	**84,741**	**93,826**	**(9,085)**	**(9.7)**
Other accounts	**3,812**	**3,129**	**683**	**21.8**
Total customer funds	**339,402**	**346,847**	**(7,445)**	**(2.1)**

Portugal

€ million	Mar. 31, 2020	Dec. 31, 2019	Change	Change %
LOANS AND ADVANCES TO CUSTOMERS				
Loans to individuals	**13,298**	**13,170**	**128**	**1.0**
Home purchases	11,511	11,371	140	1.2
Other	1,787	1,799	(12)	(0.7)
of which: Consumer lending	1,409	1,380	29	2.1
Loans to business	**9,967**	**9,855**	**112**	**1.1**
Corporates and SMEs	9,763	9,650	113	1.2
Real estate developers	204	205	(1)	(0.6)
Public sector	**1,758**	**1,796**	**(38)**	**(2.1)**
Loans and advances to customers, gross	**25,022**	**24,821**	**201**	**0.8**
CUSTOMER FUNDS				
Customer funds	23,711	22,809	902	4.0
Demand deposits	15,472	14,475	997	6.9
Time deposits	8,239	8,334	(95)	(1.1)
Insurance contract liabilities	4,370	4,555	(185)	(4.1)
of which: Unit Link and other	2,524	2,650	(126)	(4.8)
Reverse repurchase agreements and other	16	16		-
On-balance sheet funds	**28,097**	**27,380**	**717**	**2.6**
Mutual funds, managed accounts and SICAVs	4,735	5,395	(660)	(12.2)
Pension plans	2,867	3,095	(228)	(7.4)
Assets under management	**7,602**	**8,490**	**(888)**	**(10.5)**
Other accounts	**1,459**	**1,569**	**(110)**	**(7.0)**
Total customer funds	**37,158**	**37,439**	**(281)**	**(0.8)**

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